

County Councillor Andrew Boswell,
Green Party Group Chairman, Norfolk County Council

Home: 23, Havelock Road,
Norwich,
Norfolk, NR2 3HQ.
01603-613798
07787-127881

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FAO: Inspector Roy Foster

c/o, Louise St John Howe,
Claypit Hall,
Foxearth,
Sudbury,
Suffolk CO10 7JD.

Dear Inspector,

Issues relating to the deliverability of the Northern Distributor Road

Following my verbal evidence on Wednesday 17th November on Matter 3B, I thought it would be helpful to put in writing the issues that cast significant doubt on the deliverability of the Northern Distributor Road (NDR), and therefore on its deliverability as critical infrastructure in the GNDP JCS. These relate to the feasibility of funding the road and increasing constraints on local authority public spending.

Costs of a completed 3/4 NDR from A47 (Postwick) to A1067

EIP9 ("NATS Report to Norfolk County Council Cabinet 6 April 2010") indicates that the project cost was estimated at £127.2M, whilst section 8.2 states:

"The County Council will be required to underwrite up to £39.7M, which is more than previously reported, because DfT will only contribute to the section from Postwick to the A140. DfT have announced funding of £67.5M, with a CIF funding contribution for the Postwick Junction of £19M. "

On the 6th April, the Norfolk County Council Cabinet resolved (EIP 10) to underwrite the then funding shortfall of £39.7M, which is required to complete the NDR between the A140 and A1067, by prudential borrowing.

Status of current 'guaranteed' funding

Following the October 2010 Spending Review, the NDR and Postwick schemes have been placed in a 'Development Pool'. Section 15 of the DfT 'Investment in Local major Transport Schemes' (EIP102) makes clear that DfT will expect increased local contributions towards funding these schemes. Section 19 states that DfT will not be able fund all the schemes in the Development Pool.

Furthermore, the former 'Programme Entry' status in effect no longer applies. All schemes have to go through a new process to bid for funds, against a new set of criteria. These are set out in EIP 102, and in some detail in the Expression of Interest Questionnaire that was issued to Norfolk CC on 12 November, after the Examination had commenced (RF 33). This new process will take all of next year and the final results will not be made until end of 2011. The £600m available to the Development Pool will be bid against not just by the 22 in the Development Pool, but also those elevated to it from the Pre-qualification Pool (34 schemes). It is reasonable to expect to see at least 30 schemes competing for £600m.

The letter from Mr Charles Sunderland, DfT, to the Norfolk Director of Environment, Transport and Development, 9 November 2010 (RF 32), states that for the purpose of prioritising investments 'the NNDR as approved in December 2009 and the CIF Schemes at Postwick are being considered as a single scheme'.

In summary, there is currently neither Programme Entry, nor any guaranteed funding for the combined Postwick Hub and NDR project: this will be clarified at the earliest by December 2011.

The constraints on local authority public spending

You will appreciate that we have entered a new territory of public spending constraints in Local Government since the Coalition Government and the recent Spending Review. Norfolk County Council has to make budget savings of £155m over the next 3 years. For example, the Council is currently consulting on budget plans to cut all Youth services, all services to adults with substantial needs, and £12m from family support services next year. This era of austerity is not a short 'blip' and is likely to continue for several years, and through this Parliament until 2015.

If programme entry is gained in December 2011 for a joint NDR and Postwick Hub scheme, the absolute value of central government funding will almost certainly be significantly less than the £86.5m that was available at the time of the April Cabinet meeting. The current financial situation alone would be enough to force the Cabinet to review their April 2010 commitment to underwrite the spending shortfall.

However, the most likely scenario now is that the Cabinet would have to review, post December 2011, how to underwrite a much greater shortfall at a time of much greater public spending constraints. I am very doubtful that they would, then, undertake such a high risk undertaking – not only would it be fiscally extremely difficult, it would be very difficult to justify with a Norfolk public experiencing large cuts to major services at the same time.

In my verbal evidence on Wednesday 17th November on Matter 3B, I drew your attention to the current public service spending consultation in Norfolk – the Big Conversation. This contains options to remove subsidy of Park and Ride, including possibly the closure of P&R sites, reducing the core bus network. The document states 'Government grant cuts mean that we will not be carrying out as many road and transport projects as in future years'. (I have submitted this document entitled 'Consultation proposals for budget savings 2011-2014' to the Programme Officer). This indicates that already there are significant cuts are required to the Council Transport department – it is hard to see how that Department could at the same countenance new additional spending elsewhere.

In summary, the central government funding that was available for joint NDR and Postwick scheme in April 2010 has now been removed. The council must now bid again against a much smaller funding pot. It is very unlikely that a future Council administration would be in the position to underwrite any shortfall particularly under the prevailing constraints that on local authority spending and public services. There is no clear way that the NDR could be funded and delivered, and therefore it is 'unsound' for it to be considered critical infrastructure in the JCS.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Andrew Boswell". The signature is written in a cursive style with a trailing flourish at the end.

Cllr Andrew Boswell
Chair of Green Group on Norfolk County Council