

## **Leeds Langley Relief Road**

**Responding to LPR 1**

## Document Control Sheet

**Project Name:** Leeds Langley Relief Road

**Project Ref:** 332410501

**Report Title:** Review of Emerging Evidence

**Doc Ref:**

**Date:** September 2021

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### Viability Testing

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# 1 Introduction

## 1.1 Background

- 1.1.1 The Leeds Langley bypass has a long history - reflecting a desire to address poor connectivity in the South-East of the Borough and particularly the B2163.
- 1.1.2 The M20 was finally completed in the early 1990s and provided a new high quality Motorway route linking London to the Dover Ports and the Channel Tunnel. In Maidstone the considerably older B2163 provides local access to J8 of the Motorway running through the villages of Langley (Heath) and Leeds avoiding Maidstone. But the road was never designed to fill this function – it is poorly engineered for the volume of traffic, runs through conservation areas, past listed buildings and close to Leeds castle.
- 1.1.3 The history of the road is summarised in the 2017 Local Plan Inspectors Report. In the report the Inspector sets out how the proposal was included in the 2000 Local Plan (policy T18) but had struggled to attract funding. When introducing the route in their report the Inspector notes that:

*“The County Council again wishes to develop a case for constructing a new road between the A274 and the A20 which would by-pass the villages of Leeds and Langley and provide relief to existing roads (including Willington Street and the B2163) with potential environmental benefits as well as reduced congestion in those roads”*

- 1.1.4 The Inspector went on to discuss the ongoing challenges delivering the scheme; noting that the Borough Council was generally supportive but delivery of the scheme rested with the County Council. The Inspector also noted that attempts had been made to fund the scheme via housing development, but this had been unsuccessful.
- 1.1.5 The 2017 Local Plan did not formally re-allocate the route in a policy – so unlike policy T18 in the 2000 Plan. But policy LPR1 of the adopted local plan requires a ‘reconsideration’ of the business case for the delivery of the Leeds Langley Relief Road as part of a plan review:

*“Whether the case for a Leeds-Langley Relief Road is made, how it could be funded and whether additional development would be associated with the road;”*

## 1.2 The Emerging Development Plan

- 1.2.1 The Council is currently working to review the Plan, in line with policy LPR1. In the draft version of the next local plan (Regulation 18b) the Council has proposed an indicative ‘area of search’ (safeguarded area) along a possible Leeds Langley route (SP5(a)).
- 1.2.2 Part of the rationale for an area of search is that in response to the Local Plan Review, Call for Sites Exercise (2019), when a number of landowners in the area submitted proposals as part of the Garden Community Prospectus. However, as part of the two stage assessment process which followed, it was agreed that it was unlikely that the necessary discussions around infrastructure would be completed in time for this Local Plan Review – and hence the safeguarded area was included.
- 1.2.3 The landowners explained that part of the challenge in this area was that without a formal agreement from the Highway Authority in relation to road infrastructure the landowners lacked the motivation to form any coherent strategy – and/or to invest the considerable sums in undertaking the technical work to demonstrate the Leeds Langley route can be delivered. The landowners were thus caught in a chicken and egg scenario.
- 1.2.4 The (draft) area of search is one way to try and encourage a coherent and positively planned future for this part of the Borough. The area of search does not formally allocate the route – or any enabling development – but provides the policy framework for all interested parties to

work towards. The preferred approaches consultation states that further work will be undertaken, between Regulation 18 and 19.

- 1.2.5 Kent County Council has confirmed to Maidstone Borough Council that whilst it is not currently proposing to promote a route in this location itself, should Maidstone require a route in order to support new development in the area, it would be willing to work with them to establish a funding package and to lend it's compulsory purchase powers in the correct circumstances.

