

ITEM 10

Subject: Delivering M20 junction 10 A

Report authors: Ashford Borough Council (Andrew Osborne & Simon Cole)

Summary

The Board is recommended to join a concerted lobbying campaign at Ministerial and senior Civil Servant level to try and progress the HCA forward funding solution to ensure the delivery of M20 Junction 10A.

1. The current situation

- 1.1 KMEP members will be familiar with this project – indeed there has been impressive support for it over the years from the business and public sector communities around Kent.
- 1.2 The new junction is a Government priority for delivery in the National Roads Programme and is designated a Nationally Significant Infrastructure Project (NSIP). Highways England have progressed the project to the stage where it is about to formally launch the NSIP Development Consent Order process.
- 1.3 Majority funding for the scheme comes from the national roads programme. A further £19.7m was provided through the South East LEP in the first Local Growth Fund round. But despite this very welcome level of commitment and recognition of the role growth in Ashford can play in regenerating the economy of East Kent and the wider region, we find ourselves at an impasse.
- 1.4 The last part of the overall funding package for the junction – some £16m - is developer contributions. The Borough Council supports this and will collect developer contributions to cover this sum as development takes place. What has been needed for some time is a forward-funder to resolve the ‘catch 22’ situation that we cannot collect the money until development is released by the construction of the junction.
- 1.5 The problem is the lack of a mechanism to forward fund and the debate how to resolve this has been going on for several years. Highways England recognises the problem but has not been able to devise a solution, despite recognising that this is a wider, national problem. Department for Transport recognise the problem exists but look to Highways

England for a resolution. There is some awareness of the issue in Communities and Local Government but despite lobbying all these organisations we have not been able to broker a solution.

- 1.6 More recently the Homes and Communities Agency have tried to help by taking on the forward funding role. A funding agreement is well advanced but this initiative is now stalled as CLG and HCA cannot agree how to release the money as it does not fit neatly within any existing funding stream.
- 1.7 So we have a rather bizarre situation where a priority for the Government, the South East LEP and Kent is being frustrated for want of sign-off of a forward funding approach. Without a forward-funder in place Highways England will not be able to progress the NSIP process as a key test is demonstrating that it is deliverable. The Borough Council's new local plan – published this week – and the jobs and housing growth in the area will be curtailed.

2. Potential Solutions

- HCA Forward Funding – The solution that we have been progressing with HCA for some time is the provision of the forward funding by HCA, with Ashford Borough Council working on delivery of the mechanism to collect funding from developers to pay back the HCA.
- HE Forward Funding – An option that has not yet been investigated, but could provide a solution is that the Highways Agency take on the forward funding role. This has not happened before to the best of our knowledge and will potentially set a precedent for other similar schemes across the UK, which may cause HE concern without a clear funding stream to undertaken this role.

3. Request to KMEP/Recommendation

- 3.1 A concerted lobbying campaign is now underway at Ministerial and senior Civil Servant level to try and progress the first solution shown above. To show the level of commitment that exists to building junction 10A we would like KMEP to join this campaign in the hope that the combined voices of the business community; the local MP; the South East LEP; Kent County Council; East Kent District Councils can secure the result needed.
- 3.2 Hopefully we can together explain to Government that the delivery of one of its own priority projects, in an area of high economic growth now and in the future, needs unlocking by some joined up thinking in Government.