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for Transport



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18 August 2014

Dear Simon,

**A14 Cambridge to Huntingdon Improvement Scheme:
Local Funding Arrangements**

Further to my letter dated 31 March 2014 and the reply from Cambridgeshire County Council dated 19 May 2014, I am writing to clarify the Department's position and to propose a way forward.

The draft Heads of Terms accompanying my letter, dated 31 March 2014, proposed two options. The first included arrangements for the £100 million combined commitment to be reduced or increased pro-rata only if there is a substantive change in the scope of the scheme. As the scheme is now fairly well defined neither event is particularly likely to occur and this presents only a very limited risk to any of the parties. The second offered a fixed contribution that is not affected by increases or decreases in costs as a result of changes in the scope of the project.

To summarise, your coordinated response in the reply from Cambridgeshire County Council sought a £100 million ceiling to contributions and a retractable floor to contributions which would be invoked if the cost of the scheme reduces, allowing the local contributors to benefit from pro-rata reductions in the £100 million. As you may know, this proposal was problematic for government, particularly after the removal of the tolling element of the scheme in December 2013 effectively reduced the user's contribution to the cost of the scheme.

However, we wish to retain the support and commitment of all stakeholders in advance of submitting a Development Consent Order (DCO) application to the Planning Inspectorate in autumn 2014. Therefore we are prepared to agree the principle of a retractable floor to contributions if the outturn scheme cost is less than the £1.345 billion set out in the scheme cost estimate, which was annexed to our earlier draft "heads of terms" agreements.

To provide the necessary transparency, the Highways Agency will prepare regular reports to funding partners; the first was sent to cover the period January to March 2014 and attached is a further report to cover the period from April to June 2014.

We have enclosed the revised draft Heads of Terms agreement (version 10.0) that has been prepared in conjunction with Cambridgeshire County Council to reflect the latest proposed local funding arrangements for the scheme. It is intended to form the basis of our contractual arrangement with you and reflects the need for the agreement to allow investment in transport schemes to address local mitigation measures.

It is important that we conclude these arrangements with local partners well in advance of the DCO application to be submitted this autumn. The DCO application must include a funding statement, setting out the arrangements for funding the project through Central Government and local contributions. Therefore, we need to receive written initial agreement with each partner on the attached terms of local funding by the end of August at the latest. This tight timescale creates a slippage to the planned programme but if kept to, we believe this is recoverable before the DCO submission in October.

You may wish to discuss this matter further; my colleagues Paul Williams (Project Sponsor) and Ian Parker (Project Director) would be pleased to meet with you in the next two or three weeks. If you would like to arrange a meeting please contact Paul or Ian directly to arrange.

Yours sincerely

A handwritten signature in black ink, appearing to read 'JD', with a horizontal line underneath.

John Dowie

Enc. Heads of Terms (Rev 10.0)
Progress Report to June 2014

**A14 Cambridge to Huntingdon Improvement Scheme
Heads of Terms for Agreement between:**

(1) THE SECRETARY OF STATE FOR TRANSPORT (“the Secretary of State”) of Great Minister House, 33 Horseferry Road, London, SW1P 4DR

and:

(2) CAMBRIDGE CITY COUNCIL of The Guildhall, Cambridge, CB2 3QJ.

WHEREAS:

- (a) The Secretary of State proposes to construct the A14 Cambridge to Huntingdon Improvement Scheme (“the Scheme”) over a length of approximately 22 miles from the existing A14 trunk road at Ellington to the A14 Cambridge Northern Bypass at Milton and also including works on the A1 trunk road and various local authority roads.
- (b) The Scheme is currently under development and is to be jointly funded by the Secretary of State and the local authorities and local enterprise partnerships named in this agreement.
- (c) The Outturn Cost of the Scheme is approximately £1.345 billion, based upon a start of works in financial year 2016/17 and completion of the trunk road improvements in financial year 2019/20.