## 2 Emerging Business Case

### 2.1 Introduction

- 2.1.1 The objective of this section is to review available information that would demonstrate that a viable business case can be developed to support funding bids for a Leeds – Langley bypass.
- 2.1.2 It is important to note that in this section we test the route as a bypass – a route that does not directly support or enable housing or economic development. So broadly as promoted in 1997. No form of cross subsidy is available from housing to deliver the route.
- 2.1.3 Business cases are developed in line with Treasury’s advice on evidence-based decision making set out in the Green Book and use its best practice five case model approach. The approach has been to consider available information and understanding of the requirements for a Leeds – Langley Bypass against the requirements of a business case guidance<sup>1</sup> developed to meet the Department for Transport’s (DfT) five case model approach. Other Government departments such as Ministry of Housing and Local Government produce similar guidance.
- 2.1.4 The five cases are:
- The Strategic Case – to demonstrate that the scheme is supported by a robust **case for change** that fits with wider policy objectives;
  - The Economic Case – to demonstrate that the schemes offers **value for money**;
  - The Financial Case – to demonstrate that the scheme is **financially affordable**;
  - The Commercial Case – to demonstrate that the scheme is **commercially viable**;
  - The Management Case - to demonstrate that the scheme is **achievable**.
- 2.1.5 It should be noted that our work has focussed on the Strategic and Economic cases as these are crucial to establishing the need for the scheme and that the scheme offers value for money respectively.
- 2.1.6 It is also worth noting that the decision-making generally takes place in three phases, with the business case being updated through the phases comprising:
- Phase One – Strategic Outline Business Case (SOBC): - this sets out the need for intervention (the case for change) and secures initial approval to proceed.
  - Phase Two – Outline Business Case (OBC): - building on Phase One and concentrates on detailed assessment of the options to find the best solution/preferred option, with full economic and financial appraisals taking place in this Phase.
  - Phase Three – Full Business Case (FBC): - building on the OBC culminating in the Full Business Case with ministers deciding whether the proposal should proceed to implementation.
- 2.1.7 It is usually the case that the business case for a given scheme goes through each of these phases culminating in an ‘Investment Decision point’ at the end of each phase where ministers decide whether the project will move onto the next phase and ultimately whether a proposal should proceed to implementation following success at FBC. Therefore, it is usual for a

<sup>1</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/918399/dft-transport-business-case.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/918399/dft-transport-business-case.pdf)

business case to be developed over a period of time (years even) as it goes through and is updated through the three phases. It may be possible for to skip the SOBC and move straight to OBC if it can be demonstrated that enough work has been undertaken to satisfy the requirements of the SOBC, although this would be subject to the agreement with the LEP or DfT, if funded as a DfT retained scheme.

2.1.8 The expectation in the guidance is that the Strategic Case should be largely completed at the SOBC phase and is subsequently updated at the OBC and FBC phases. This underlines the importance of the Strategic Case to demonstrate the case for change early in the business case development process. Similarly, for the Economic Case, the guidance expects elements pertaining to options appraised in particular, to be completed at the SOBC phase with the other cases being at a lower level of detail of development. It is therefore evident that there is a need to start demonstrating a strong case for change (Strategic Case) for the Leeds – Langley bypass scheme, with the optioneering elements of the Economic also expected to be advanced or complete. It is against this overarching framework that the early stages of a business case have been considered.

2.1.9 It is noted that other funding sources are also being explored whose requirements may not necessarily be in the mould of the five-case model. However, in most cases, information gathered following the five-case model, could be adapted to support other funding sources. The terms of reference of the commission for the early stages of a Business Case consist of three tasks as follows:

- i. Inform the early stages of the development of the Strategic Case
- ii. Advise on the early stages of the Economic Case
- iii. Advise on potential and typical funding sources

## **2.2 Advice on the Early Stages of Strategic Case**

2.2.1 The purpose of the Strategic Case is to set out the case for change. It determines whether or not an investment is needed, either now or in future. The DfT guidance on the Transport Business Case provides guidance on specific sub-headers or issues that should be included within the Strategic Case. While there is flexibility in setting out the information in the Strategic Case, it is advisable/prudent to ensure that information is provided that informs these issues. The issues are now considered in turn.

2.2.2 Addressing the requirements of the Strategic Case as per the DfT guidance, is likely to be sufficient to cover the Strategic Case requirements of other funding sources such as through the DCLG/HIF although it will be necessary to tailor any potential bid to the specific funding source when the business case is eventually developed at the appropriate time. The minimum requirements for each issue at a given Phase of the business case are classified into four levels:

- Outlined – initial findings (are presented)
- Completed – a full assessment (is presented)
- Updated – past information is verified and new information incorporated
- Blank/No colour – indicates ‘optional’ where evidence should be provided if relevant

2.2.3 The issues required in the Strategic Case are now outlined/listed together with the level of completion expected as a minimum at the SOBC phase.

