

A417 Missing Link
TR010056

4.2 Funding Statement

Planning Act 2008

APFP Regulation 5(2)(h)
Infrastructure Planning (Applications: Prescribed Forms and
Procedure) Regulations 2009

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Infrastructure Planning

Planning Act 2008

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

A417 Missing Link

Development Consent Order 202[x]

Funding Statement

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Table of Contents

	Pages
1 Introduction	1
1.1 Purpose of document	1
2 Capital expenditure	2
2.1 Capital cost	2
3 Sources of funding	3
3.1 Investing in Britain's future	3
3.2 Highways England delivery plans	4
3.3 HM Treasury backing	4
4 Blight	5
Appendices	i
Appendix A Extracts from the Road Investment Strategy: for the 2015/16 – 2019/20 Road Period	ii
Appendix B Extracts from Road Investment Strategy 2: 2020-2025 (March 2020)	vi
Appendix C Extract from the Highways England Delivery Plan 2020-2025	x
Appendix D Extract from the Budget Speech (March 2021)	xii

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 Secretary of State for Transport (SoS) via the Planning Inspectorate (PINS) under the Planning Act 2008 (the Act) for a Development Consent Order (DCO). If made, the DCO would grant consent for the Applicant to undertake the A417 Missing Link (the scheme). A detailed description of the scheme can be found in Chapter 2 of the Environmental Statement (ES) (Document Reference 6.2).
- 1.1.2 The purpose of this Statement 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 (see Appendix A) 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 APFP Regulations) and in accordance with the Department for Communities and Local Government (DCLG) guidance 'Planning Act 2008: Guidance related to procedures for compulsory acquisition' (September 2013).
- 1.1.4 The DCO would authorise the compulsory acquisition of land, interests in land or rights over land. This Statement is therefore required under Regulation 5(2)(h) to outline 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 (Document Reference 4.1), which is also included in the application to comply with the requirements of Regulation 5(2)(h).

2 Capital expenditure

2.1 Capital cost

- 2.1.1 The scheme has a most-likely estimate of £439.6 million, including allowances for risk and inflation, at the date of application. This estimate includes all costs to deliver the scheme from Options Stages through to completion of the project. 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 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 The Applicant 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 the Applicant's 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 The Applicant 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. The Applicant is responsible for delivering the major projects in the RIS.

3.1 Investing in Britain's future

- 3.1.1 The Road Investment Strategy 2015/16-2019/20 (RIS1) set out investment in England's motorways and major roads (the Strategic Road Network) during the 2015 to 2020 road period. This was the initial step in a long-term programme to improve England's motorways and major roads. For the period post 2020, a second road investment period (known as RIS2) has been developed to create a pipeline of road projects up to 2025.

RIS for 2015/2016 – 2019/2020 Road Period (March 2015)¹

- 3.1.2 The A417 Missing Link scheme was first identified in RIS1 in March 2015. This set out the need to undertake work on longer term commitments beyond the RIS1 Road period. Page 47 of that document identified the scheme as a South West scheme that would be, "developed for the next roads period." References to the scheme in this document have been extracted and are presented in Appendix A.

Road Investment Strategy 2: 2020-2025 (March 2020)²

- 3.1.3 The Government published the Road Investment Strategy 2 (RIS2) on 11 March 2020. RIS2 sets a long-term strategic vision for the network. With that vision in mind, it then: specifies the performance standards Highways England must meet; lists planned enhancement schemes expected to be built; and states the funding that will be made available during the second Road Period (RP2), covering the financial years 2020/21 to 2024/25. In total, RIS2 commits the Government to spend £27.4 billion during RP2. Some of this will be used to build new road capacity, but much more will be used to improve the quality and reduce the negative impacts of the existing Strategic Road Network (SRN), so that every part of the country will benefit.
- 3.1.4 The A417 Missing Link scheme is identified in RIS2 in Part 3: Investment Plan, under the South and West section. It is referred to on pages 103 and 104 as a scheme committed in the RP2 funding period, citing the importance of the route to the local economy. RP2 provides funding for road schemes to start on site by 1 April 2025. An extract of the South and West section of the Investment Plan is provided in Appendix B.
- 3.1.5 Page 119 of RIS2 sets out a "Statement of Funds Available", which outlines the resources available to Highways England in delivering the outputs listed in the

1 Link to Road Investment Strategy 2015/16 – 2019/20:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/408514/ris-for-2015-16-road-period-web-version.pdf

2 Link to the RIS2 document:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/872252/road-investment-strategy-2-2020-2025.pdf

investment plan and performance specification, as well as discharging all responsibilities set out in Highways England's Licence and wider statute. This confirms that the total funding that Highways England will receive during RP2 to deliver the outputs and outcomes listed in RIS2 will be £27.4 billion.

