

From: Denise

Sent: 11 June 2010 15:58

To: 'POServices'

Subject: Dept of Transport announcements on Major Scheme funding 10Jun10

Simon,

Greater Norwich Joint Core Strategy

Please could you forward the attached Dept for Transport announcements to the Inspectors?

The Secretary of State has told all local highway authorities to stop work on all major local transport schemes prioritised under the Regional Funding Allocation pending the outcome of the spending review. Norwich Northern Distributor Road comes into this category.

Kickstart bus funding has also been scrapped - the £2m award for a low carbon bus scheme on the A11 corridor has been withdrawn.

These announcements have important implications for the submitted JCS.

Thank you.

Denise

Denise Carlo, NNTAG

Hansard 10 June 2010

Transport: Local Authority Major Schemes

Statement by: [The Rt Hon Philip Hammond MP](#)

Date delivered: 10 June 2010

Statement type: Written

The Secretary of State for Transport (Mr Philip Hammond): The Government has made clear its most urgent priority is to tackle the UK's record budget deficit, in order to restore confidence in the economy and support the recovery. The Department for Transport will play a full part in the spending review which will be reporting in the autumn. Only once the Government's spending review has been concluded will the Department for Transport be in a position to identify those major investments that can be supported.

The Government has also made a commitment – as set out in the Coalition Agreement – to reform the way decisions are made on which transport projects are prioritised.

Given the uncertainties which both of these factors create, and in view of the likely budgetary constraints, and the consequent likelihood that not all schemes will be able to proceed on their planned timetable, it would be inappropriate for the Department to continue to invest time and resources on development of schemes at the same rate as before. Local Authorities will also wish to consider carefully whether investing further time and resources in developing such schemes ahead of the Spending Review is justified. They should not assume that schemes prioritised under the previous Government's Regional Funding Allocations (RFA) process will be funded to the previous published levels.

I am therefore today taking steps to help avoid unnecessary expenditure, whilst the Government considers its transport priorities:

- The previous Major Schemes Guidance for Local Authorities and associated approval processes are being suspended until further notice.
- All schemes that were granted Conditional Approval or Programme Entry by the previous Government will be reviewed as part of the spending review. Until then, the Government can give no assurances on funding support for any of these schemes.
- Ministers will postpone decisions on scheme orders for schemes requiring DfT funding, but consideration will be given if there are alternative funding sources. Similarly, public inquiries on schemes requiring DfT funding will generally be postponed and no further inquiries will be scheduled, but inquiries will be allowed to proceed if there are alternative funding sources.

The previous Major Schemes Guidance for Local Authorities is today being replaced with new interim guidance to Local Authorities, which has been placed in the Libraries of

the House and will be available on the Department for Transport website (www.dft.gov.uk) today. Officials will also be writing to affected local authorities.

The Government will aim to provide a firm indication on the way forward later this year once the spending review is complete.

INTERIM GUIDANCE ON LOCAL AUTHORITY MAJOR SCHEMES

The Government has made clear its most urgent priority is to tackle the UK's record budget deficit, in order to restore confidence in the economy and support the recovery. The Department for Transport will play a full part in the spending review which will be reporting in the autumn. Only once the Government's spending review has been concluded will the Department for Transport be in a position to identify those major investments that can be supported.

Until this work is concluded, it would be inappropriate, given the likely budgetary constraints, for DfT to continue to invest time and resources on scheme development at the same rate as before.

Local Authorities should not therefore assume that schemes prioritised under the previous Government's Regional Funding Allocations (RFA) process will be funded to the previous published levels. They will wish to consider carefully whether investing further time and resources in developing such schemes is justified.

It is also a logical step in light of the Government's commitment – as set out in the Coalition Agreement – to reform the way funding decisions are made on which transport projects to prioritise.

Because of the action required to contribute to the £6.2bn of savings in cross Government spend in 2010/11, it is now very unlikely that any schemes not yet fully approved will be able to begin construction before the end of 2010/11 and the headroom for any new construction starts in 2011/12 is likely to be limited. All schemes that were granted Conditional Approval or Programme Entry by the previous Government will be reviewed as part of the spending review. Until then, the Government can give no assurances on funding support for any of these schemes.

In parallel to the spending review we will also be reforming the way that funding decisions are made on which transport projects to prioritise, as the Government committed to do in the Coalition Agreement. This will include a consideration of the strategic framework for the funding and prioritisation of regional and local major schemes in the future.

We should make it clear that all spend by Local Authorities and PTEs on schemes that have not yet reached full approval is entirely at their own risk. The Department does not accept any liability for development or preparatory costs incurred to date or which may be incurred going forward while funding remains uncertain.

With immediate effect, and at least until the conclusion of the spending review:-

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the Major Schemes Guidance for Local Authorities published by the previous Government is suspended. It should not be regarded as a representation of current policy and should not be followed by scheme promoters.

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The Department will not be taking any funding decisions on scheme approvals, including those scheme bids that have already been submitted for approval.

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The Department will not accept any further bids for any stage of major scheme funding approval (and, by extension, scheme promoters will not be able to claim preparatory costs by submitting a 'compliant' Conditional Approval or Full Approval bid).

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The Department will not release any funding for small schemes of £5m or less that had been prioritised for funding under the previous Government's RFA programme.

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The Secretary of State will not take decisions on scheme orders for schemes requiring DfT funding, but consideration will be given if there are alternative funding sources.

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Scheduled public inquiries on schemes requiring DfT funding will generally be postponed and no further inquiries will be scheduled, inquiries will be allowed to proceed if there are alternative funding sources.

The Department also strongly advises Local Authorities to exercise caution in any further public communication about individual schemes, and to avoid unduly raising expectations, for example through public consultations and exhibitions. DfT officials will engage with LA scheme promoters and other stakeholders on a pragmatic basis to deal with any difficult issues that arise in relation to existing schemes. However, DfT will not encourage or assist LAs to progress potentially abortive work on schemes until the funding position is clear.

DfT Officials may engage on a limited basis with authorities: on schemes that already have Conditional Approval; and to identify schemes that have critical safety or lifeline issues. However, even in these cases, we will not accept bids for scheme approvals until further notice and any expenditure by scheme promoters is at their own risk until funding is clarified following the spending review. Promoters should therefore seek to minimise preparatory costs on such schemes.

The Department appreciates the uncertainty that these temporary measures will cause, but the scale of the savings required across Government in order to reduce the deficit means that the existing pipeline of schemes will not be affordable, and that we need to take action now to avoid further unnecessary spending. We will aim to provide a firm indication on the way forward later this year once the spending review is complete.

June 2010