

## **A701 Relief Road and A701 Spur Road**

### **Report by Executive Director Place**

### **Report for Information**

## **1 Recommendations**

That Midlothian Council notes the following in relation to the A701 Relief Road, A702 Spur Road project:

- The STAG 2 Report has been finalised and Work Stage B is complete
- The Consultation process associated with the STAG 2 appraisal process is complete in relation to the above project
- A preferred route has been selected (Route C)
- Preparatory works for compulsory purchase are commenced to mitigate adverse implications on the project programme
- The project is to move into Work Stage C (Specimen Design)
- In the course of Work Stage B, total overall estimated costs for delivery of above project have risen to £55m (including cost of Sustainable Transport Corridor and Straiton Junction Signalisation)
- This has resulted in the funding gap associated with this project currently estimated to be £33.2m.
- While this funding gap may decrease as we progress Stage C, with greater certainty over costs emerging, a significant funding gap is likely to remain.
- It is therefore recommended that Midlothian Council submit an application to the Levelling Up Fund (LUF) to attract alternative funding into the project to close this gap.

## **2 Purpose of Report/Executive Summary**

This report presents a progress update on the A701 Relief Road and A702 Spur Road project. The report updates member on the design development of the project, the outcome of the public consultation exercise, budget implications of the design development and next steps related to the compulsory purchase process necessary to secure the preferred route and progress the delivery of the project.

This report updates the estimated financial position in relation to the project and identifies an increased variance between the approved budget and the estimated project cost, currently a shortfall of circa £33.2m.

**28<sup>th</sup> June 2022**

**Report Contact:**

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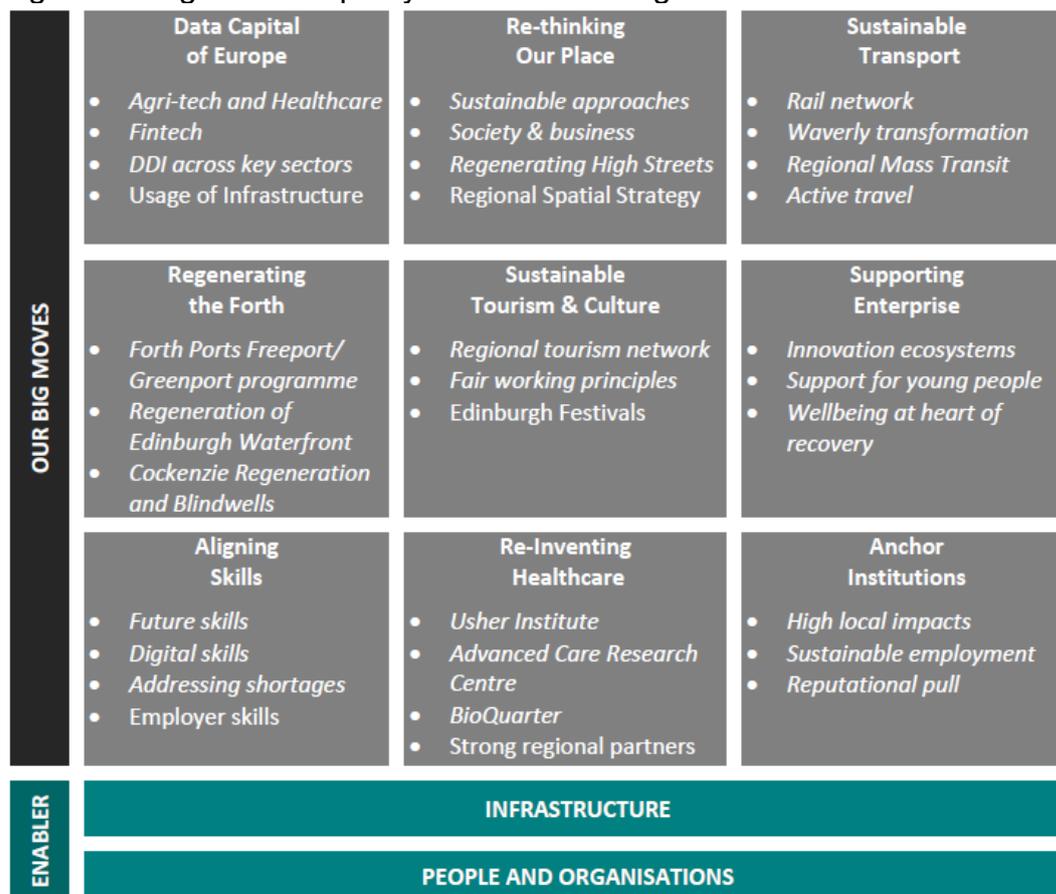
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### **3 Background/Main Body of Report**

