

A428 Black Cat to Caxton Gibbet improvements

TR010044

Volume 4

4.2 Funding Statement

Planning Act 2008

Regulation 5(2)(h)

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

26 February 2021

Infrastructure Planning

Planning Act 2008

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

**A428 Black Cat to Caxton Gibbet
improvements**

Development Consent Order 202[]

Funding Statement

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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 PA 2008) for a Development Consent Order (DCO). If made, the DCO would grant consent for the Applicant to undertake the A428 Black Cat to Caxton Gibbet improvements Scheme (the Scheme).
- 1.1.2 The purpose of this Statement is to demonstrate that the Scheme will be adequately funded through the Road Investment Strategy, using change control processes set out in Part 6 of the Highways England Licence¹ if required, 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 including the draft DCO [TR010044/APP/3.1], the Book of Reference [TR010044/APP/4.3], the Land Plans [TR010044/APP/2.2], and in particular, the Statement of Reasons [TR010044/APP/4.1], which is also included in the application to comply with the requirements of Regulation 5(2)(h).
- 1.1.6 A description of the Scheme can be found in the Introduction to the Application [TR010044/APP/1.2] and in **Chapter 2, The Scheme** of the Environmental Statement [TR010044/APP/6.1].

¹ <http://assets.highwaysengland.co.uk/Corporate+documents/Licence.pdf>

2 Capital Expenditure

2.1 Capital cost

- 2.1.1 The Scheme has an estimate of £812.5 million including allowances for risk and inflation. 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 PA2008.
- 2.1.2 The estimates for these items relating to compensation payments 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 overall scheme 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 Road Investment Strategy.

3.2 Investing in Britain's future

3.2.1 The funding commitment for delivering the Scheme was made when the Government published the Road Investment Strategy (RIS) for the 2015/16 – 2019/20 Road Period on 1 December 2014 (RIS1), 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 documents contained in RIS1 set out a long-term approach to improve England's motorways and major roads (the 'strategic road network'), and provide 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 RIS1 as a committed and therefore funded scheme (extract at Appendix A).

3.2.2 The Road Investment Strategy 2: 2020 – 2025 document, published on 11 March 2020 (RIS2), renewed the commitment to fund and deliver the Scheme with its stated intention to bring *"Pinch-points like the Black Cat junction on the A1 at St Neots [...] up to a modern standard"* (extract at Appendix B). The Government has committed to delivering the constituent improvements of the Scheme during Road Period 2 (this road period runs from 2020 to 2025).

3.3 Highways England delivery plans

3.3.1 The funding commitment was reiterated in the Highways England Delivery Plan 2015-2020 which was published on 26 March 2015. The Scheme is detailed as one of the key investments on the strategic road network in the East of England. At the time this Delivery Plan was published, the start of works date for the Scheme was scheduled for the end of 2019/2020. However, the 2018/2019 Delivery Plan Update confirmed that the proposed start of works for the Scheme was deferred from 2019 (Road Period 1) to 2020-2025 (Road Period 2) (extract at Appendix C) due to the fact that *"additional time was required to consider the findings of the A1 Strategic Study"*. This start date was reconfirmed in the Delivery Plan Update 2019/2020 (extract at Appendix D).

3.3.2 On 21 August 2020, Highways England published a new Delivery Plan for the period 2020-2025. The 2020-2025 Delivery Plan maintains the start of works date to occur within Road Period 2 (2022-2023 Q2) and notes that the open for traffic date will occur in Road Period 3 (i.e. 2025-2030) (extract at Appendix E).

3.4 HM Treasury backing

- 3.4.1 Most recently the Chancellor of the Exchequer made a commitment to fund various road schemes in his budget speech of 11 March 2020 including the "A428 in the East" (extract at Appendix F).
- 3.4.2 The Government and Highways England's 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' – which has a statutory interpretation (but is sometimes also a term for general impacts) – refers to the inability by a landowner to sell a property at the open market value because of possible future development of it, or restriction of development caused by a project for public purpose – in this case the Scheme. Blight notices may be served on the Applicant by those with a qualifying interest in affected land.
- 4.1.2 To date no blight notices have been served in respect of the Scheme.
- 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 and acquisition of the interest will be met by Highways England.