- i) Business Strategy – Completed at SOBC
- ii) Problem identified – Completed at SOBC



- iii) Impact of not changing – Completed at SOBC
- iv) Internal drivers for change – Blank/Optional
- v) External drivers for change – Blank/Optional
- vi) Objectives – Completed at SOBC
- vii) Measures of success – Completed at SOBC
- viii) Scope – Completed at SOBC
- ix) Constraints – Outlined at SOBC
- x) Inter-dependencies – Outlined at SOBC
- xi) Stakeholders – Outlined at SOBC
- xii) Options – Outlined at SOBC

### Objectives

- 2.2.4 In the case of the LLRR, this has traditionally been promoted as scheme to relieve local congestion on the B2163 through the villages of Langley Heath and Leeds. It is considered that relieving the B2163 would improve businesses and stimulate the local economy. We understand that this benefit can be supported by robust modelling work.
- 2.2.5 The route may provide some benefit to relieve roads in South East Maidstone but any benefit is unlikely to be strategic given the existing route network and the scale of relief the road may deliver. Assisting South East Maidstone is still an objective of the scheme but one that would struggle to develop into a strategic case.

### Fit with Local, Regional and National Policy

- 2.2.6 It is understood that the scheme is not in the Adopted Local Plan. However, as previously noted, the history of the road is summarised in the 2017 Local Plan Inspectors Report. In the report the Inspector sets out how the proposal was included in the 2000 Local Plan (policy T18) but had struggled to attract funding.
- 2.2.7 The 2017 Local Plan did not formally re-allocate the route in a policy – so unlike policy T18 in the 2000 Plan. But policy LPR1 of the adopted local plans requires a ‘reconsideration’ of the business case for the delivery of the Leeds Langley Relief Road as part of a plan review:

“Whether the case for a Leeds-Langley Relief Road is made, how it could be funded and whether additional development would be associated with the road;”.

### The Strategic Case Supplementary Guidance

- 2.2.8 In July 2017, the government published its Transport Investment Strategy (TIS) which sets out its objectives and priorities for investment. It includes propositions that will guide future decision-making and provides a guide for those seeking investment. These priorities and principles need to be taken into account systematically and consistently in the development of scheme proposals and design, including in business cases. The four priorities are:
  - (i) Create a transport network that works for users, wherever they live
  - (ii) Improve productivity and rebalance growth across the UK

- (iii) Enhance our global competitiveness by making Britain a more attractive place to invest
  - (iv) Support the creation of new housing
- 2.2.9 As a bypass route the scheme would struggle to address these priorities – especially when considered alongside potentially competing schemes elsewhere that can directly address these priorities.
- 2.2.10 In the context of this area it is unlikely that the scheme would assist with ‘rebalancing growth across the UK’ and would not ‘enhance our global competitiveness’ – the route does not unlock land that could be developed to assist with global competitiveness.
- 2.2.11 Also – as originally scoped the scheme cannot demonstrate that it would unlock new housing. The route, as specified as a bypass, does not service or facilitate housing growth.
- 2.2.12 The absence of this fourth housing criteria is a significant weakness in a highly competitive funding arena. The guidance notes that ‘the housing market in the UK is not delivering the homes that people need’ and delivering housing is one of the Governments most important objectives. The Planning System is being required to plan and deliver 300,000 homes per annum.

#### Summary on early stages of the Strategic Case

- 2.2.13 A Leeds Langley relief road has traditionally been considered as a scheme to provide relief to the B2163 through the villages of Leeds and Langley Heath.
- 2.2.14 There is demonstrable need for a Leeds – Langley Relief Road but its impacts are localised. The scheme would struggle to attract funding given its narrow focus and ability to only provide localised relief.
- 2.2.15 Also; the strategic case for the scheme as relief road implies that the strategic case is deemed narrow in its focus given the wider debate on climate change and the need to cut carbon emissions and encourage sustainable modes of travel.
- 2.2.16 The most obvious way to strengthen the case is to develop the route in such a way that it can appeal to the supplementary criteria and particularly to deliver or enable housing.
- 2.2.17 The Strategic Case may therefore benefit from exploring the potential of the scheme as an enabler for future development in the area. This would also open up the possibility of the scheme being considered for potential funding through development associated funds that may arise in future such as the Housing Infrastructure Fund (HIF) and potentially through contributions from developers.
- 2.2.18 A business case developed on these lines would need to demonstrate how much of the proposed development could be accommodated without depending on the LLRR (deadweight) in line with DfT TAG Guidance in TAG Unit A2.2 (Appraisal of Induced Investment Impacts). This TAG unit provides detailed guidance on estimating the amount of non-dependent development through undertaking dependency tests. It is part of wider TAG guidance documents that give advice on the appraisal of the wider impacts, regeneration impacts, and dependent development impacts, of transport interventions.
- 2.2.19 Development not dependent on the scheme would be considered as part of the appraisal of scheme as a transport scheme, i.e. to estimate the benefits arising from the scheme simply as a transport scheme.
- 2.2.20 Any development above this would be considered as dependent on the scheme. This development would be associated with Land Value Uplift benefits (LVU) that would go towards informing the Economic Case. LVU benefits apply to both residential and commercial development and tend to be substantial in magnitude.