#### **Context for A701 Improvements**

- 3.1 Midlothian Council is in the process of overseeing unprecedented investment in local transport infrastructure. The following projects are currently being developed:
- Midlothian Orbital Bus Route – bus signalisation & prioritisation
  - A7 Urbanisation
  - Upgraded junction at Hillend / Midlothian Snowsports Centre
  - A701 Relief Road Road & A702 Spur
  - Straiton Junction Signalisation
  - A701 Sustainable Transport Corridor
- 3.2 In addition, Transport Scotland are progressing A703 Junction Improvement (Transport Scotland) and Midlothian Council is updating its Active Travel Strategy. In this wider context of investment, the A701 relief road and its related projects on the A702 and the Sustainable Transport Corridor (collectively, the A701 Transport Corridor Improvement Programme) are critical to delivering Midlothian's economic and development strategy.
- 3.3 The wider context for these projects are at a regional level. The Edinburgh and South East Scotland City Region Deal (ESES CRD) has adopted a Regional Prosperity Framework, setting out the 9 Big Moves this regional collective will be working to deliver (see below). The A701 Improvement Programme supports Big Moves 2 and 3 as they relate to both Re-thinking Place and the delivery of Sustainable Transport. The improvements will assist in the delivery of 20 minute neighbourhoods by enhancing active travel connections between settlements, places of work and services. It will also support cross boundary active travel improvements and enhancement of the public transport infrastructure along the A701.

