

Appendix 5A

ERM Briefing Note : Economic Development
Impact of Heysham to M6 Link

HEYSHAM – M6 LINK

Economic Development Impact Briefing Note

INTRODUCTION

The purpose of this note is to outline the preliminary messages emerging from our assessment of the potential economic development impact of the proposed new link, in particular the comparative merits of the enhanced Northern route (ie including a link across the river to Luneside West) and the Western route, as currently under consideration by the County Council. These comments are necessarily provisional, recognising the limited traffic and travel time data available from the County Council.

Our approach has been to consider, in the light of initial data on travel times and traffic volumes supplied by the County Council, the following aspects:

- the likely improvement to the accessibility of the strategic road networks from the identifiable employment sites in Lancaster district, and in particular Luneside West (as an indication of their improved marketability);
- the degree to which traffic levels in the city centre gyratory system might be eased as a consequence of the alternative new links being put in place (as an indication of the improvement of the city centre as a destination for visitors and as a focus for office-based employment);
- the degree to which travel between the Heysham-Morecambe peninsula might be improved (as an indicator of the manner in which new jobs generated in the city centre and at Bailrigg and the University might be accessible to residents across the district as a whole).

MESSAGE 1 – Northern route is superior to the Western route in terms of improvements in accessibility to employment areas from the motorway network

From the journey time data provided to us by the County Council, the Northern route, with the Luneside link, offers a better overall improvement in accessibility between the district's key current and proposed employment locations and the motorway.

The Western route is superior with regard to access to Junction 33, but only marginally so, whereas the Northern route improves access to both Junctions 34 and 35.

Paradoxically, the Western route lengthens journey times from Luneside West to Junctions 34 and 35, when compared to the 'do minimum' alternative, despite the close proximity of that route's alignment to the employment area. Most probably, this effect is a result of the intention to install 'bus gates' to prevent non-public transport travelling directly from Luneside West to the city centre.

MESSAGE 2 - The Western route offers the greater reduction in traffic levels around the city centre

When considering the forecast traffic flows over the river bridges and around the gyratory system, the Western route appears to offer the greater absolute and proportionate reduction when compared to the 'do minimum' alternative. Consequently, it offers better prospects of fewer public transport delays when passing through the city centre, and enhanced opportunities to exploit the visitor and other employment opportunities within the city centre.

MESSAGE 3 - The Western route is superior to the Northern route in improving journey times between the peninsula and the University area

Direct road journey times between the peninsula and the south of Lancaster are improved more by the Western route than the Northern route, but the County Council officers have cast doubt on the attractiveness of these direct routes to public transport operators. However, given Message 2 above, the Western route also offers greater opportunities to improve public transport travelling between the peninsula and the University via the city centre.

MESSAGE 4 - Improvements to the accessibility of Luneside West are crucial to its regeneration and job generation

It has been unequivocally stated, in discussions about the options under consideration, by officers at the County Council that some form of major improvements in accessibility are required to permit new development at Luneside West. This could take the form of a spur off the Western route, or the proposed bridge across the Lune from Morecambe Road as part of the Northern option.

Without such an improvement, it has been made clear that any application for planning permission for significant development at Luneside West runs the very real risk of being recommended for refusal on traffic grounds.

MESSAGE 5 - There are material differences in the direct capital costs of the two options currently under consideration - the Northern route is some £21m cheaper than the Western route

Officers at the County Council have revisited the details of the two schemes, reflecting changes to background levels in traffic in the local highway network, and estimates of traffic level at the target opening date of 2010.

When all works are considered, the Northern route is currently estimated to be some £21m less than the Western route.

These cost estimates include, among other factors:

- actions, such as modified junction design, to discourage 'rat running',
- savings on the Western route resulting from the deletion of the Southern Neighbourhood,

- installation of 'bus gates' (to prevent direct access by private traffic between Luneside West and the city gyratory system),
- the required improvements to motorway junctions as a result of the new routes, and
- the provision of a Luneside link as part of the Northern route.

MESSAGE 6 - The Luneside link, as a freestanding project may be hard to justify

There must be a risk that the Luneside link could become uncoupled from the new link between Heysham and the motorway. It is not immediately continuous with other works in the Northern route, and involves an estimated capital cost of some £7m.

The immediate direct benefits relate to the 13 ha at Luneside West that will, as a result of improved accessibility, become acceptable on traffic grounds for development - equating to a cost of over £500,000 per hectare, say £200,000 per acre, of development. Whilst also offering the prospect of other qualitative improvements to traffic and public transport in the surrounding areas, and despite Luneside West being a key regeneration project for Lancaster as whole the direct costs could be considered as offering insufficient value for money, especially if some of these wider 'outputs' may need to be shared by other forms of public intervention that might be required to achieve the desired investment and regeneration.

These factors may become more acute if overall capital resources for transport infrastructure become under budgetary constraint.

CONCLUSIONS

1. There is a clear 'tension' between improving the strategic accessibility of the Port of Heysham as cost effectively as possible (achieved most cost-effectively by the Northern route) and at the same time capturing the maximum local economic development potential (both options offer such benefits but they are greater, in some regard, from the more expensive Western route).
2. On the basis of currently available information, it is unlikely that a robust case can be made, on economic development and regeneration grounds, to justify the additional capital costs of the Western route when compared to the Northern route - the additional benefits are likely to relate to improving local access to new job opportunities that might arise as a result of the improved strategic road network, and the better improvements to traffic circulation around the City Centre rather than an unequivocal increase in the scale of investment and job opportunities.
3. For the Northern route, there must be a risk that the Luneside link could become uncoupled from the rest of the scheme, especially if affordability issues come to the fore, with the result that the economic development and regeneration benefits to the local economy would thereby be reduced.
4. Care should be taken, therefore, when presenting the Northern option to minimise the risk of such uncoupling.