- 3.1.6 The publication of RIS2 on 11 March 2020 therefore confirms the Government's funding for the A417 Missing Link scheme, including the funding needed to meet the costs of compulsory acquisition.

3.2 Highways England delivery plans

- 3.2.1 The funding commitment was reiterated in the Highways England Delivery Plan 2020-2025 which was published on 21 August 2020. The scheme is detailed as one of the key investments on the SRN in the South West of England. The Delivery Plan maintains the start of works date to occur within RP2 (2022-23 Q4) and notes that the open to traffic date will occur at the end of RP2 (2024/25). An extract from the Delivery Plan is included at Appendix C.

3.3 HM Treasury backing

- 3.3.1 As part of the Spring 2020 Budget, the Chancellor of the Exchequer announced one of the biggest ever investments in strategic roads and motorways and made a commitment to fund various road schemes in his budget speech of 11 March 2020. This included a commitment for the 'A417 in the South West' (extract at Appendix D).
- 3.3.2 This commitment from the Government, in addition to the commitments within the RIS2 and the Applicant's Delivery Plan demonstrate that the scheme will be fully funded by the Department for Transport and consequently the scheme is not dependent 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 five blight notices have been served and all have been deemed a valid claim 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 and acquisition of the interest will be met by Highways England.

Appendices

Appendix A Extracts from the Road Investment Strategy: for the 2015/16 – 2019/20 Road Period

From page 7 of Part 2: Investment Plan of the Road Investment Strategy 2015/16 – 2019/2020 Road Period

Overview 7

In this road period, we will continue delivering Smart Motorways around Manchester, Sheffield, and Leeds, benefitting both the city regions themselves and, through their role as key transport hubs, the wider economy of the north of England. Better links to the North East will come as the first continuous motorway link to the region opens in 2017 and the A19 is upgraded to Expressway. Improvements in Liverpool, Leeds and Birkenhead will all unlock nationally significant growth sites.

We are also starting the process of a true transformation of the region's roads. By the end of the next Road Period, Smart Motorways will provide four-lane links between all the major cities of the region, including via the M62 across the Pennines. The A1 in Yorkshire will be upgraded to motorway, relieving the M1 in Sheffield and Leeds. Better links across the northern Pennines could extend the Powerhouse further north. A national and regional debate is required on whether we should commit to build a tunnel under the Pennines to link Manchester and Sheffield. The cost would be great, as would the possible transformative benefits for the economy.

Smart Motorways and Expressways

– road users and businesses both need reliable networks. On the core of our motorway network, this means deploying world-leading technology to smooth journeys and open up additional capacity. The Smart Motorway roll-out will continue, supporting our biggest cities and increasingly linking them to one another. By the end of the second Road Period, there will be continuous Smart Motorway corridors linking London, Leeds, Manchester and Birmingham,

offering a reliable and consistent level of service to motorists.

The rest of the country needs equally dependable roads. Many parts of the country are linked by A-roads that are mostly high-quality, but are dominated by one or two bottlenecks. Consistency of performance is required – and to achieve this we will create a series of Expressways – consistently good roads which are largely or entirely dual carriageway, with grade-separated junctions, giving most users a motorway-quality journey.

The South West will lead the country in adopting this approach. £2 billion of investment in the A303 will create a new Expressway corridor into the region. Improvements to the A30 will extend an Expressway to within 15 miles of Land's End. Well-designed improvements offer the prospect of doing the same for the A417 near Gloucester. Taken together, this will send a clear message that this part of the country is open for business.

Growth and Housing – economic development places new pressure on our roads. Enterprise zones, industrial sites and new office parks all offer potential employment for their communities. Good access to the strategic network is an important factor in making many of these developments work. Equally importantly, enabling investment can prevent the results of new development being worse traffic for existing road users.

