

**A38 Derby Junctions**  
**Scheme Number TR010022**  
**Volume 4**  
**4.2 Funding Statement**

Regulation 5(2)(h)

Planning Act 2008

Infrastructure Planning (Applications: Prescribed  
Forms and Procedure) Regulations 2009

April 2019

Infrastructure Planning  
Planning Act 2008

**The Infrastructure Planning  
(Applications: Prescribed Forms and  
Procedure) Regulations 2009**

A38 Derby Junctions  
Development Consent Order 202[ ]

---

**FUNDING STATEMENT**

---

<b>Regulation Number:</b>	Regulation 5(2)(h)
<b>Planning Inspectorate Scheme Reference</b>	TR010022
<b>Application Document Reference</b>	4.2
<b>Author:</b>	A38 Derby Junctions Project Team, Highways England

<b>Version</b>	<b>Date</b>	<b>Status of Version</b>
1	April 2019	DCO Application

## Table of Contents

<b>1.</b>	<b>Introduction .....</b>	<b>1</b>
1.1	Purpose of document .....	1
<b>2.</b>	<b>Capital expenditure .....</b>	<b>2</b>
2.1	Capital cost .....	2
<b>3.</b>	<b>Sources of funding.....</b>	<b>3</b>
<b>4.</b>	<b>Blight.....</b>	<b>4</b>

### Appendices:

- A. Reference to Highways England Licence.
- B. Reference to Investing in Britain's Future.
- C. Reference to Road Investment Strategy.
- D. Reference to Highways England Delivery Plan.

## 1. Introduction

### 1.1 Purpose of document

- 1.1.1 This Funding Statement ("this Statement") relates to an application made by Highways England (the "Applicant") to the Planning Inspectorate under the Planning Act 2008 (the "2008 Act") for a Development Consent Order ("DCO"). If made, the DCO would grant consent for the Applicant to undertake the A38 Derby Junctions (the "Scheme").
- 1.1.2 The purpose of this document is to demonstrate that the Scheme will be adequately funded through the Road Investment Strategy (RIS), using the change control processes set out in Part 6 of the Highways England Licence if required (Appendix A), and therefore that funding is no impediment to the delivery of the scheme or the payment of compensation to persons affected by compulsory acquisition, temporary possession, or a blight claim.
- 1.1.3 This Statement has been prepared and submitted in compliance with Regulation 5(2)(h) of the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 (the "2009 Regulations") and in accordance with the Department for Communities and Local Government guidance 'Planning Act 2008: Guidance related to procedures for compulsory acquisition' (September 2013).
- 1.1.4 This Statement is required due to the fact that the DCO would authorise the compulsory acquisition of land, interests in land or rights over land. This leads to the requirement under Regulation 5(2)(h) for a statement indicating how the implementation of these powers in the DCO would be funded.
- 1.1.5 As this Statement is part of the application documents it should be read alongside, and is informed by, the other application documents; in particular, the Statement of Reasons (Application document 4.1), which is also included in the application to comply with the requirements of Regulation 5(2)(h).
- 1.1.6 A summary description of the Scheme can be found in the 'Introduction to the Application' [TR010022/APP/1.1].

## 2. Capital expenditure

### 2.1 Capital cost

- 2.1.1 The Scheme has a most-likely estimate of £229 million. This estimate includes all costs to deliver the Scheme from Options Stages through to the opening for traffic. It includes an allowance for compensation payments relating to the compulsory acquisition of land interests in, and rights over, land and the temporary possession and use of land. It also takes into account potential claims under Part 1 of the Land Compensation Act 1973, Section 10 of the Compulsory Purchase Act 1965 and Section 152(3) of the 2008 Act.
- 2.1.2 The estimates for these items have been informed by land referencing activities, engagement of professional surveyors, and information received from consultation and engagement with parties having an interest in the land.
- 2.1.3 Highways England has been, and will continue to be, responsible for all preparation costs associated with the Scheme. These may include items such as design costs, legal costs, land acquisition costs, advance payments to statutory undertakers and surveying costs.
- 2.1.4 The estimate has been prepared in accordance with Highways England procedures and, in combination with the approved budget, provides sufficient cost certainty to enable the Applicant to confirm the viability of the Scheme.