- 2.2.21 Trips associated with the dependent development impose additional costs on travellers already on the network. These are known as Transport External Costs (TEC) and include additional delays imposed on other travellers by scheme dependent development trips. These TEC are offset against the LVU benefits. It is usually the case that the LVU benefits exceed the TEC and hence there is net positive benefits as a result that goes towards providing a robust value for money category and hence a more robust business case. Even where a transport scheme may not demonstrate high value for money on its own, the LVU benefits net of TEC, tend to provide enough switching value benefits to switch a scheme's VfM to at least a High VfM category.

### Next Steps on the Strategic Case

- 2.2.22 At this stage the Strategic Case is not fully developed and therefore further work will be required to demonstrate what the problems and issues are, that need resolving, setting clear SMART objectives and to build a strong case for change by developing the information in the strategic case pertaining to the specific issues required to inform the Strategic Case in accordance with any appropriate guidance as listed in Section 2.2. In particular, it will be necessary to:
- Clearly articulate the problem identified and the evidence base underpinning this and also articulate the impact of not changing.
  - Clearly articulate the objectives of the scheme by establishing specific, measurable, achievable, realistic and time – bound objectives that will solve the problem identified and that the objectives align with the county and borough's strategic aims.
  - A comprehensive consideration of multi-modal options culminating in the selection of the bypass as the preferred solution to address the problems and issues.
  - A consideration of the main stakeholders and their contribution to the project.

## 2.3 Advice on the Early Stages of the Economic Case

- 2.3.1 The economic case determines if the scheme is a viable investment and provides good value for money.
- 2.3.2 The Economic Case guidance considers the following issues
- i) Introduction – Completed at SOBC
  - ii) Options appraised – Completed at SOBC
  - iii) Assumptions – Completed at SOBC
  - iv) Sensitivity and Risk Profile – Blank/Optional at SOBC, Completed at OBC and Updated at FBC
  - v) Appraisal Summary Table – Outlined at SOBC
  - vi) Value for Money Statement – Outlined at SOBC
- 2.3.3 The early stages of the Economic Case in this section has mainly been informed by transport modelling work undertaken for Kent County Council to inform the development plan.
- 2.3.4 These documents have been used in the context of understanding the scheme benefits that have been assessed and hence the potential of the scheme to offer value for money. It has not been the case to offer an audit or critique of the emerging work note nor the suitability of the models to inform the economic assessment.

2.3.5 The benefits that were quantified are:

- Changes in travel time
- Changes in vehicle operating costs (VOC)
- Changes in indirect tax revenues
- Accident impacts

#### **Value for Money (VfM) category**

2.3.6 The DfT Value for Money Framework (Moving Britain Ahead)<sup>23</sup>, provides the following BCR bands

- poor VfM if the BCR is less than 1.0
- low VfM if the BCR is between 1.0 and 1.5
- medium VfM if the BCR is between 1.5 and 2.0
- high VfM if the BCR is between 2.0 and 4.0
- very high VfM if the BCR is greater than 4.0.

2.3.7 From our review of the data available, based on DfT guidance, and depending on the final route alignment we consider that a High or Very High value for money case can be made for a bypass route. But at this stage, with the limited data available this would need further work to confirm.

#### **Conclusions about the Economic Case and VfM**

2.3.8 As a route, with the objective to relieve the B2163, a bypass is likely to achieve high or very value for money. Further work is needed but the route would appear to meet its objectives, as defined.

2.3.9 However; it remains a locally scoped scheme that only delivers local beliefs and even with a high VFM the scheme would struggle to attract external funding given its limited and localised objectives.

## **2.4 Suggested Way forward to include Land Value Uplift**

2.4.1 As has already been noted, the scheme would potentially benefit if it were also promoted as an enabler of development in the area. This would both bolster the strategic case and hence the case for change for delivering the scheme and also make it possible to partially fund the scheme through developer contributions from any dependent housing development.

2.4.2 This approach would draw more from DfT's Value for Money Framework which gives consideration to wider economic impacts.