IT IS AGREED AS FOLLOWS:

- 1. In this Agreement:
 - 1.1 “the Scheme” includes all elements of the proposed A14 Cambridge to Huntingdon Improvement Scheme, including works involved in constructing new sections of highway, widening existing sections of highway, diverting side roads, and modifying and de-trunking existing sections of the A14 as set out in Schedule 1;
 - 1.2 “the Costs” mean all costs involved in the planning, design, construction and commissioning of the scheme together with estimates of risk, uncertainty, inflation and unscheduled items;
 - 1.3 construction of the scheme will proceed, subject to Secretary of State approval of the Development Consent Order application made by the Highways Agency in respect of the scheme, together with the granting of all other relevant consents, licenses and agreements.
- 2. The Secretary of State and the Highways Agency, in its capacity as an executive agency of the Department for Transport, may make alterations to or change the scope of the Scheme in order to develop the design solution and in response to the statutory processes. No provision in this document fetters the Secretary of State’s discretion in this regard.

Financial Contributions of Investors

- 3. The local authorities and local enterprise partnerships named in this Agreement (the “Investors”) will make the contributions to the Cost of the Scheme totalling one hundred million pounds (£100m) not subject to indexation or debt costs and divided in the following proportions:
 - 3.1 Cambridgeshire County Council: twenty five million pounds (£25.0m)
 - 3.2 Fenland District Council: eight hundred thousand pounds (£800,000)
 - 3.3 Huntingdonshire District Council: five million pounds (£5.0m)

- 3.4 South Cambridgeshire District Council: five million pounds (£5.0m)
 - 3.5 Cambridge City Council: one and a half million pounds (£1.5m)
 - 3.6 East Cambridgeshire District Council: one million pounds (£1.0m)
 - 3.7 Suffolk County Council: five hundred thousand pounds (£500,000)
 - 3.8 Peterborough City Council: one and a half million pounds (£1.5m)
 - 3.9 Norfolk County Council: one million pounds (£1.0m)
 - 3.10 Essex County Council: one million pounds (£1.0m)
 - 3.11 Northamptonshire County Council: one and a half million pounds (£1.5m)
 - 3.12 South East Midlands LEP: five hundred thousand pounds (£500,000)
 - 3.13 New Anglia LEP: five hundred thousand pounds (£500,000)
 - 3.14 Greater Cambridge Greater Peterborough LEP: fifty million pounds (£50m)
- 4. Cambridgeshire Horizons has committed to fund the balance of the £100million contribution through its returning rolling fund.
 - 5. All financial contributions will be made over a maximum period of twenty-five years. The first payment will be made within two months of the opening date for the Main Improvement Scheme (as defined in Schedule 1) and subsequent payments will be made on 30 January (the "Due Date") in each of the funding years.
 - 6. The scope of the A14 Cambridge to Huntingdon improvement scheme is set out in Schedule 1 to this Heads of Terms document.

Funding Conditions

- 7. The following funding conditions will apply:
 - 7.1 that the Highways Agency will use all reasonable endeavours to commence construction (including advance works associated with the Scheme) during 2016, subject to the granting of a Development Consent Order by the Secretary of State;
 - 7.2 that the combined financial commitment of the Investors will be one hundred million pounds and divided between the funding partners in accordance with the financial profile set out in Schedule 2 to this Heads of Terms document, subject to the payment arrangements set out in Clauses 8 and 9;
 - 7.3 that there will be no increase in the combined financial contributions of the Investors beyond one hundred million pounds (£100million) if the outturn cost of the Scheme increases above that set out in Schedule 3 to this Heads of Terms document;
 - 7.4 that there will be a pro-rata reduction in the one hundred million pound (£100 million) combined financial contributions of the Investors if the outturn cost of the Scheme decreases below that set out in Schedule 3 to this Heads of Terms document where this is as a result of changes in the scope of the Scheme as defined in Schedule 1 to this Heads of Terms document; and
 - 7.5 that any reduction pursuant to clause 7.4 will be distributed in proportion of individual contributions of the funding partners.