### 3. Sources of funding

- 3.1.1 Highways England is a government owned company and is responsible for operating, maintaining and improving the strategic road network in England. These responsibilities include the acquisition, management and disposal of land and property in relation to strategic road network improvement projects, together with the payment of compensation related to these activities. Highways England is responsible for delivering the major projects in the RIS.
- 3.1.2 The funding commitment for construction of the Scheme was initially made in June 2013, whilst the Highways Agency was responsible for operating, maintaining and improving England's strategic road network. This commitment was made in the policy document "Investing in Britain's Future", an extract of which can be found in Appendix B. In particular, please refer to Annex A - Roads Programme, *Table A.4: Pipeline of HA road schemes which the government is committed to funding as part of this Spending Round, subject to value for money and deliverability.*
- 3.1.3 In addition to this the Government published the RIS on 1 December 2014, which is underpinned by legislation following the Infrastructure Bill receiving Royal Assent on 12 February 2015 and the creation of Highways England on 1 April 2015. The RIS provides certainty of Government funding with over £15 billion to be invested in major roads between 2015/16 and 2020/21. The Scheme was announced in the RIS as a committed and therefore funded scheme which can be found in Appendix C.
- 3.1.4 The funding commitment was reiterated in the Highways England Delivery Plan 2015- 2020 which was published in March 2015 and subsequent delivery plans which can be found in Appendix D.
- 3.1.5 The Government and Highways England commitments set out above demonstrate that the Scheme will be fully funded by the Department for Transport and consequently the Scheme is not dependant on funding contributions from other parties.

## 4. Blight

- 4.1.1 The term 'blight' refers to the reduction of economic activity or property values in a particular area resulting from possible future development, or restriction of development. Blight notices may be served on the Applicant by those with a qualifying interest in affected land.
- 4.1.2 To date 5 blight notices have been served of which all have been deemed valid claims and are due to be paid. The cost of meeting these claims has been met by Highways England.
- 4.1.3 Should any future claims for blight arise as a consequence of the proposed compulsory acquisition of land, or rights in land, affected by the Scheme, the costs of meeting any valid claim will be met by Highways England.

## Appendix A: Reference to Highways England Licence

Hyperlink for full document: [Highways England: Licence, Department for Transport, April 2015](#)

**Extract:** (section 6.28 to section 6.36, pg. 22 & pg. 23)

*6.28 The Secretary of State is able to vary a RIS once it has been agreed, and the Licence holder may also request a change to the RIS.*

*6.29 Small-scale changes to the RIS, beyond minor refinements that are within the Licence holder's discretion, will be handled through a formal change control process. Major variations, which would affect the Licence holder's overall funding, have a material effect on the integrity of the RIS or otherwise compromise the Licence holder's ability to comply with the RIS, would require the RIS to be re-opened.*

*6.30 In considering or proposing any variation of a RIS, the Secretary of State and the Licence holder must have due regard to the desirability of maintaining certainty and stability in respect of the existing RIS.*

*6.31 Small-scale changes to the RIS, which do not have a bearing on the overall funding envelope and do not materially affect the integrity of the RIS (including small-scale additions to the RIS, as at 6.32), will be subject to a formal change control process, as described at 6.32 – 6.36.*

*6.32 In the event that the Secretary of State considers that a small-scale change to the detail of an objective set out in the RIS may be necessary (for example, a change to the way in which a particular objective is measured, or a change to the nature of a project identified in the RIS Investment Plan), he will notify the Licence holder, the Highways Monitor and Transport Focus. Where the Secretary of State is seeking additions beyond the current RIS, such as additional schemes or further metrics or indicators, the Secretary of State will consider making a proportionate increase in the funding made available by government to the Licence holder to deliver these, along with the existing RIS requirements.*

*6.33 In the event that the Licence holder requests a small-scale change to the RIS, or identifies that a specific project in the RIS Investment Plan may need to be replaced (due to a deterioration in the business case or difficulties in obtaining relevant consents) the Licence holder must provide sufficiently detailed proposals and supporting evidence to allow the Secretary of State to make an informed decision.*