Appendices

Appendix A – Extract from the Road Investment Strategy – 2015-2020

From page 27 in Part 2 (Investment Plan) of the Road Investment Strategy: for the 2015/16 – 2019/20 Road Period

3. Key investments on the Strategic Road Network

We are committing a total of £15.2 billion in the enhancement and long-term maintenance of the network between 2015/16 and 2020/21 including 127 major enhancements. This will be used to complete the road schemes currently under construction and begin construction of previously-announced road schemes. It will also be used to take 69 new road schemes into construction over the course of the Road Period, and to develop a further pipeline of future improvements for the network.

This Road Investment Strategy includes a long term funding commitment by government to support delivery of this programme. This is an important change of approach, which involves ring-fencing investment for the Strategic Road Network in a way which takes it outside of the normal decisions on departmental budgets. This means that the schemes listed below have access to committed funding, allowing them to enter construction during this Road Period.

This represents a level of commitment well beyond the level previously associated with investment on the strategic road network.

In some instances, the development of schemes over the course of the Road Period may bring unexpected issues to light. This could mean that in limited cases individual commitments in this chapter may need to change or adjust. If this happens ministers will be required to confirm that the revised proposals continue to meet the overall objectives of the scheme, or that they provide an alternative way of tackling the problems targeted.

Because these schemes feature in the Investment Plan, their delivery forms part of the performance specification. The new Strategic Road Network Monitor will independently monitor the progress of the investment plan, and will include a report on delivery as part of their published assessment of how well the Company is fulfilling the requirements of the performance specification.

From page 30 in Part 2 in relation to investment status.

Committed (previously announced, or newly announced in this Investment Plan) – we are committing the full anticipated funding for this scheme. In some cases, this may include funding from other sources within central government, including the Local Growth Fund. Provided that the necessary statutory approvals are granted and the scheme continues to demonstrate value for public money, it will enter construction during this roads period.

From page 43 in Part 2 in relation to committed schemes – newly announced in this Investment Plan.

- **A428 Black Cat to Caxton Gibbet**
– improvement of the A428 near St Neots, linking the A421 to Milton Keynes with the existing dual carriageway section of the A428 to Cambridge, creating an Expressway standard link between the two cities via Bedford. The scheme is expected to include significant improvements to the Black Cat roundabout, where the A1 currently meets the A421.

Appendix B – Extract from the Road Investment Strategy 2: 2020 – 2025

At page 72 in relation to Government priorities towards completing the commitments of RIS1.

- Pinch-points like the Black Cat junction on the A1 at St Neots and junction 6 on the M42 at Birmingham Airport will be brought up to a modern standard.

At page 101 and 102 in relation to road schemes committed for delivery in Road Period 2.

A428 Black Cat to Caxton Gibbet –

dualling of remaining single carriageway section between Cambridge and the M1, including three grade separated junctions: one at the junction of the A1 and A421 (Black Cat); a second at Cambridge Road / B1428 east of St Neots; and a third at the junction of the A428/A1198 at Caxton Gibbet. The Black Cat interchange will provide free-flowing movements for traffic on the A1 and the A421/A428.

Appendix C – Extract from the Highways England Delivery Plan 2018-2019 Update

From page 48 of the Delivery Plan Update concerning changes to business commitments.

Changes to business commitments		
Changes to the major improvements programme		
Item	Reason for change	Changes from Delivery Plan Update
A303 Amesbury to Berwick Down	Change of procurement arrangements to Private Finance, requiring greater time before works could start.	Start of works (SoW) is deferred from 2019-20 to 2021-22
A428 Black Cat to Caxton Gibbet	Additional time required to consider the findings of the A1 Strategic Study, resulting in a delay to the programme.	SoW is deferred from 2019-20 (RP1) to RP2
A38 Derby junctions	Additional time required to review options and concerns raised by stakeholders in advance of taking forward a preferred route.	Change to the delivery plan commitments: SoW date from 2019-20 to 2020-21; open for traffic (OfT) date from 2022-23 to 2024-25
A63 Castle Street	Due to the complexities of the scheme and the need to ensure that details are developed sufficiently for a robust Development Consent Order application, the programme has been extended.	Change to the delivery plan commitments: SoW date from 2018-19 to 2019-20; OfT date from 2021-22 to 2024-25
M60 junction 8 to M62 junction 20	Issues encountered during construction have resulted in delays to the programme.	Rescheduled OfT to 2018-19

From page 49.