Figure 1: Regional Prosperity Framework – Big Moves

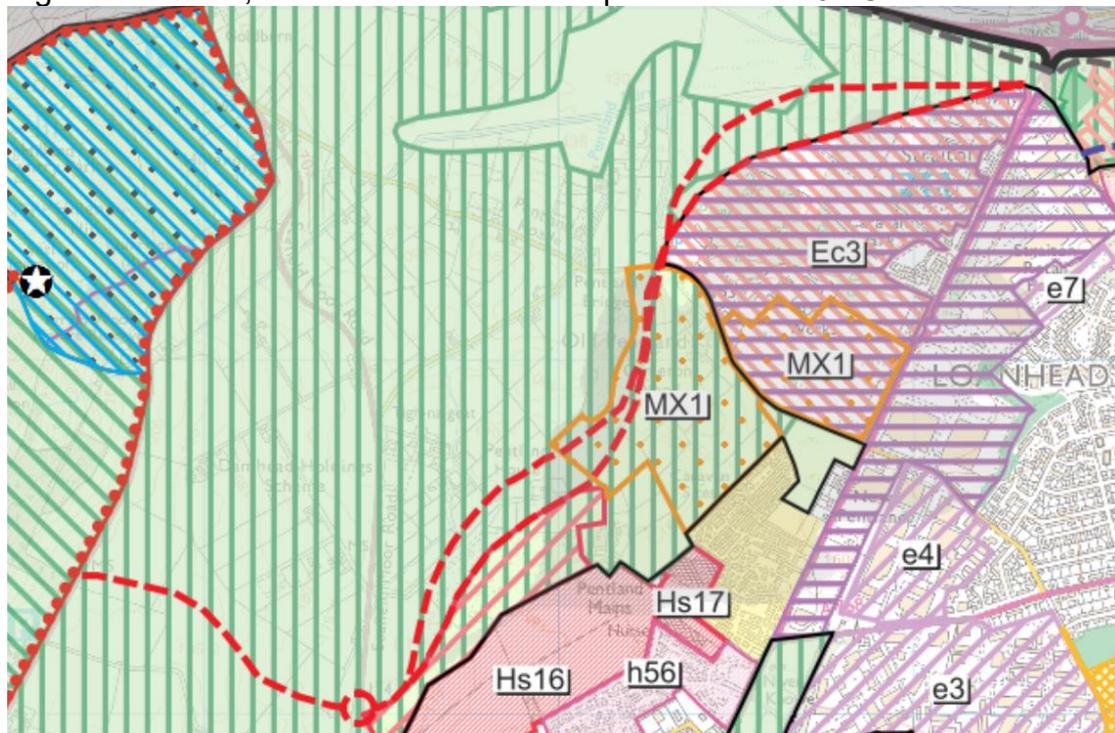


### Growth Corridor

- 3.4 The A701 Corridor Strategic Development Area, as set out in the adopted Midlothian Local Development Plan (MLDP), provides for a range of housing developments and associated infrastructure such as new or expanded schools. In addition to attracting investment in housing and community infrastructure, this corridor makes a significant contribution to Midlothian's economic prosperity.
- 3.5 The MLDP supports the continuing expansion of The Midlothian Science Zone and sites have been allocated with support given to development in line with the *Bush Framework Masterplan*. This has the potential to provide for a significant increase in research and knowledge-based jobs.
- 3.6 The implementation of the Easter Bush Masterplan is a central component of unlocking new investment opportunities and enhancing economic performance across the City Region. Bioscience development at Easter Bush is a world class asset which is at the forefront of scientific research and development. The campus is a key part of developing the research, development and data driven innovation (DDI) theme of the City Deal.

- 3.7 There is a strong employment focus in the A701 Corridor and the MLDP expects this to be further developed with new employment allocations. The MLDP seeks to build upon the success of the Straiton Commercial Centre in providing employment growth and retail services to this corridor.
- 3.8 Apart from improvements to the current centre, the MLDP directs further development to the west of the A701 with the intention of creating a mixed-use development, which can include retail development, but would likely focus on office, hotel and commercial leisure uses in a strong landscape framework, with the potential in the longer term for some housing also (see Figure 2, sites Ec3, MX1, Hs16). A key element of this area will be the planned Edinburgh International Arena. This hopes to comprise an 8000-capacity indoor arena offering conference, retail and leisure space including a cinema and two hotels as well as a range of other ancillary leisure opportunities. This will be a significant tourism and leisure destination. This development of a Midlothian 'Gateway' is an ambitious plan, but it is intended that there would be associated benefits, not restricted to the local area but extending to the entire A701 Corridor, including environmental and transportation improvements.

Figure 2: Extract, Midlothian Local Development Plan A701 Corridor



- 3.9 It should be noted that the proposed Beeslack Replacement Community High School, within the A701 Corridor, is not currently viewed as being dependent on the delivery of the improvement programme as it is a relocation rather than 'new' development. Therefore, it will not have a net impact. This is subject to further consultation with both the Planning Authority and Transport Scotland through the planning application process.

### **Enabling Infrastructure**

- 3.10 The A701 Corridor experiences significant traffic congestion which is likely to be exacerbated as a result of the development supported by the MLDP. Transport Scotland has stated that it will object to further growth along the A701 Corridor due to the adverse impact it will have on the trunk road network.
- 3.11 To address this, the MLDP states that it is a requirement to deliver the A701 Relief Road to the west of the current A701 along with a link to the A702 in order to enable development along this Corridor.
- 3.12 The A701 Improvement programme will improve traffic flow in the A701 corridor, promote active travel and enhance public transport infrastructure, supporting a shift away from private car usage in this area. This will have a variety of beneficial effects, including air quality. Without the proposed improvement works along the A701, economic opportunity in the existing A701 corridor will be severely curtailed.
- 3.13 In summary, the project is enabling infrastructure that is critical to the delivery of a commercial gateway at Straiton, 1,570 new homes and a range of general economic sites, including a world class scientific research facility at Easter Bush. It will reduce barriers to inclusive growth, attract commercial investment through the creation of a Midlothian Gateway at Straiton, and will directly improve physical connectivity and social mobility both locally and onwards across the City Region.