2.4.3 In conclusion, while the VfM analysis indicates that a Leeds-Langley bypass may be viable in cost benefit analysis terms, there is concern that the impacts of the scheme are localised. The strategic case for such a scheme may be hard to justify and the scheme would struggle to attract funding without a wider remit such as the potential to unlock development.

<sup>2</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/918479/value-for-money-framework.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/918479/value-for-money-framework.pdf)

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/918481/value-for-money-supplementary-guidance-on-categories.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/918481/value-for-money-supplementary-guidance-on-categories.pdf)

- 2.4.4 Ultimately, it is considered that the scheme would therefore potentially benefit if it were to be also promoted as an enabler of development in the area. This would both bolster the strategic case and hence the case for change for delivering the scheme and also make it possible to potentially partially fund the scheme through developer contributions from any dependent housing development.

## 2.5 Consideration of Funding Sources

- 2.5.1 Funding for major schemes such as a potential Leeds – Langley Bypass may be expected to come from a number of sources, including developer contributions and government grants. It is important to note that almost any possible source would consider an investment that enables housing or economic growth, in addition to a transport benefit, would be viewed more favourably. Potential funds that could be explored include:

### Local Growth Fund (LGF)

- 2.5.2 Government funding for major infrastructure projects is typically devolved to the Local Enterprise Partnerships (LEP). In the case of Maidstone Borough Council, this is the South East Local Enterprise Partnership (SELEP) which covers the local authority areas of East Sussex, Essex, Kent, Medway, Southend and Thurrock.
- 2.5.3 The majority of local transport improvement schemes are funded through the Local Growth Fund. Funding is awarded by DfT to Local Enterprise Partnerships (LEPs) to invest in infrastructure to promote local growth. There is bidding process where scheme promoters bid for funding from the LEP through the submission of a business case. Some schemes funded in this way are DfT retained schemes which means that DfT is directly involved in the review of the business case instead of just using the LEP's appointed Independent Transport Examiner (ITE).

### Section 106 agreements/Community Infrastructure Levy (CIL)

- 2.5.4 Section 106 planning agreements with property scheme developers can, be an important way to finance new road infrastructure in order to accommodate new development. Such contributions tend to be a relatively small proportion of total road investment since any contribution has to be proportionate with the size of the development. In many areas Section 106 agreements for funding have been replaced by Community Infrastructure Levy charges.

### Specific National Initiatives

- 2.5.5 There are cases when government departments have invited bids for specific national initiatives. This includes for example the Department for Communities and Local Government's (DCLG) Housing Infrastructure Fund (HIF).
- 2.5.6 It is considered that in the case of Leeds – Langley Bypass, a combination of funding mechanisms will be required given the significant cost of the scheme. It is considered that the opportunities for funding may be limited if the scheme were to be promoted solely as a local relief scheme. Promoting the scheme, also an enabler of development, will open the possibility of developers to contribute towards the cost of the scheme. This approach would also make it possible to bid for 'HIF' type funding pots as they arise. Therefore, it is considered that the potential funding for the scheme could involve a combination of:
- LGF funding
  - Section 106/CIL
  - Specific National Initiatives that may arise in future as funding pots in the mould of HIF. This means that the council should be prepared to respond quickly to such opportunities as they arise

## 3 Development Potential

### 3.1 Introduction

- 3.1.1 A critical question flowing from our earlier analysis is that the route; while a sensible (car led) transport solution with a good value for money case, will struggle to develop a strong business case for external funding. As the analysis above has shown, the limited funding for new road schemes has moved towards recognising wider benefits and especially housing.
- 3.1.2 In the current political and policy climate the delivery of housing is perhaps the main priority. Schemes that unlock new homes are viewed more favourably than those that do not and, pragmatically, new homes are expected to make a contribution to new infrastructure so making public funds stretch further.
- 3.1.3 So it is sensible to scope how much development capacity could be released by the new route.

