

WEST NORTHAMPTONSHIRE COUNCIL CABINET

11 April 2023

**Councillor Phil Larratt, Cabinet Member for Environment, Transport,
Highways and Waste**

Report Title A43 Northampton -Kettering Improvements Phase 3

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List of Appendices

Appendix A – Map/Location Plan

Appendix B – Draft Heads of Terms between WNC and NNC

1. Purpose of Report

- 1.1. To update Cabinet on the progress to date with the A43 Northampton – Kettering Improvements Phase 3 and agree to delegate authority to the Director of Place and Economy to agree the joint working arrangements with North Northamptonshire Council for this cross-border major highway scheme.

2. Executive Summary

- 2.1 Following on from initial phases of improvement at the Northampton end of the route, it is proposed to progress Phase 3 by extending the dualling from the Overstone Gate roundabout to the Holcot/Sywell roundabout. This will tackle existing congestion at the Holcot/Sywell roundabout, and also provide additional capacity for the planned Overstone Grange development.
- 2.2 The scheme forms part of the Department for Transport's Major Road Network programme. A Strategic Outline Business Case was submitted in May 2022, and an Outline Business Case is currently being prepared.
- 2.3 Because the scheme crosses the boundary between West Northamptonshire and North Northamptonshire, arrangements for joint working are necessary between the two Councils and the draft Heads of Terms for a proposed Memorandum of Understanding is included as Appendix B. Delegated authority is requested for the Director of Place and Economy to agree the joint working arrangements with North Northamptonshire Council.
- 2.4 Subject to completion of the various process, it is currently forecast that construction would begin in February 2026, with completion in April 2027.

3. Recommendations

- 3.1 It is recommended that the Cabinet:
 - a) Notes the progress made to date in undertaking improvements to the A43 between Northampton and Kettering.
 - b) Agrees to delegate authority to the Director of Place and Economy to agree the joint working arrangements with North Northamptonshire Council, in consultation with the Portfolio Holder for Environment, Transport, Highways and Waste, the S151 Officer, the Monitoring Officer and the Portfolio Holder for Finance.

4. Recommendations

- 4.1 The proposed option for a Memorandum of Understanding ensures that the two Councils share the governance of the scheme and a fair distribution of the costs of developing this cross-border highway scheme.

5. Report Background

A43 Northampton – Kettering Improvements

- 5.1 As local highway and transport authority, the Council is responsible for progressing any improvement schemes it wishes to see on its road network. Prior to the formation of the new Council in April 2021, that responsibility lay with the former Northamptonshire County Council.

- 5.2 One of the County Council's priorities for major highway improvements, was the A43 corridor between the A45 at Northampton and the A14 at Kettering. Owing to the size of the scheme, and the levels of available funding, the County Council decided to tackle the scheme in phases. Journey time surveys showed that congestion on the corridor was concentrated at the Northampton end of the route, with similar levels of delay being encountered in both directions in both peak periods.
- 5.3 The following phases of the A43 Northampton to Kettering Improvements scheme, all located within West Northamptonshire, have been delivered to date:
- Phase 1a – additional lanes at the Round Spinney roundabout, completed in 2015.
 - Phase 1b – a dual-carriageway Moulton Bypass, completed in June 2020.
 - Phase 2 – dualling from the north end of the Moulton Bypass to a new roundabout at the entrance to the Overstone Gate roundabout, completed in early 2018.
- 5.4 Phase 3 of the scheme will extend the dualling northwards from the end of Phase 2 at Overstone Gate through to the Holcot/Sywell roundabout, and cross the border between West Northamptonshire and North Northamptonshire. It will relieve traffic congestion at the Holcot/Sywell roundabout (in North Northamptonshire), which is increasingly becoming a bottle-neck as constraints further south are removed; and provide additional highway capacity to accommodate the traffic impacts of the Overstone Grange development, for which a planning application is currently being considered by West Northamptonshire Council.
- 5.5 The location of these phases is shown in Appendix A.
- 5.6 As the remainder of the route, north of the proposed Phase 3, is within North Northamptonshire, it will be for North Northamptonshire Council to determine whether any further phases of improvement should be progressed in future.

