

M60/M62/M66 Simister Island Interchange

TR010064

4.2 FUNDING STATEMENT

APFP 5(2)(h)

Planning Act 2008

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

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Planning Act 2008

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

M60/M62/M66 Simister Island Interchange
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 National Highways (the "Applicant") to the Secretary of State for Transport via 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 M60/M62/M66 Simister Island Interchange (the "Scheme"). A detailed description of the Scheme can be found in Chapter 2: The Scheme of the Environmental Statement (ES) (TR010064/APP/6.1).
- 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 National Highways' (then Highways England) Licence (see **Appendix A** of this Statement) 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; in particular, the Statement of Reasons (TR010064/APP/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 cost of the Scheme is estimated to be around £230 million, including allowances for risk and inflation at the date of application for the DCO. This estimate includes all costs to deliver the Scheme from options stages through to the opening for traffic.
- 2.1.2 The estimated cost 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.
- 2.1.3 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.
- 2.1.4 The Applicant has not provided a separate estimate within this Statement for the allowance included in the Scheme estimate for compensation payments. The Applicant considers that the provision of the estimate for compensation payments within this Statement may prejudice ongoing negotiations by agreement with land interests. Further details on the current position in relation to negotiations by agreement can be found in Annex B of the Statement of Reasons (TR010064/APP/4.1)
- 2.1.5 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.
- 2.1.6 The estimate has been prepared in accordance with National Highways 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.

Road Investment Strategy: for the 2015/16 – 2019/20 Road Period

3.1.2 The Government published the first RIS (RIS1) 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. RIS1 provided certainty of Government funding with over £15 billion to be invested in major roads between 2015/16 and 2020/21. The Scheme was first announced in RIS1 for development and appropriate funding was allocated to the Scheme. (see **Appendix B** of this Statement for National Highways (then Highways England) Delivery Plan 2015-2020).

3.1.3 The commitment was reiterated in the Highways England five-year Delivery Plan 2015- 2020, which was published in March 2015, and in subsequent annual delivery plans, excluding DP 2018-19 and DP 2019-20. Extracts from these are provided at **Appendix C** of this Statement. A summary of the extracts are as follows:

- Delivery Plan 2016/17 update - Changes to RIS1 commitment. Scheme developed as an accelerated RIS 1 for RIS 2 scheme.
- Delivery Plan 2017/18 update - No changes to DP 2016/17 commitment. Scheme developed as an accelerated RIS 1 for RIS 2 scheme.

Road Investment Strategy 2: 2020–2025

3.1.4 On 11 March 2020, the Government published its second Road Investment Strategy for the period 2020-2025 (RIS2). RIS2 commits the Government to spending £27.5 billion to both build new road capacity and improve the quality and reduce the negative impacts of the existing Strategic Road Network (SRN). Part 3: The Investment Plan sets out the Government's expenditure priorities which confirms the ongoing commitment to the Scheme (an extract is provided in **Appendix D** of this Statement).

- Road Investment Strategy 2 confirms Scheme for delivery and subtly rebrands the Scheme from M60 Simister Island Interchange to M60/M62/M66 Simister Island Interchange.

National Highways (then Highways England) Delivery Plan 2020 – 2025

3.1.5 The funding commitment was reiterated in the National Highways (then Highways England) five-year Delivery Plan 2020 - 2025, which was published in August 2020. An extract from this is provided at **Appendix E** of this Statement. A summary of the extracts is as follows:

- Delivery Plan 2021/22 update - No changes to RIS 2 commitment. Start of Works to take place in FY 2024/25.
- Delivery Plan 2022/23 update - No changes to RIS 2 commitment. Start of Works to take place in FY 2024/25.

Conclusion

3.1.6 The Government and the Applicant'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' 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 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 will be met by the Applicant.