Schemes in this investment plan are linked to housing developments across England, making thousands of new homes possible. They improve access to enterprise zones and growth sites in Sunderland, Leeds, Stoke, Merseyside, the Black Country and other towns and

From pages 47 and 48 of Part 2: Investment Plan of the Road Investment Strategy 2015/16 – 2019/2020 Road Period

Key investments on the Strategic Road Network 47

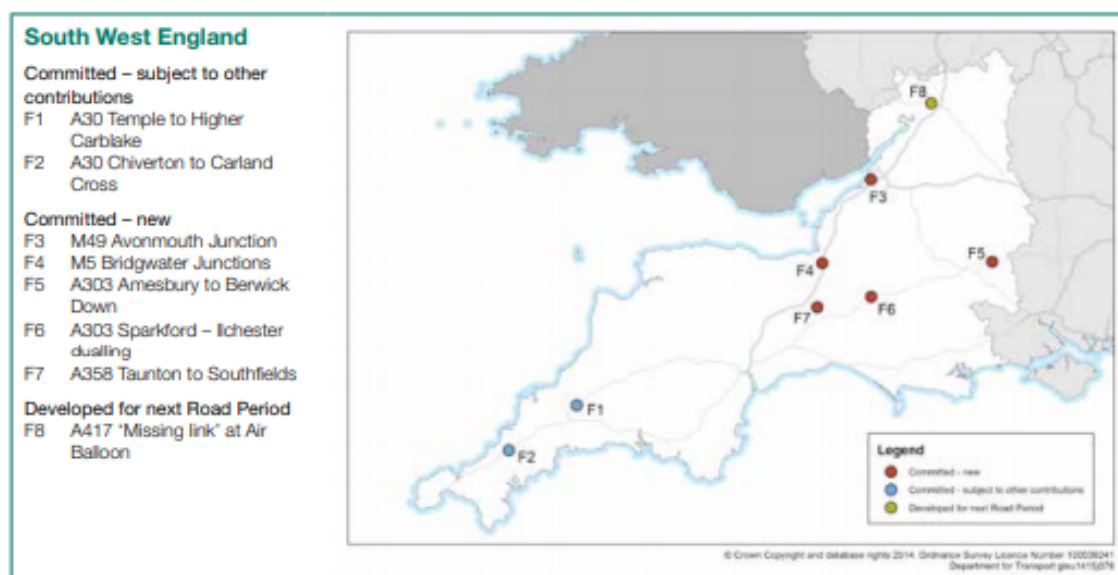
South West

Schemes committed subject to other contributions

- **A30 Temple to Higher Carblake** – upgrading the A30 to dual carriageway at the remaining single carriageway section north of Bodmin, connecting together the existing high-quality dual carriageway.
- **A30 Chiverton to Carland Cross** – upgrading the A30 to dual carriageway north of Truro, connecting together the dual carriageway section around Bodmin with the dual carriageway Redruth bypass. Coupled with the Temple to Higher Carblake scheme and smaller-scale safety enhancements on the route, this improves the A30 to a consistent Expressway standard from Camborne to the M5.

Newly announced in this Investment Plan

- **M49 Avonmouth junction** – creation of a new junction on the M49 to support development at Avonmouth.
- **M5 Bridgwater junction** – improvement of junction 23 through enhanced slip roads and more capacity on the junction itself.
- **A303 Amesbury to Berwick Down** – construction of a twin-bored tunnel of at least 1.8 miles as the road passes Stonehenge, coupled with a dual carriageway bypass for Winterbourne Stoke to link the existing dual carriageway section around Amesbury with the dual carriageway at Berwick Down.