## 4.0 Consultation Process

- 4.1 As part of the work undertaken for the Strategic Transport Appraisal Guidance (STAG ) Part 1 (Initial Appraisal) for the A701 Relief Road, twelve route options were developed, with the options considering the key engineering and environmental / planning constraints. The STAG Part 1 appraisal process identified options that presented significant issues and risks. For example, routes along the eastern edge of the study area impacted a number of features that presented significant geotechnical features. These would require significant works to address poor ground conditions, resulting in additional time and cost. In addition, the impacts at Clippens Landfill were considered to present significant environmental impacts/risks. Based on the initial appraisal, 5 options were selected for further study at the next stage. After additional analysis these were refined down to three options. For the A702 Link Road section, two options were developed. These were then combined to give the six options (Options A-F) that were progressed to STAG Part 2 detailed appraisal.
- 4.2 Route Options A, B, and C for the A701 Relief Road are presented in the image below. These route options all have the same alignment with the A702 Link Road section incorporating a new at-grade 3-arm roundabout on the A702 and a new at-grade 4-arm roundabout on the A703 in the vicinity of Seafield Mill. Options A, B, and C also include an upgraded Bush Loan Junction on the A702. For the A701 Relief Road section, Option A is to the west of Cameron Wood and the Old Pentland Kirk. Option B and C run to the east of Cameron Wood and the Old Pentland Kirk. Option B crosses the Pentland Oil Shale Bing at the northern end of the route. All the options include an upgraded Straiton Junction at the northern end of the route.



- 4.3 Route Options D, E, and F, are presented in the image below. The A702 Link Road section is the same for all of these option, beginning with a new at-grade 4-arm roundabout at the Bush Loan junction on the A702. It then continues east to a new at-grade 4-arm roundabout on the A703 – in the vicinity of Seafield Mill.



- 4.5 As part of the STAG Part 2 appraisal process, a non-statutory public consultation was conducted on 5 October 2021. More than 130 people attended the event and a recording of the event is available on the project website ([www.a701reliefroad.co.uk](http://www.a701reliefroad.co.uk)). Input received during that consultation is incorporated into the STAG appraisal and feeds into the design where relevant on the public acceptability criteria on route selection.
- 4.6 The input received from this consultation did not indicate a particular preference for any of the six route options. Rather, there was opposition to the project and any of the proposed route options. The justification that the road was to be implemented to comply with the requirements of the LDP was repeatedly queried. More than 230 questions were submitted during the public consultation event. Responses to these questions have been prepared and are available on the FAQs section of the project website. The Planning and Environmental Consultant (PEC) prepared a report on the consultation and this forms part of the STAG2 report and will form part of the planning application for the scheme.
- 4.7 In addition to the above, Midlothian Council has an ongoing programme of stakeholder engagement, which includes a wide range of statutory, institutional, local and community organisations.

## 5.0 Conclusion of Consultation & Selection of Preferred Route

5.1 The six route options (three north of Seafield Mill and two South) have been appraised under the STAG criteria; environment, safety, economy, integration, and accessibility / social inclusion. The STAG Part 2 appraisal process is now complete and the preferred route option has been proposed and approved by the Capital Projects and Asset Management Board (CP&AMB) of Midlothian Council. This route option will now be progressed through specimen design before a planning application is submitted for the scheme.

5.2 In the route selection process the following was considered:

- I. The preferred alignment (east vs west) at Cameron Wood was considered. Options A & D (west of Cameron Wood) were rejected due to significantly more earthworks compared to some of the other route options. In order to avoid property in the vicinity of Pentland Road / Burnside Road, the north-west corner of Cameron Wood would have to be removed. A route to the west of Cameron Wood also results in additional land / property severance issues compared to the eastern route options. Whilst this option has the potential for lower engineering risks, these are not considered sufficient to justify the disadvantages.
- II. The next choice was which alignment is preferred (impacting area of peat vs impact Pentland Oil Shale Bing) north of Pentland Rd. Options B & E were rejected based on initial consultation which suggested an alignment through the Pentland Oil Shale Bing would not be supported by affected landowners and would likely result in additional risk to the project delivery. This option also has the potential for higher engineering risks, specifically in ground conditions associated with mine workings north of Pentland Road. An alignment to the west of the Pentland Oil Shale Bing, as proposed by Options C and F is therefore preferred.
- III. Finally which alignment is preferred for the A702 Link Road (Option C vs Option F). Option F was rejected based on initial consultation with landowners. Options C and F result in similar impacts to property / land and therefore pose a similar risk of objections. However, the significant additional cost of Option F (£10m) compared to Option C does not yield sufficient additional economic benefits to be justified. Therefore, Option C is the preferred option.