Appendix A - Extract from Highways England (now National Highways) Licence

[\[Link\]](#)

Part 6 - Setting and varying the Road Investment Strategy

Introduction

- 6.1 *The Secretary of State may at any time set a Road Investment Strategy (RIS) for a strategic highways company, or vary a RIS that has already been set.*
- 6.2 *A RIS is to relate to such period ('Road Period') as the Secretary of State considers appropriate. For each RIS, the Secretary of State will determine the Road Period and set the timetable for developing and agreeing the RIS.*
- 6.3 *A RIS must specify the requirements to be delivered by the Licence holder during the Road Period to which it relates and the funding to be provided by the Secretary of State in order to deliver those requirements. Such requirements may include activities to be performed, results to be achieved and standards to be met.*
- 6.4 *The Licence holder must co-operate with the Secretary of State to reach an agreed position on a RIS and comply with the processes for setting and varying a RIS.*
- 6.5 *In the event that, for any reason, there is no current RIS in effect (for example, due to a delay between one RIS expiring and the commencement of a subsequent agreed RIS), the Licence holder must continue to comply with its legal obligations and the requirements set out in this Licence, as well as any further directions issued by the Secretary of State, until a new RIS has been agreed and comes into effect.*

Setting the Road Investment Strategy

Step 1: The Strategic Road Network (SRN) Initial Report

- 6.6 *Once informed of the Road Period by the Secretary of State, the Licence holder must prepare and provide to the Secretary of State a SRN Initial Report to inform the preparation of a draft Road Investment Strategy by the Secretary of State.*
- 6.7 *In producing a SRN Initial Report, the Licence holder must include:*
- a. An assessment of the current state of the network and user needs from it;*
 - b. Potential maintenance and enhancement priorities; and*
 - c. Future developmental needs and prospects.*
- 6.8 *In producing a SRN Initial Report, the Licence holder must:*
- a. Comply with the timetable set by the Secretary of State;*
 - b. Take account of the evidence developed through the preparation of route strategies, as required at 5.13;*

- c. Consider the need for effective integration between the Licence holder's network and the rest of the transport system;*
- d. Engage with and take account of the views of relevant local and national stakeholders, including those organisations or groups identified at 5.18;*
- e. Engage with and take account of the views of Transport Focus and the Highways Monitor;*
- f. Take into account any directions and guidance that the Secretary of State may specify in relation to producing a SRN Initial Report by notice or in guidelines to the Licence holder; and*
- g. Publish the SRN Initial Report.*

6.9 As soon as possible following publication of the SRN Initial Report by the Licence holder, the Secretary of State will conduct a consultation on the SRN Initial Report.

Step 2: The Secretary of State's proposals and Draft RIS

- 6.10 The Secretary of State's response to the consultation referred to at 6.9 will include proposals for a Road Investment Strategy (the 'Draft RIS').*
- 6.11 The Draft RIS will include details of the requirements to be delivered by the Licence holder along with the financial resources to be provided by the Secretary of State for the purpose of delivering those requirements, and the intended Road Period to which the proposals relate.*
- 6.12 The Highways Monitor will assess the Draft RIS and provide advice to the Secretary of State, in accordance with the timetable set by the Secretary of State, on whether the Secretary of State's proposed requirements are challenging and deliverable with the proposed financial resources.*
- 6.13 The Licence holder must assist the Highways Monitor in their assessment of the Draft RIS, including providing any additional information as necessary.*
- 6.14 The Secretary of State, having taken account of advice from the Highways Monitor, will submit to the Licence holder:*
 - a. A Draft RIS;*
 - b. As part of the Draft RIS, a statement of his or her general strategy in respect of highways for which the Licence holder is the highway authority;*
 - c. Any other information in support of the Draft RIS as the Secretary of State considers appropriate;*
 - d. A clear timescale within which the Licence holder is required to respond with a Draft Strategic Business Plan.*

Step 3: The Company's Draft Strategic Business Plan (SBP)

- 6.15 *The Licence holder must respond to the Draft RIS issued by the Secretary of State in the form of a draft Strategic Business Plan (the 'Draft SBP'), detailing its plans for delivering the requirements set out in the Road Investment Strategy, for the whole period of that RIS.*
- 6.16 *In providing a Draft SBP to the Secretary of State, the Licence holder must:*
- a. *Clearly indicate whether the Licence holder agrees to the proposals in the Draft RIS, or make counter-proposals;*
 - b. *Take into account any directions and guidance that the Secretary of State may specify in relation to producing a SBP by notice or in guidelines to the Licence holder;*
 - c. *Engage with and take account of the views of the Highways Monitor;*
 - d. *Submit the Draft SBP to the Secretary of State within the specified timescales.*