Progress on Phase 3

- 5.7 Government funding for major road schemes can be sought through the Department for Transport, although a local funding contribution is usually required. These programmes require the submission of a series of business cases:
- Strategic Outline Business Case – submitted when the scheme is at an early stage of development
 - Outline Business Case – submitted when the design of the scheme is well developed, and usually just after submission of a planning application
 - Full Business Case – submitted when planning permission and all other statutory powers (such as compulsory land purchase) have been obtained, and tender prices have been received from the construction contractor.
- 5.8 A bid for inclusion of Phase 3 in the Department for Transport's Major Road Network funding programme was submitted in August 2019. Following acceptance of the scheme as part of the Major Road Network programme, a Strategic Outline Business Case was developed and submitted to the Department for Transport in May 2022. Work is now under way to further develop the design of the scheme and prepare an Outline Business Case. Discussions are also underway with the planning departments of the two Councils to determine whether a planning application is required, or whether (as an improvement of an existing highway), the improvement can be progressed under permitted development rights.

6. Issues and Choices

- 6.1 Because the scheme crosses the boundary between West and North Northamptonshire, it is proposed that it is advanced jointly by the two Councils, despite the wider separation of their highway and transport functions.
- 6.2 Such a joint arrangement is usual where a scheme crosses the boundary between two (or more) authorities. However, it is necessary for one authority to be the lead authority, responsible for funding submissions to the Department for Transport, employment of consultants to work on the scheme and, in due course, the employment of the construction contractor.
- 6.3 As the majority of the scheme lies within West Northamptonshire, it is sensible for West Northamptonshire Council to be the lead authority for this scheme. However, arrangements are needed to ensure that North Northamptonshire Council is properly involved in the governance of the scheme and makes an appropriate contribution to the funding.
- 6.4 The draft Heads of Terms for a Memorandum of Understanding between the two Councils has been prepared and is contained at Appendix B. The Memorandum of Understanding will cover the following topics:
- Purpose and extent of scheme
 - Project Governance
 - Project Management
 - Distribution of costs between the Councils
 - Arrangements for re-charging of costs
 - Arrangements for reviewing the Memorandum of Understanding
- 6.5 Alternative options which have been considered include:
- For one Council to construct the project completely at its cost. It is unlikely that either Council would wish to spend its funds on an improvement in the other Council's area in this way.
 - For each Council to construct its section of the road separately. This would not be efficient and would create a risk that the timescales did not align at the point where the road crossed the boundary. Such lack of co-operation would also be unlikely to secure funding from the Department for Transport.
 - To construct the road only in one Council's area or to not progress the scheme at all. Neither of these options would address the dual problems of increasing road capacity to accommodate development in West Northamptonshire and existing capacity problem at the Holcot/Sywell roundabout in North Northamptonshire.
- None of these options is recommended.
- 6.6 An Equality Screening Assessment of the Phase 3 scheme has been undertaken (appendix C) and concluded the scheme has no overall impact on the protected groups.

7. Implications (including financial implications)

7.1 Resources and Financial

7.1.1 The scheme forms part of the Department for Transport’s Major Roads Network funding process. The key gateways for obtaining Department for Transport approval are as follows:

Strategic Outline Business Case (SOBC)	wholly funded by promoting local authority (s)
Outline Business Case (OBC)	DfT will provide up to two-thirds of the costs, remainder from local authority
Final Business Case (FBC) Construction	DfT will provide majority of funding, local authority will provide at least 15% of total scheme costs.

7.1.2 In March 2020, the County Council committed £0.500m of surplus fee income received under Section 278 of the Highways Act 1980 towards the development of the SOBC. Of that funding, £0.349m was used to develop the SOBC, leaving £0.151m available for the OBC.

7.1.3 The forecast cost of developing the OBC is £2.034m. £1.356m (64%) of this cost has been sought from the Department for Transport, with a response awaited. The remaining funding will be found as follows:

Source	Stage	Spend to Date		Future Spend	
		Rev	Cap	Rev	Cap
NCC S278 Surplus fee income	SOBC	349,000*			
	SOBC Sub-total	349,000			
NCC S278 Surplus fee income	OBC	35,000		116,000	
NNC (17% of the OBC contribution from both councils)	OBC			89,000	
WNC 'Developing pipeline highway schemes	OBC	278,000			
WNC S278 surplus to examine old Brackmills rail line	OBC			80,000	
DfT (TBC) (64% of OBC total)	OBC			1,356,000	
WNC S278 surplus	OBC			80,000	
	OBC sub-total (estimate)			2,034,000	
DfT (TBC)	Detailed Design/FBC			1,300,000	
WNC & NNC (budgets TBC)	Detailed Design/FBC			500,000	
	Detailed Design /FBC sub-total (estimate)			1,800,000	