48 Road Investment Strategy: Investment Plan

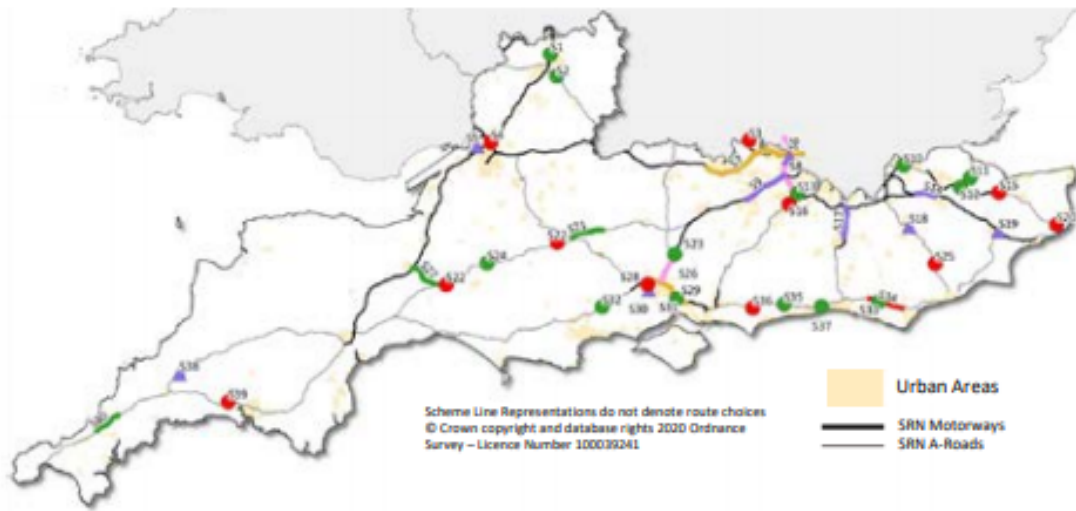
- **A303 Sparkford – Ilchester dualling**
– dualling of a single carriageway section of the A303, linking together the Sparkford and Ilchester bypasses.
- **A358 Taunton to Southfields** –
creating a dual carriageway link from the M5 at Taunton to the A303 incorporating upgraded stretches of the existing road into the strategic road network where appropriate.

Schemes developed for the next roads period

- **A417 'missing link' at Air Balloon improvement** – connection of the two dual carriageway sections of the A417 near Birdlip in Gloucestershire, taking account of both the environmental sensitivity of the site and the importance of the route to the local economy.

Appendix B Extracts from Road Investment Strategy 2: 2020-2025 (March 2020)

The South and West



- Open for Traffic** —●—
- S5 M49 Avonmouth Junction
 - S8 M4 Heathrow slip road
 - S9 M3 Junctions 2-4A
 - S14 M20 Junctions 3-5
 - S17 M23 Junctions 8-10
 - S18 A21 Tonbridge to Pembury
 - S19 M20 Junction 10a
 - S30 M271 / A35 Redbridge roundabout upgrade
 - S38 A30 Temple to Carblake

- Under Construction** —●—
- S7 M4 Junctions 3-12
 - S29 M27 Junctions 4-11

- Committed for RP2** —●—
- S1 M5 Junction 10 and Link Road (Gloucestershire) (HIF)
 - S2 A417 Air Balloon
 - S10 A2 Bean and Ebbsfleet
 - S11 A249: Swale Transport Infrastructure (HIF)
 - S12 M2 Junction 5
 - S13 M25 Junction 10
 - S21 A303 Amesbury to Berwick Down
 - S23 M3 Junction 9
 - S24 A303 Sparkford to Ilchester

- S27 A358 Taunton to Southfields
- S31 M27 Junction 8
- S32 A31 Ringwood
- S33 A27 East of Lewes Package
- S35 A27 Arundel Bypass
- S37 A27 Worthing and Lancing Improvements
- S40 A30 Chiverton to Carland Cross

- Smart Motorways Subject to Stocktake** —●—
- S6 M25 10 - 16
 - S26 M3 9 - 14

- RS3 Pipeline** —●—
- S3 A404 Bisham Junction
 - S4 Severn Resilience package
 - S15 A2 Brenley Corner
 - S16 A3/A247 Ripley South
 - S20 A2 Dover Access
 - S22 A303 Phase 2 upgrade
 - S25 A21 Safety Package
 - S28 M27 Southampton Access
 - S34 A27 Lewes to Polegate
 - S36 A27 Chichester Improvements
 - S39 A38 Trerulefoot - Carkeil safety package

Part 3: Investment Plan

A303 Amesbury to Berwick Down (Stonehenge Tunnel)

Stonehenge is a site of national and international significance whose setting has long been affected by the proximity of a major route to the South West. The construction of a two mile long tunnel as the road passes Stonehenge will begin in RP2. This will be the largest environmental improvement ever made to the UK road network and will transform the setting of the monument. It will also address one of the major pinchpoints for road users on the A303 corridor.

RP2 will also see work continue on planning further enhancements to meet the commitment to create a high quality connection to the South West. To allow a focus on the delivery of the Tunnel and to limit disruption to those who use this route, the next phases of construction are likely to begin as the Tunnel completes.