Step 4: The Efficiency Review

- 6.17 *The Highways Monitor will assess the Draft SBP and provide advice to the Secretary of State, in accordance with the timetable set by the Secretary of State, on whether the Licence holder's proposed requirements are deliverable with the proposed financial resources, and the extent to which the Draft SBP is challenging and deliverable, including with regard to the levels of efficiency the Licence holder proposes to achieve.*
- 6.18 *The Licence holder must assist the Highways Monitor in their assessment of the Draft SBP, including providing any additional information as necessary.*

Step 5: Finalising the RIS and the SBP

- 6.19 *Following the Efficiency Review the Secretary of State, taking account of the advice of the Highways Monitor, will do one of the following:*
- a. *Approve the Draft SBP and finalise the RIS;*
 - b. *Direct the Licence holder to make revisions to the Draft SBP before granting approval; or*
 - c. *Produce a revised Draft RIS, at which point the Secretary of State and the Licence holder will follow the process as specified above between 6.14 and 6.16 in order to reach a mutually agreed position on a final RIS and a final SBP.*
- 6.20 *If necessary, the Secretary of State will request additional advice from the Highways Monitor on revised versions of the Draft RIS and/or the Draft SBP to facilitate their finalisation.*

- 6.21 *Once both the Draft RIS and Draft SBP have been finalised, they must be published by the Secretary of State and the Licence holder respectively.*
- 6.22 *In the event that the Secretary of State and the Licence holder fail to reach a mutually agreed position on the Draft RIS and/or the Draft SBP within the timetable set by the Secretary of State, the Secretary of State retains the right to determine the content of a final RIS and/or SBP.*

Step 6: Mobilisation

- 6.23 *Once the RIS has been finalised and the SBP finalised or determined, the Licence holder must take appropriate steps in advance of the next Road Period commencing to ensure that it is ready to undertake delivery of the RIS from the start of that period, including preparing a Draft Delivery Plan setting out the details of how the Licence holder aims to deliver the final SBP and submitting it to the Secretary of State for approval.*
- 6.24 *In preparing a draft Delivery Plan, the Licence holder must engage with and take account of the views of the Highways Monitor on the format and level of detail of the Delivery Plan to facilitate reporting arrangements.*

Step 7: Delivery

- 6.25 *Following approval of a Draft SBP and Draft Delivery Plan by the Secretary of State, and his issuing of a final RIS, the Licence holder must publish and deliver the final SBP and the associated Delivery Plan.*
- 6.26 *The Licence holder must report to the Highways Monitor on progress in delivering requirements set out in the final SBP and Delivery Plan on an annual basis, submitting a draft report to the Highways Monitor for approval (providing a copy to the Secretary of State), following which the Licence holder must publish the final report.*
- 6.27 *The Licence holder must update its Delivery Plan on an annual basis, submitting a draft update of the Delivery Plan to the Secretary of State for approval. Subject to the Secretary of State being satisfied that the update is consistent with, and contains no material revisions to, the original Delivery Plan, the Licence holder must publish the updated Delivery Plan.*