### 3.2 Which route alignment to test?

- 3.2.1 At this stage there is no promoted route alignment within the area of search. So for testing purposes Stantec has costed an indicative route.
- 3.2.2 The Stantec alignment runs west of Langley Heath Village because any alignment east of the village would directly conflict with the ancient woodland immediately east of the Village. We have also included costs to bridge the Mill Pond in the north of the area of search. This is a cautious approach because alternative routes (to the east of the pond and using the existing road) are available but are obviously closer to Leeds Castle.
- 3.2.3 Also, to address a possible weakness in a simple bypass scenario, we have allowed for a separated cycle and pedestrian route along the length of the road. This is to respond the business case weakness identified above - relating to climate change and facilitating different modes of travel.
- 3.2.4 As a route to facilitate development – in addition to providing a relief road – we have assumed that the southern (around Langley Heath) and northern (south of the A20 and around the Mill Pond) sections serve a dual purpose – both to facilitate development along the route as well as meet the objective to deliver a local bypass. If developed this approach could deliver significant costs savings to an overall scheme because any major housing development would also require a similar distributor road – including purchasing the land.
- 3.2.5 For testing purposes Stantec has costed an indicative route at around £57m which includes a 30% contingency allowance but does not include land costs or any other non-construction costs<sup>4</sup>.

### 3.3 Estimating capacity

- 3.3.1 In this simple assessment we assume that no homes can be delivered in the 'area of search' without a new route.
- 3.3.2 In reality it is likely that some development is always possible, and the lack of the road is unlikely to be absolutely show stopping. But without the route development is likely to be limited to a local, non strategic scale.

<sup>4</sup> Care is needed if any comparisons are made with other schemes because these costs may/may not be included.

- 3.3.3 We also recognise that development may be possible in the north of the area of search without the road where the case could be made that the development does not rely on the B2163.
- 3.3.4 In this section we explore the route in three broad areas. Firstly the area around Langley Heath, then the middle of the route and then the northern area. We also briefly discuss options remote from the route alignment.

### ***Southern Area (Langley Village)***

- 3.3.5 The south of the route is focused on the village of Langley (Heath). The land west and north of the village is generally free of major constraints although we note a local landscape designation west of Sutton Road. To the East of the Village is Abbey Wood – a scheduled ancient woodland and the main rationale for a possible alignment west of the village.

### **The garden community submission**

- 3.3.6 In 2019 a number of landowners submitted a joint submission to grow the village – with a suggestion that this could help fund ‘phase 1’ of a bypass.
- 3.3.7 For the Council, a solution for ‘phase 1’ was not overly helpful and there were also concerns that the grouping of landowners had not been formalised into a development consortium. But the Council recognised the ‘chicken and egg’ scenario noted in the introduction to this paper and the ‘area of search’ is intended to help support landowners develop a coherent and comprehensive scheme.
- 3.3.8 The Garden Community proposal here was for between 2,000 and 2,500 homes wrapping around the existing village and using part of the new road as a spine road running through the development.
- 3.3.9 As noted, there does not appear to be any showstopping issues in this broad area but we would query the extent of development proposed in the current (non designated) village gap towards Leeds and the impact this may have on the cluster of heritage assets and conservation areas nearby. Although the southern part of Leeds village is not as sensitive as the northern the proposal contributes to an urban ribbon extending along both the new and old roads.
- 3.3.10 While we don’t ‘endorse’ the promoted scheme it would appear reasonable to assume that there is development capacity, land free of strategic constraints, to deliver 100ha of developable housing land and around 2,000 homes in the Langley Heath area.

### ***Middle Area (Leeds Village)***

- 3.3.11 Part of the longstanding logic of the route is to provide a bypass for the historic Leeds village, its conservation area and cluster of listed buildings.
- 3.3.12 As part of the Garden Communities submissions no significant, strategic scale development was promoted for Leeds village. But the submissions suggested development in very close proximity to Leeds Village – separated by a landscape buffer. This may be difficult to justify even with a landscape buffer between the ‘old’ village and new development.
- 3.3.13 Also as presented, the extent of the northern garden community extending southwards – coupled with the extent of the Langley Heath extension northwards would result in a route almost entirely surrounded by development with only a very short break between the two development parcels.
- 3.3.14 While we cannot undertake a full planning appraisal in this work; the historic constraint of the village would not make it a likely candidate for significant growth – even if this was promoted.



- 3.3.15 A smaller number of development parcels around the village have been promoted over time – these would benefit from the bypass – but we do not assume any capacity comes forward here that can make a meaningful contribution to the costs of the road. As noted above we have assumed the route here is a ‘bypass’ and does not facilitate development.