DfT (TBC)	Construction				20,400,000
S106 (Overstone Grange)	Construction				8,000,000
	Construction sub-total (estimate)				28,400,000

* Includes spend of £213k in 2020/21 by NCC, with remaining spend since by WNC and NNC

7.1.4 West Northamptonshire Council has allocated £0.438m of funding as follows:

- £0.278m from the revenue budget for developing 'pipeline' highway schemes
- £0.080m of Section 278 funding surplus from work to examine the old Brackmills rail line (work was completed without using all the funding)

£0.080m of Section 278 funding surplus

7.1.5 North Northamptonshire Council has allocated £0.089m of its Integrated Transport Block capital funding allocation for 2021/2 to be its local contribution to the scheme.

7.1.6 A further £1.8m will be needed to complete detailed design, land acquisition negotiations/compulsory purchase and the Full Business Case. The expectation is that £1.3m of this would come from the Department for Transport and £0.5m from the Councils.

7.1.7 The forecast construction cost is currently £28.4m. To provide the local contribution towards construction a Section 106 funding contribution of £8m has been agreed in principle by West Northampton Council with the developers of Overstone Grange. It is likely that the Councils would need to forward fund this contribution in advance of its receipt.

7.2 Legal

7.2.1 As mentioned in section 5.7 above it is possible that a Compulsory Purchase Order will be required in due course. This Order requires significant work and time to be undertaken (especially if a public inquiry is required) and this has been taken into account when considering the timescales for scheme delivery.

7.2.2 While a Memorandum of Understanding is considered sufficient to agree the working relationships between the two Councils at this stage, it is likely that a formal agreement under section 8 of the Highways Act 1980 will be required to permit construction of the scheme.

7.3 Risk

7.3.1 The principal risk associated with the project at this stage, as with all such major highway schemes, is that funding is being committed 'at risk' with no certainty that it will be constructed, if either the necessary approvals are not secured or funding for construction is not secured.

7.3.2 However, this risk is considered to be low, as the project has strong justification and represents 'high' value for money under the Department for Transport's appraisal techniques.

7.4 Consultation and Communications

7.4.1 Consultation with stakeholders along the A43 corridor between Northampton was undertaken in 2008, at an early stage of the development of the proposals, which identified that dualling of the existing road, together with a Moulton Bypass was the most appropriate solution for the current and future problems along the route.

7.4.2 Public consultation and communication on the Phase 3 proposals will be undertaken when the proposals are sufficiently developed, and in advance of any planning application being submitted.

7.5 **Consideration by Overview and Scrutiny**

7.5.1 N/A

7.6 **Climate Impact**

7.6.1 The carbon impact of the scheme will be considered in more depth at future stages of the business case, and additional work will be commissioned to confirm the scale of the impact by a quantitative assessment as part of the Environmental Impact Assessment. The SOBC concludes that with the scheme, emissions will continue to be prevalent, albeit at a more efficient level due to reduced congestion on the route. The improved provision for active modes will also deliver carbon savings.