Varying the Road Investment Strategy

- 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.*

Change control

- 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.*

Re-opening the RIS

- 6.37 *Where, in exceptional circumstances, a major variation is considered necessary, 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, the Secretary of State will formally initiate the process for re-opening the RIS by publishing proposals for variation to the existing RIS and setting a timetable for the process.*
- 6.38 *In the event that the Licence holder requests that the Secretary of State initiate the process for re-opening the RIS, as described at 6.37, the Licence holder must provide sufficiently detailed proposals and supporting evidence to support its request. Following such a request, the Secretary of State will seek advice from the Highways Monitor on the deliverability of the RIS and the validity of the Licence holder's request.*
- 6.39 *Once the process for re-opening the RIS has been initiated, the Secretary of State will conduct a consultation on the proposals, or alternatively direct the Licence holder to conduct a consultation, depending on the nature of the proposed variation. In either case, the Licence holder must provide notification of the launch of the consultation process to those persons it considers appropriate.*
- 6.40 *Following the consultation process, the Secretary of State will formally respond to the consultation, setting out his or her decision on whether to proceed with the RIS variation process in light of consultation responses.*
- 6.41 *Should the Secretary of State decide to proceed with a revised RIS, the response to the consultation will include publication of revised proposals, equivalent to those produced in Step 2 of the process for setting the RIS, and set a timetable for finalising a revised RIS, SBP and Delivery Plan.*
- 6.42 *Following the publication of revised proposals, the Secretary of State, the Licence holder and the Highways Monitor will follow the standard process for determining and agreeing a final RIS, SBP and Delivery Plan, as set out at 6.14 to 6.24, above, in accordance with the timetable set by the Secretary of State under 6.41.*

Appendix B - Extract from Roads Investment Strategy: for the 2015/16 – 2019/20 Road Period

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Schemes developed for the next Road Period

M60 Simister Island interchange – comprehensive improvement of the intersection between the M60 (junction 18), M62 and M66 north of Manchester, upgrading the critical junction for traffic heading eastwards over the Pennines.

Appendix C - Extract from Highways England (now National Highways) Delivery Plan 2015 – 2020

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North West

One scheme identified for development and for delivery in the next Road Period:

Simister Island interchange between the M62, M60 and M66 - introducing more free-flowing movements to substantially improve one of the busiest junctions to the northeast of Manchester.

Extract from Highways England (now National Highways) Delivery Plan 2016 – 2017 [\[LINK\]](#)

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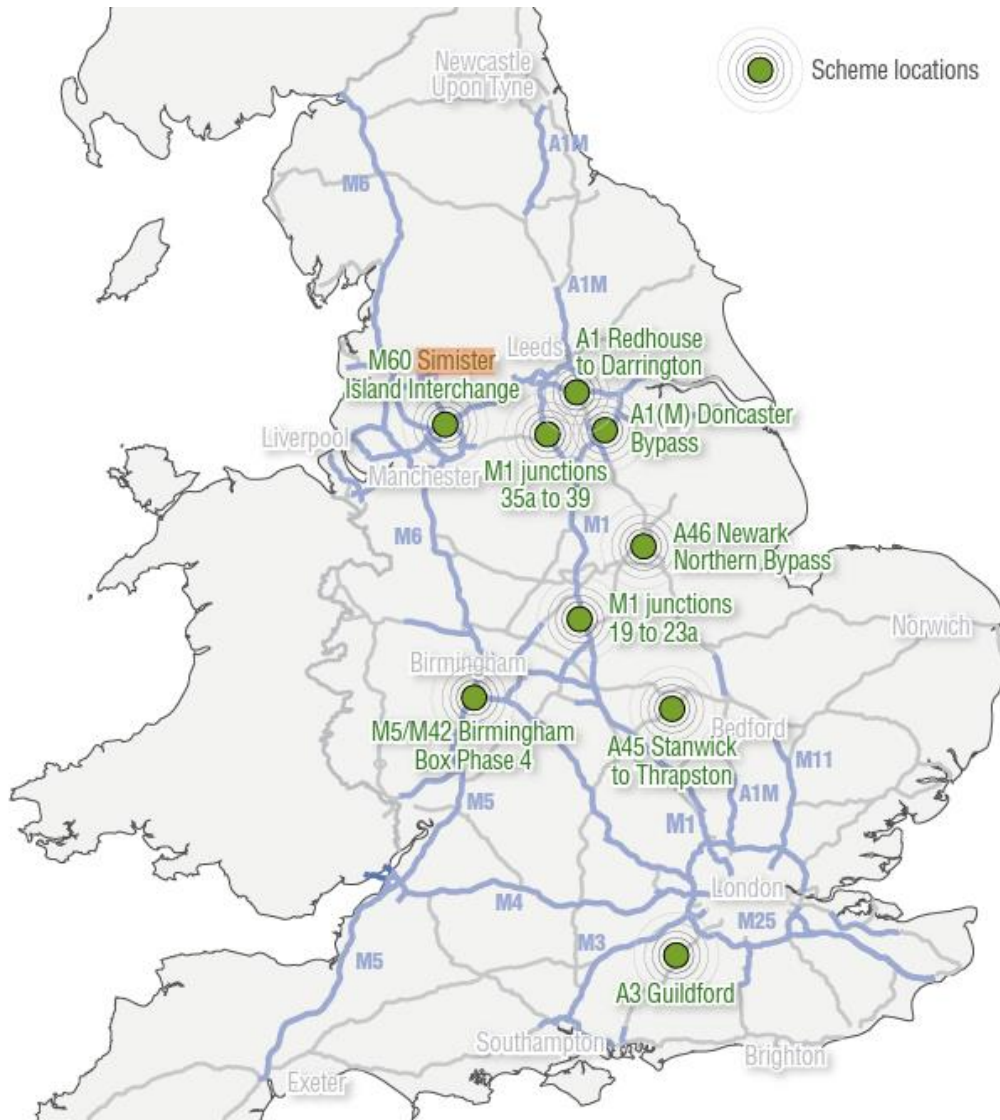
In 2017-18 option development for the remaining 9 schemes will be started:

- M60 Simister Island Interchange
- A46 Newark Northern Bypass
- M5/M42 Birmingham Box Phase 4
- A45 Stanwick to Thrapston
- A3 Guildford
- M1 Junctions 19-23A
- A1(M) Doncaster Bypass
- M1 Junctions 35A-39
- A1 Redhouse to Darrington

We will work with Transport for the North to take forward Government proposals, set out in the 2016 Budget, for new schemes which have been allocated £300 million in funding. These include developing the business case for a new Trans Pennine Tunnel and options to enhance the A66, A69 and the northwest quadrant of the M60. This work is expected to be completed by the end of the year. As specified in the Budget 2016, we will look accelerate the development of the M1/M62 Lofthouse Interchange and M60 Simister Island Interchange.

Extract from Highways England (now National Highways) Delivery Plan 2017 – 2018 [\[LINK\]](#)

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Appendix D - Extracts from Roads Investment Strategy 2: 2020 – 2025

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RIS2 will address more of the most notorious delays, including Simister Island in Manchester.

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M60/M62/M66 Simister Island Interchange – *improvement of the intersection between the M60 (junction 18), M62 and M66 north of Manchester that improves the traffic flow on the M60.*

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The current constraints on the route have negative impacts on both users and local residents. Working closely with Transport for the North and Transport for Great Manchester, our study has so far supported the importance of the Simister Island Interchange in mitigating some impacts and there is now a committed scheme in RIS2.

Appendix E - Extracts from Highways England (now National Highways) Delivery Plan 2020 – 2025

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In the second road period, we will start work on 12 new major enhancement schemes across the country. These include schemes such as M60/M62/M66 Simister Island interchange, north of Manchester,

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Improving capacity and enabling fast, reliable journeys Many of our schemes in the north will improve capacity and help deliver fast and reliable journeys. The M60/M62/M66 Simister Island interchange scheme, for example, will improve the intersection between the M60 (junction 18), M62 and M66, improving traffic flow on the M60 and journeys into Manchester.

(Page 73 Annex B*)

North-west schemes			
Scheme number	Scheme	Start of works	Open for traffic
11	A585 Windy Harbour to Skippool	Started	2023-24
12	M62 junctions 20 to 25*	2022-23 Q4	RP3
13	M6 junction 19	Started	2021-22 Q3
14	A66 Northern Trans-Pennine	2024-25	-
15	A5036 Princess Way	2023-24	RP3
16	M6 junctions 21a to 26	2020-21 Q4	2022-23
17	Mottram Moor Link Road and A57 link road	2022-23 Q4	RP3
18	M56 junctions 6 to 8	Started	2021-22 Q4
19	M60/M62/M66 Simister Island interchange	2024-25	-

*Note, above table also used on page 55, Highways England Delivery Plan Update 2021 – 2022, page 57 Highways England Delivery Plan Update 2022 – 2023, and National Highways Delivery Plan 2023 – 2024, Annex C: Enhancement Scheme List (all references)