### ***Northern Area (A20)***

- 3.3.16 A number of promoters suggest that land in the northern part of the area of search could assist with delivery of the bypass. Although land at the north has the A20/M20 nearby the bypass provides a much improved route southwards.
- 3.3.17 The fullest extent of the Garden Community submission was promoted for around 3,500 homes in the northern area. For reasons noted above we don't consider that the full extent of the land promoted is preferable to develop – the gap between the villages is significantly eroded and development comes very close to Leeds village. The proposal also suggests development close to Leeds Castle – although we would expect the promoters would recognise the sensitivity here and respond accordingly.
- 3.3.18 Although we conclude the land is broadly unconstrained we recognise that the area is a local landscape protection area close to the AONB. Neither are absolutely showstopping and the local designation is a matter for the Council to consider. Developing this area requires land around the Mill Pond which may be especially sensitive and there are parcels of ancient woodland.
- 3.3.19 For testing purposes we have assumed 100ha of developable land in the area for housing (south of the A20). This land is broadly unconstrained providing the nearby heritage assets can be protected and for this work we have assumed a larger separation between the Castle and village than promoted.

### ***Remote (to the route) options***

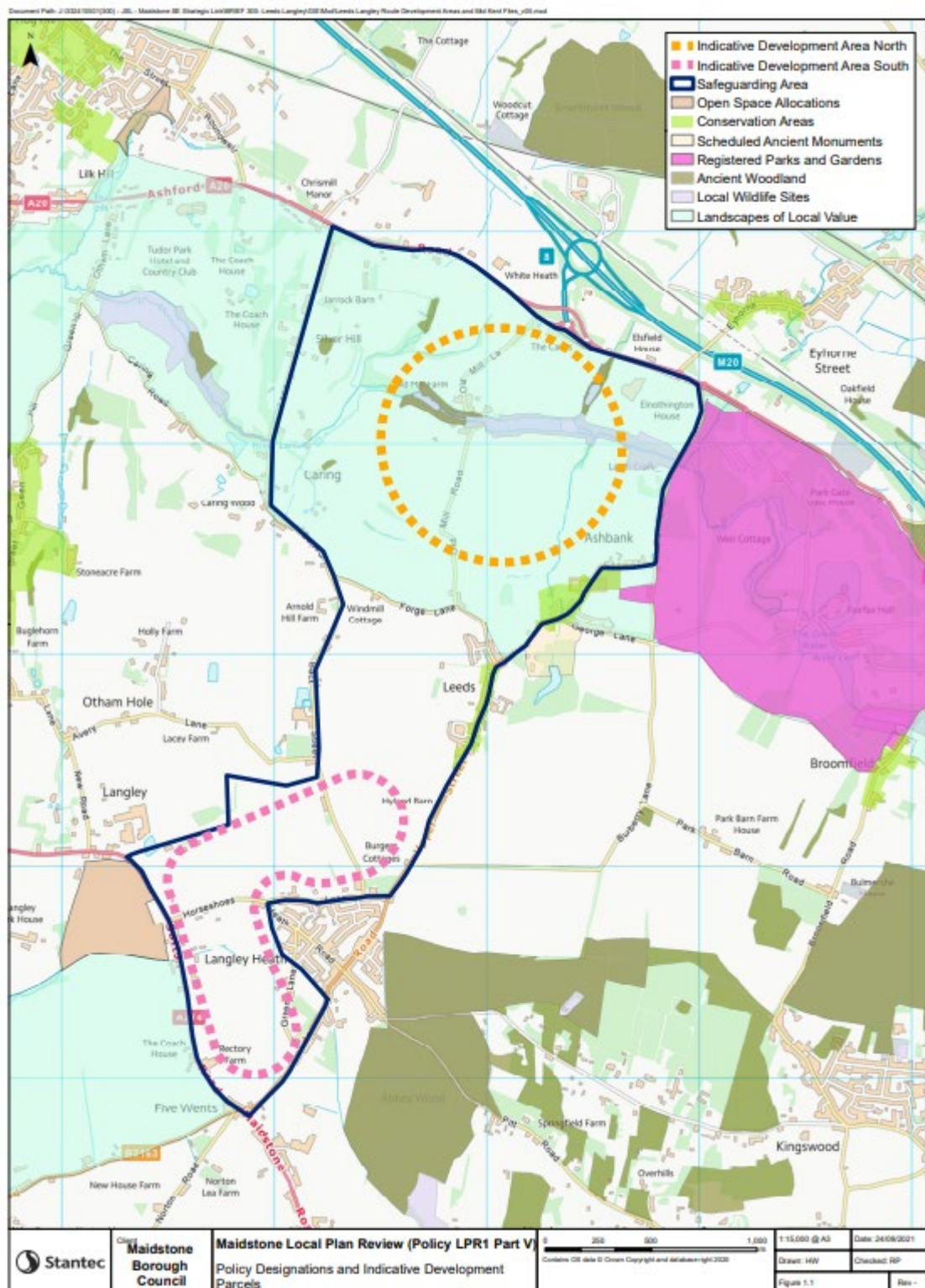
- 3.3.20 The options above follow the broad route alignment and highlight land where the route could directly unlock strategic scale development.
- 3.3.21 We cannot discount land being assembled away from the route alignment that is also enabled by the new road and so could make a positive contribution to the cost of the scheme.
- 3.3.22 We do not consider these ‘remote’ options because they are not directly related to the area of search being testing. But, were the Council to consider development east or west of the alignment it would reasonable to consider a contribution where the route allows/facilitates more development than would otherwise be the case.