Our aim is to deliver the outcomes and outputs defined in the RIS. In a number of cases, we have redefined or amended our approach. This has been necessary for different reasons, such as changes in scope or complexity which have impacted on project delivery timescales or because we believe we need to change the project deliverables to do the right thing for our customers and stakeholders.

Appendix D – Extract from the Highways England Delivery Plan 2019-2020 Update

From page 56 in Annex:1 of the Delivery Plan Update concerning the updated Scheme schedule 2015 – 2020.

Updated scheme schedule 2015-2020						
Map Ref	Scheme	Region	Programme			
			Start of works		Open for traffic	
			Commit	Status	Commit	Status
57	M1 junctions 23a-24	Midlands	2019-20	Complete	2018-19 Q3	Complete
58	M6 junction 10 improvement	Midlands	2019-20 Q4		2022-23	
59	A5 Dodwells to Longshoot widening	Midlands	RP2			
60	M42 junction 6	Midlands	2019-20 Q4			
61	A46 Coventry junction upgrades	Midlands	2019-20 Q4			
62	M40/M42 interchange smart motorways	Midlands	2019-20 Q4		2021-22	
63	A45/A6 Chowns Mill junction improvement	Midlands	2019-20 Q4		2021-22	
64	M5 junctions 5,6 and 7 junction upgrades	Midlands	2019-20	Complete	2018-19 Q4	Complete
65	A43 Abthorpe junction	Midlands	2019-20	Complete	2017-18 Q1	Complete
66	A428 Black Cat to Caxton Gibbet	East	RP2			

Appendix E – Extract from the Highways England Delivery Plan 2020-2025

At page 74 Annex B, in relation to details for the major enhancement schemes in the East of England.

East schemes			
Scheme number	Scheme	Start of works	Open for traffic
37	A14 Cambridge to Huntingdon	Started	2020-21 Q3
38	A47 Wansford to Sutton	2022-23 Q4	2024-25
39	A47 Great Yarmouth junctions	2023-24	2024-25
40	A47 Guyhirn junction	2020-21 Q4	2022-23
41	A47 north Tuddenham to Easton	2022-23 Q4	2024-25
42	A47 Thickthorn junction	2022-23 Q4	2024-25
43	A47 Blofield to north Burlingham	2022-23 Q4	2024-25
44	A428 Black Cat to Caxton Gibbet	2022-23 Q2	RP3
45	A12 Chelmsford to A120	2023-24	RP3
46	M1 junctions 10 to 13 upgrade dynamic hard shoulder running to all lane running	2022-23 Q2	2023-24

RIS1 scheme A1(M) junctions 6 to 8 rescheduled to a future road period as part of the *Smart motorway evidence stocktake and action plan*.

Appendix F – Extract from the Budget Speech March 2020 as delivered by Chancellor Rishi Sunak

Extract from the March 2020 Budget Speech.²

Today, I'm announcing the biggest ever investment in strategic roads and motorway – over £27bn of tarmac.

That will pay for work on over 20 connections to ports and airports, over 100 junctions, 4,000 miles of road.

I'm announcing new investment in local roads, alongside a new £2.5bn pothole fund – that's £500m every single year; enough to fill, by the end of the Parliament, 50 million potholes.

The details of all the road schemes I'm funding will be published later today – and I thank my RHF the Transport Secretary for his efforts.

Our ambition is truly national.

The A417 in the South West.

The A428 in the East.

The A46 in the Midlands.

Unclogging Manchester's arteries.

Freeing the traffic north of Newcastle.

And, something my North and Mid Wales colleagues will be particularly pleased to hear...

...we're protecting beautiful villages in the Welsh Borders, as we finally build the Pant-Llanymynech bypass.

We promised to get Britain moving – and we're getting it done.

² Published at <https://www.gov.uk/government/speeches/budget-speech-2020> and accessed 13 December 2020.