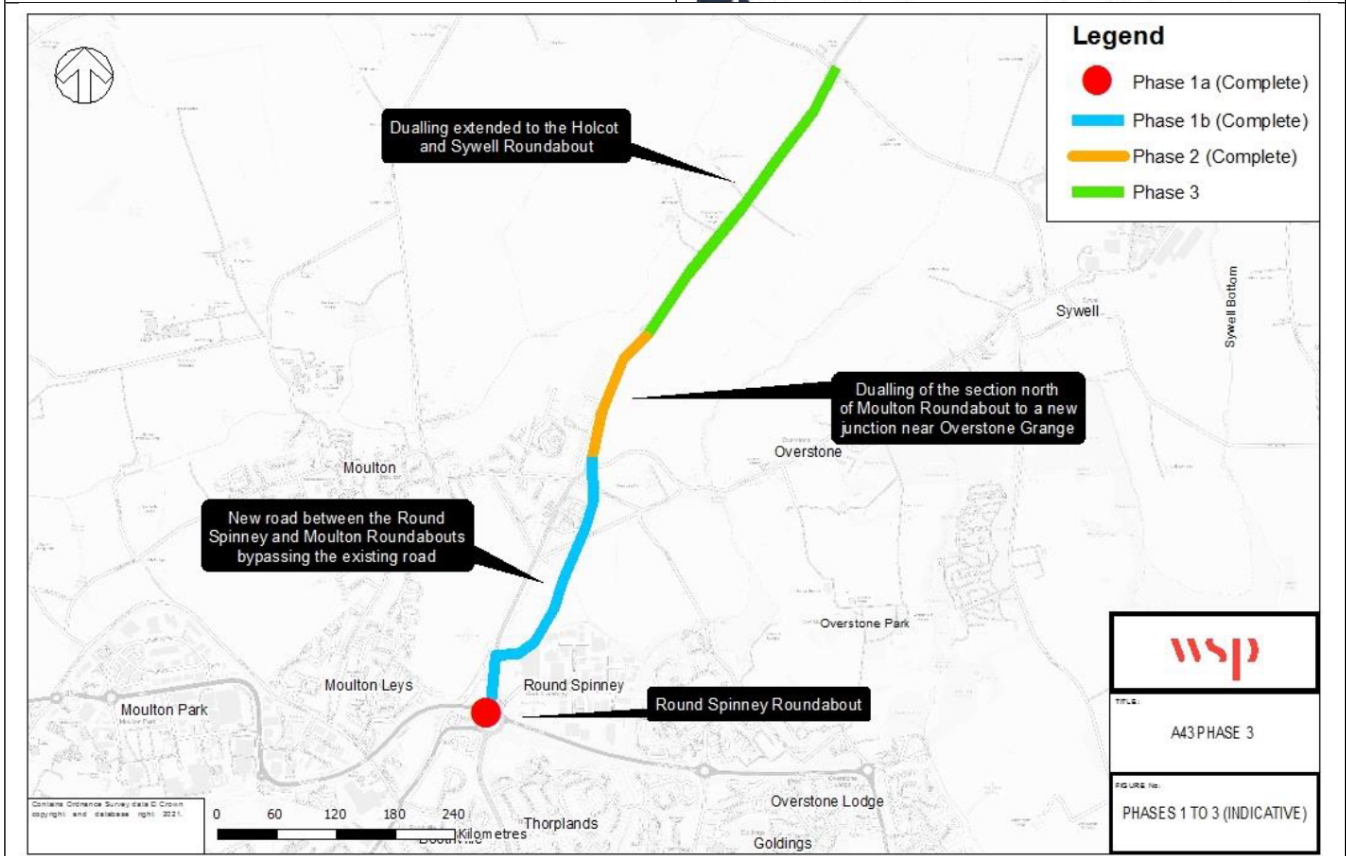
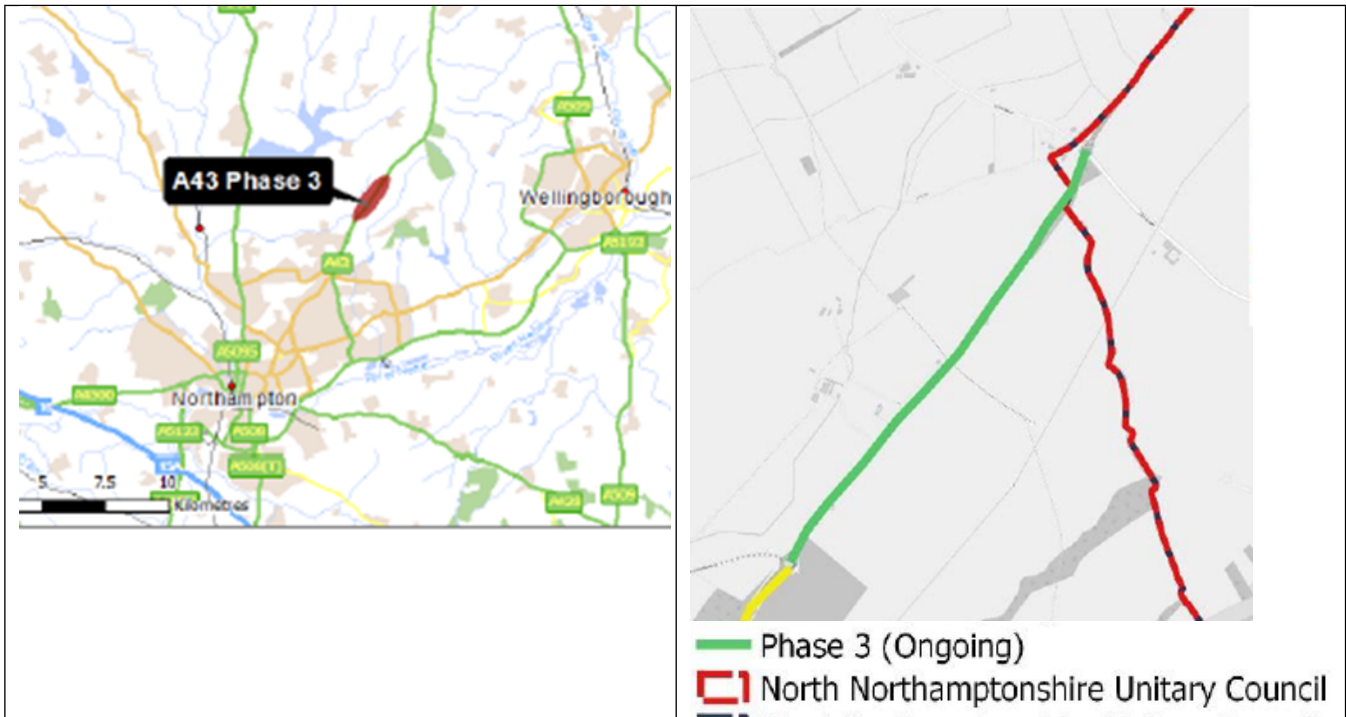
7.7 **Community Impact**