## **3.4 Summary of scenarios for testing and viability**

- 3.4.1 For simplicity we have discussed area of search in three sections.
- 3.4.2 In the South; a new road could facilitate around 100ha of development land with a similar quantum in the North. At the northern and southern ends the route could form part of the local distributor road required to service sizable housing allocations leaving only the middle section as a true bypass.
- 3.4.3 The map below illustrates the scale of land at either end of the safeguarded area. This is provided simply to illustrate the scale of land tested. It should not be taken as a ‘red line’ or to define the extent of land we consider is developable. Much more detailed further work would be required but this would not be proportionate to the critical question regarding the safeguarding of the route and LPR 1.



Figure 3.1 – Safeguarding Area illustrating the scale of two 100ha development parcels



- 3.4.4 To demonstrate whether this scale of development is sufficient to deliver the costed road the Councils viability consultants, Aspinall Verdi, have run a viability assessment (Appendix 1). This assumes 200ha (gross) of land which could accommodate around 4,000 homes across the two areas.

3.4.5 This is only a 'high level' assessment but concludes that with this scale of development it is feasible that housing can deliver the route as specified by Stantec. We would refer any reader the caveats set out by Aspinall Verdi in the appendix and also their main viability report for the Council (WPV report).

3.4.6 The viability work concludes that around 4,000 units (3,995) would support:

- 40% affordable housing.
- An allowance for S106 payments of £20,000 per dwelling (a capital sum of £79.9m).
- The full cost of the relief road at c. £56m (cost spread over 10 years).
- Other design/policy costs identified in the WPV Report.
- Additional infrastructure contributions of £10,000 per dwelling (a capital sum of £39.95m)

## 4 Summary and Conclusions

- 4.1.1 Our starting point is policy LPR 1 of the local plan. Policy LPR 1 requires a reconsideration of the possible bypass and *“Whether the case for a Leeds-Langley Relief Road is made, how it could be funded and whether additional development would be associated with the road”*.
- 4.1.2 In section 2 of our report we concluded that as a ‘stand alone’ bypass scheme the route provides good value for money and meets the long standing objective to relieve the B2163.
- 4.1.3 But in the current funding arena a good value for money case is unlikely to attract the external funding needed to deliver the scheme. The benefits of the road are too localised and narrowly focused. Scoped as a bypass the route does not address the additional criteria, in addition to value for money that a potential funding partner would be looking for. In the current policy framework the fact that the route does not facilitate housing growth is a significant weakness.
- 4.1.4 Stantec has developed and costed a indicative alignment which could, as specified by Stantec, enable development at the southern and northern ends of the route. Significant land was promoted in each area as part of the Garden Community process, but it is reasonable to assume that around 100ha in each location could be developable within each area (subject to more detailed testing).
- 4.1.5 We have shown this scale of land for indicative purposes in section 3 although this should not be taken as any ‘red line’ – only to illustrate the scale of land needed in each area with the wider safeguarded area. A similar caveat applies to the Stantec route alignment – this has been developed solely for the purposes of this work and in the context of testing LPR 1.
- 4.1.6 With an assumption that 200ha of land is broadly developable within the Safeguarded area headline viability work shows that the scale of development is likely to be able to deliver the route.
- 4.1.7 Our conclusion should not be taken that 200ha of housing is the only route to deliver the road. As noted in the Aspinall Verdi work more detailed evidence may reduce the quantum of housing needed and we cannot discount that some funding may be available to assist with delivering the scheme. But in the current funding arena it is likely that any external funder would be looking for the additional (to transport) benefits and want to see the scheme enable housing or economic growth. These are elements missing from a bypass only business case.

## Appendix A

Aspinall Verdi Viability Testing. Document uploaded separately.