*6.34 The Secretary of State will consider the viability and desirability of any request by the Licence holder under 6.33, seeking advice from the Highways Monitor, where appropriate, and will respond to the Licence holder within three months with a decision about whether or not to proceed with a change.*

*6.35 Following a notification under 6.32, or a response to the Licence holder by the Secretary of State under 6.34, the Secretary of State will begin discussions with the Licence holder and the Highways Monitor to agree the change, including any proportionate increase in the funding as described at 6.32. Once agreed, the Secretary of State will publish details of the change.*

*6.36 In the event that, under the circumstances described at 6.35, the Secretary of State and the Licence holder fail to reach a mutually agreed position, having sought advice from the Highways Monitor, the Secretary of State retains the right to make a final determination.*



## Appendix B: Reference to Investing in Britain's future

Hyperlink for full document: [Investing in Britain's Future](#)

Extract: Screenshot of Annex A - Roads Programme, Table A.4, pg. 74)

**Table A.4: Pipeline of HA road schemes which the Government is committed to funding as part of this Spending Round, subject to value for money and deliverability**

Project	Description
A19/A1058 Coast Road	Alleviating congestion on the A19 and improving strategic links. This is between Newcastle and South Shields.
A63 Castle Street	Improving access to the Port of Hull, relieve congestion, improving links to developments. Castle Street is the section of the A63 in the centre of Hull by the port.
A19 Testos	New flyover at the Testos junction which connects the A19 and the A184, south of Newcastle.
Junctions between Birmingham and Manchester (M6 J16-19)	Managed Motorways. Junctions from near Crewe to Knutsford.
South Birmingham Junctions (M5 J4a-6)	Managed Motorways. Junctions near Bromsgrove to Worcester.
A 14 Cambridge to Huntingdon	Upgrade to A14 between Cambridge and Huntingdon. Funding supported by contributions from local authorities and local enterprise partnership plus tolling.
Derby Junctions (A38)	The three junctions are: <ul style="list-style-type: none"> <li>• A38/A5111 Kingsway roundabout</li> <li>• A38/A52 Markeaton roundabout</li> <li>• A38/A61 Abbey Hill roundabout</li> </ul>
M1 Junctions near Long Eaton (J24-25)	Managed Motorways. Junctions by Long Eaton.
M1 Junctions south of Rugby (J13-19)	Managed Motorways. Junctions to the East of Milton Keynes to just North of Rugby.
A21 Tonbridge to Pembury	Upgrade the A21 between Tonbridge and Pembury to dual 2-lane carriageway standard with grade separated junctions at the Fairthorne and Longfield Road Junctions at the south end of the scheme.
M4 J3 - J12	Increasing the capacity of the M4. This project is located on 31 miles of the M4 Motorway between the A312 at Heathrow Airport to Theale in Berkshire.
Gatwick Junctions (M23 J8-10)	Managed Motorways. Junction with M25 to Gatwick Airport.
A27 Chichester Bypass	Upgrading 6 junctions on the existing 3.5m bypass.

---

## Appendix C: Reference to Road Investment Strategy

Hyperlink for full document: [Road Investment Strategy for the 2015/16 – 2019/20 period, Department for Transport, March 2015](#)

Extract: (section 3, pg. 39)

Schemes committed – A38 Derby junctions – replacement of three roundabouts on the A38 in Derby with grade-separated interchanges, raising the A38 in the East Midlands to Expressway standard and removing congestion.

---

## Appendix D: Reference to Highways England Delivery Plan

Hyperlink for full document: [Highways England Delivery Plan 2015 2020](#)

Extract: (section 3.1.3, pg. 18)

Replace the roundabouts on the A38 in Derby with grade separate junctions to reduce high levels of congestion and improve safety.

Hyperlinks to subsequent delivery plan updates:

- [Highways England Delivery Plan 2016 to 2017](#)
- [Highways England Delivery Plan 2017 to 2018](#)
- [Highways England Delivery Plan Update - Supplementary Annex 2017-2018](#)
- [Highways England Delivery Plan Update 2018 to 2019](#)