7.7.1 Given the catchment of A43 users, the benefits will be widespread, most notably in terms of journey time, reliability, quality and safety. This will benefit cars, freight public transport users of the corridor. In the vicinity of the scheme where there is existing congestion there will be air quality benefits. Local communities will benefit from the improve walking and cycling connections, in terms of accessibility and health.

8. **Background Papers**

8.1 None

Appendix A: Location Plan



Appendix B:

A43 NORTHAMPTON – KETTERING IMPROVEMENTS PHASE 3 DRAFT HEADS OF TERMS

1. NNC and WNC have jointly agreed to progress improvements to the A43 between the current end of the dualling at the new roundabout at Overstone Gate and the Holcot/Sywell (Holcot Lane) roundabout, known as A43 Northampton – Kettering Improvements Phase 3.
2. The improvements are being jointly promoted as a scheme through the Department for Transport Major Road Network programme, with the intention of securing funding by that route to deliver the improvements.
3. The Councils agree to share the costs of the scheme. The current agreed split of costs is on the basis of the area of road surface within the scheme, which is 83% WNC/17% NNC. Any future changes to this cost-allocation shall be agreed by the Councils.
4. A planning obligation under Section 106 of the Town & Country Planning Act 1990 towards the scheme (A43 Upgrade Works) has been secured by WNC from the Overstone Green development. Subject to the scheme progressing as planned, WNC will pay 17% (or such amended figure as shall be agreed under (3) above) of the receipts from this obligation to NNC.
5. Both Councils will participate in regular project meetings to progress the scheme, and shall appoint a Senior Responsible Owner and Project Lead.
6. Except where otherwise agreed, WNC shall appoint a Project Manager and procure consultants and contractors to progress/deliver the scheme.
7. WNC will invoice NNC on a quarterly basis for their share of scheme costs as in (3 and 5) above, and where appropriate NNC will similarly invoice WNC.
8. The costs of SROs and Project Leads will not be recharged.
9. Progress will be governed by Gateways linked to submission of Business Case to the Department for Transport and Executive/Cabinet decisions?
10. These heads of terms do not have any implications in terms of the determination of any planning application(s) for the scheme by the Councils
11. The Councils will determine the responsibility for any necessary statutory orders in due course.
12. The allocation/recharge of costs above shall be reviewed if DfT allocate all the capital funding to one authority.

13. In the event of the MRN bid being unsuccessful, it is anticipated that the authorities would concentrate on a smaller scheme focusing on smaller-scale improvements including capacity improvements to the Holcot/Sywell roundabout.
14. The Councils may decide to withdraw from the scheme at any time, but should they do so agree to jointly meet costs incurred or committed up to that date.
15. This MoU shall be reviewed and updated as necessary at key stages during the project, and particularly before proceeding to construction.