Under construction

M4 Junctions 3–12 – upgrading of the M4 to smart motorway between junction 3 (Uxbridge) and junction 12 (west of Reading), linking Reading and Heathrow.

M27 Junctions 4–11 – upgrading the M27 to smart motorway between junction 4 (M3 interchange) and junction 11 (Fareham), linking with the smart motorway scheme on the M3.

Committed for RP2

A417 Air Balloon – connecting the two dual carriageway sections of the A417 near Birdlip in Gloucestershire, taking account of both the environmental sensitivity of the site and

the importance of the route to the local economy.

A2 Bean and Ebbsfleet – improvements to junctions on the A2 near Bluewater to enable major developments in the vicinity of Ebbsfleet. Construction is part-funded by a local developer.

M2 Junction 5 – additional capacity for the junction, through improvements to slip roads and enhanced junction approaches.

M25 Junction 10 – improvement to the Wisley interchange to allow free-flowing movement, together with improvements to the neighbouring Painshill interchange on the A3 to improve safety and reduce congestion.

A303 Amesbury to Berwick Down – construction of a twin-bored tunnel as the road passes Stonehenge, coupled with a dual carriageway bypass for Winterborne Stoke to link the existing dual carriageway at Berwick Down.

M3 Junction 9 – upgrade to the junction to allow free movement from the A34 to the M3.

A303 Sparkford to Ilchester – dualling of a single carriageway section of the A303, linking together the Sparkford and Ilchester bypasses.

A358 Taunton to Southfields – creating a dual carriageway link from the M5 at Taunton to the A303, incorporating upgraded stretches of the existing road into the SRN where appropriate.

M27 Southampton Junction 8 – additional capacity at junction 8 through improvements to the Windhover roundabout.

A31 Ringwood – widening of the A31 at Ringwood to three lanes, providing more capacity for local traffic using the road to cross the Avon, plus adjustments to the

nearby local road network to allow for improvements for pedestrians in Ringwood.

A27 East of Lewes Package –

improvements to the A27 between Lewes and Eastbourne, including improvements to junctions around Eastbourne, dualling south of the Polegate roundabout and new facilities for cycling and walking.

A27 Arundel Bypass – replacement of the existing single carriageway road with a dual carriageway bypass, linking together the two existing dual carriageway sections of the road.

A27 Worthing and Lancing

improvements – package of enhancements between Worthing and Lancing to improve the capacity and flow of traffic.

A30 Chiverton to Carland Cross –

upgrading the A30 to dual carriageway north of Truro, connecting together the dual carriageway section around Bodmin with the dual carriageway Redruth bypass. This means that the A30 will be continuous dual carriageway from Camborne to the M5.

Smart motorways subject to stocktake

M25 Junctions 10-16 – upgrading the M25 between junction 10 (A3) and junction 16 (M40) through a mixture of enhancements, including all lane running between junctions 15 and 16, as well as four-lane through-junction running between junctions 10 and 12.

M3 Junctions 9-14 – upgrading the M3 to smart motorway between junction 9 (Winchester/A34 interchange) and junction 14 (M27), linking with the smart motorway scheme on the M27. This includes improving slip roads at junctions 10 to 14 to align with the introduction of smart motorway (previously listed as two separate enhancement schemes).

Appendix C Extract from the Highways England Delivery Plan 2020-2025

At page 75 of Annex B, in relation to details for the major enhancement schemes in the South West of England.

South-west schemes			
Scheme number	Scheme	Start of works	Open for traffic
64	A303 Sparkford to Ilchester	2020-21 Q4*	2023-24
65	A303 Amesbury to Berwick Down	2022-23 Q2*	RP3
66	A358 Taunton to Southfields	2024-25	RP3
67	A30 Chiverton to Carland Cross	Started	2023-24
68	A417 Air Balloon	2022-23 Q4	2024-25
69	M4 junctions 19 to 20 and M5 junctions 16 to 17 upgrade dynamic hard shoulder running to all lane running	2022-23 Q2	2023-24

*Start of works dates subject to change following recent delays to statutory planning processes.

Table 5 Enhancements scheme list

Appendix D Extract from the Budget Speech (March 2021)

Extract from the March 2020 Budget Speech³

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.

³ Published at <https://www.gov.uk/government/speeches/budget-speech-2020> and accessed in March 2021