## STAG Part 2: Option C



- 5.3 It should be noted that Option C alignment closely follows the alignment shown in the current approved LDP and also is the preferred option of the University of Edinburgh.
- 5.4 In addition to the selection of the preferred route, one of the key outcomes of the STAG 2 report was a better understanding of the costs associated with the delivery of the route. There has been a significant increase in the costs associated with its delivery. The resource implications of the outcome of the STAG 2 report are highlighted in Section 7.
- 5.5 Midlothian Council are in the process of appointing consultants to take forward the next steps in terms of design development

### 6.0 Compulsory Purchase

- 6.1 From our Land Consultant's initial discussions with the affected land owners and occupiers there are some parties who may not be willing to agree a voluntary transfer of their property to the Council. In that event the Council would need to consider making a Compulsory Purchase Order (CPO) to acquire the relevant land to deliver the scheme. Legal firm Brodies have been appointed to assist with the CPO process, as necessary.

- 6.2 The compulsory purchase process takes time to deliver. Firstly the Council need to obtain the powers from the Scottish Ministers to proceed with a compulsory purchase order. This first stage requires producing a Statement for Reasons for the necessity of the compulsory powers for the council to use CPO. Planning permission has to be in place to use a CPO. At present the scheme is still going through the planning process and therefore it is subject to planning but the CPO and the planning can be brought forward in parallel. This will help mitigate any delays in delivering the scheme.
- 6.3 Following on from this and once the preferred route option is agreed, Draft Orders can be prepared and served on the affected parties. This states the land to be acquired by CPO and any rights over land required. Affected parties have the ability to object to the CPO at this stage. There are various reasons they could object i.e. excessive land, business disturbance, challenge of the CPO powers. If the reasons for objection cannot be dealt with through negotiation the matter will be referred to the Reporter through a Public Inquiry. All parties will have a right to be heard and then the reporter will make a decision. Thereafter the CPO Orders can be made and published.
- 6.4 If the CPO goes through a public inquiry, the timescale for delivery of the scheme will be affected. It is anticipated that a CPO process will have a duration of 18 to 24 months and will run concurrently with the procurement and contractors design phases of the project. 18 months has been allowed for in the current programme and we are seeking to advance the preparatory works and the drafting of the statement of case to minimize the CPO duration.

## 7 Report Implications (Resource, Digital and Risk)

### 7.1 Resource

Following the completion of the STAG 2 report and the selection of the preferred route, revised costs for the delivery of the A701 Improvement programme are set out below.

Table 1: Programme Costs (May 2022)	Million	
Route alignment Option C	£47.012	
Straiton junction signalisation (included above)	0	
Mean estimated land cost	0	
Land cost Inc option C	0	
Business extinguishment	£1.062	
Fees (£2.5m included in option C)	£0.742	
A701 Active travel corridor	£4.000	
MLC contingency	£2.229	
<b>Total</b>	<b>£55.045</b>	

Currently the cost consultant has adopted an optimism bias of 44% (as recommended in the STAG process). In addition 12% inflation has been allowed for 2022, 7% for 2023 and 5% for the following 3 years. When the preferred route has been identified and the specimen design has been developed in the next work stage this optimism bias can be reduced to 18%. It is however likely that during the specimen design development that issues will come to light that will absorb much of the difference so it is probable that this will not result in significant savings to the project.

Table 2 presents the funding gap that currently affects the programme.

<b>Table 2: Project Funding &amp; Shortfall</b>		
<b>Approved Capital Expenditure Budget GSCP</b>		<b>£21.774</b>
Revised/Updated Programme Cost		<b>£55.045</b>
<b>Funding</b>	<b>Secured</b>	<b>Funding Gap</b>
City Deal Funding (secured subject to Easter Bush Business Case)	-£ 10.900	
Midlothian Council - Capital Fund (Secured)	-£ 7.694	
Developer Contributions (secured, signed, estimated)	-£ 3.251	
	<b>-£ 21.845</b>	
<b>Funding Gap</b>		<b>-£33.200</b>

In addition, there may be a further £2.7 million of developer contributions available from future/remaining development as outlined in the Local Development Plan, which could be applied to reduce the funding gap. At this stage, it is not possible to forecast with certainty the likelihood of realisation of these planning contributions.

### **Levelling Up Fund Application**

In order to close what has now become a very significant funding gap, Midlothian Council is in the process of making an application to the UK Government's Levelling Up Fund (LUF). Due to the funding requirement exceeding £20m, the application will comprise a Large Transport Bid.

The application deadline is the 6<sup>th</sup> of July 2022. To facilitate this application, Midlothian Council has appointed Stantec to lead on the bid with the support of relevant officers, utilising UK Government funding provided for this purpose. This process is ongoing. There will be three stages of assessment:

1. Gateway Review
2. Assessment and Shortlisting
3. Decision Making

A final response from UKG will be expected by Autumn 2022.

## **8.0 Digital**

None

## **9.0 Risk**

Development in the A701 corridor is dependent on the reduction in traffic congestion on the A701. If congestion cannot be reduced Transport Scotland will object to development proposals during the planning process and the development opportunities will be curtailed and the development objectives on the LDP will not be met.

Savills have been engaged as the Land Consultant. Savills have contacted the parties with land interests in the current 6 short-listed relief road alignments. MLC have been advised that there are a few key landowners that are not in favour of the road and are not open to negotiated purchase of their interest. Savills have advised that compulsory purchase will need to be utilised in their opinion. Savills have further advised that a CPO process could take up to two years and as such there is currently insufficient time in the project programme to accommodate this. To mitigate the delay it is Savills suggestion that preparatory works be commenced for the preparation of the statement of reasons and the draft notices.

The modelling of has been based on the assumption that the Straiton junction with the A720 will be signalised. MLC is responsible for the south side and City of Edinburgh Council (CEC) for the North side. We have coordinated with CEC and they have advised that they are supportive of the scheme in as far as it promotes active and enhances bus travel time through Straiton junction. They have further advised that they will not be supportive of proposals that improve car journey time through the junction. It has further been advised that Transport Scotland have possible funding available for projects that improve bus journey time and that prioritising busses should be considered. CEC are not looking to contribute to the cost of the junction signalisation / improvement and are of the opinion that it should be paid for out of this road project.

In any risk that the project does not proceed the present abortive cost estimate incurred amounts to £769,015.31.

## **10.0 Ensuring Equalities (if required a separate IIA must be completed)**

NA

## **11.0 Additional Report Implications (See Appendix A)**

See Appendix A

## **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Background information/Links**

## APPENDIX A – Report Implications

### A.1 Key Priorities within the Single Midlothian Plan

Insert text here

### A.2 Key Drivers for Change

Key drivers addressed in this report:

- Holistic Working
- Hub and Spoke
- Modern
- Sustainable
- Transformational
- Preventative
- Asset-based
- Continuous Improvement
- One size fits one
- None of the above

### A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- One Council Working with you, for you
- Preventative and Sustainable
- Efficient and Modern
- Innovative and Ambitious
- None of the above

### A.4 Delivering Best Value

Investment in the A701 Improvement Programme is set to generate £189m of benefits as well for the Midlothian and wider Scottish economy.

### A.5 Involving Communities and Other Stakeholders

A community consultation and stakeholder consultation process has been carried out as part of the STAG 2 process. Further consultation will be required as part of any planning application process.

### A.6 Impact on Performance and Outcomes

NA

### A.7 Adopting a Preventative Approach

NA

### A.8 Supporting Sustainable Development

The A701 Improvement Programme is part of a range of investments in transportation infrastructure in Midlothian that will allow the creation of a better and more sustainable range of transport infrastructure to improve access to local services and communities by active travel and public transport.

**APPENDIX B**

**Background Papers/Resource Links** (insert applicable papers/links)

**Public Consultation Boards**