Payments

8. Payments will be made to the Secretary of State for Transport in January of each Funding Year accordance with the payment profile set out in Schedule 2 to this Heads of Terms document and subject to the following:
 - 8.1 that the funding contributions of Cambridge City Council will be invested in local improvement schemes designed to mitigate the effects of the trunk road improvement works in the City; details of the proposed investments and the purpose and scope of the schemes will be provided to the Secretary of State by means of reports produced by the City Council for this purpose;
 - 8.2 that the Greater Cambridge Greater Peterborough Local Enterprise Partnership (LEP) commits up to 30 percent of potential receipts from Enterprise Zone business rate uplift to the Scheme in any one year and a maximum of 50 percent of receipts over the 25 year funding period; and
 - 8.3 that Cambridgeshire Horizons will make up any shortfall in funding contributions by the local authority and LEP partners.
9. If any payment due under the Agreement is not made on or before the date by which it is due (the "Due Date") as set out in Schedule 2 and subject to clauses 8.1 to 8.3 above then the Secretary of State may charge interest at a daily rate equivalent to three percent per annum above the Bank of England base rate applicable at the time, for the period from the Due Date up to and including the actual date of payment.
10. No Investor will be liable for late or non-payments made by any other Investor.

Communications and Publicity

11. The Secretary of State and the Highways Agency will acknowledge the contributions of the Investors in statements made to the press and media in respect of Scheme funding and the importance of these contributions in making the investment affordable to the Government.
12. The Highways Agency will provide the Investors with reports on the progress of Scheme at appropriate intervals, providing such reasonable details as are necessary to confirm the performance of the Highways Agency against its proposed milestone delivery dates and project stages and will provide notification of any anticipated changes to milestone dates.

Termination

13. Termination:
 - 13.1 Prior to a decision by the Secretary of State to grant the Development Consent Order application made by the Highways Agency in respect of the Scheme, the Secretary of State has the right to terminate the Agreement.
 - 13.2 Any decision by the Secretary of State not to proceed with the Scheme will constitute the termination of the Agreement.
 - 13.3 Once this Agreement is signed, the Investors do not have the right to terminate, subject to sections 13.1 and 13.2 above.

Notice to Proceed

14. Following a decision by the Secretary of State to grant the Development Consent Order and the satisfactory conclusion of the post decision statutory challenge period (or following the satisfactory conclusion of any resulting legal challenges) the Secretary of State will serve a Notice to Proceed.
15. Where the Secretary of State serves the Notice to Proceed the Secretary of State will:
 - a) execute the works comprising the Scheme;
 - b) use reasonable endeavours to complete within the timescales set out in the project schedule and the milestones described in Schedule 1;
 - c) provide the Investors with regular updates on the performance of the works

Schedule 1: Scope of the Scheme

The Proposed Scheme will comprise the following works:

Main Improvement Scheme:

- a) construction of a new dual two-lane all-purpose carriageway commencing at the existing A14 trunk road at Ellington and extending south to a new junction with the A1 trunk road near Brampton;
- b) construction of a new dual three-lane all-purpose carriageway between the A1 trunk road at Brampton and the existing A14 trunk road near Swavesey together with a new junction at Godmanchester;
- c) widening of the existing A14 trunk road to dual three-lane all-purpose standards between Swavesey and Bar Hill and widening to dual four-lane all-purpose standards between Bar Hill and its junction with the M11 motorway;
- d) improvements to the existing A14 trunk road and slip roads between Girton and Milton junctions, including the widening of the A14 to dual three-lane all-purpose carriageway between Histon and Milton;
- e) improvement of the junction between the M11 motorway, the A428 trunk road, and Huntingdon Road near Girton;
- f) improvement of junctions at Swavesey and Bar Hill together with the construction of a local road between Swavesey and Girton to connect with the improved junctions and accommodate local traffic movements;
- g) widening of the A1 trunk road to provide dual three-lane all-purpose carriageway between Brampton and Alconbury;

Additional Works:

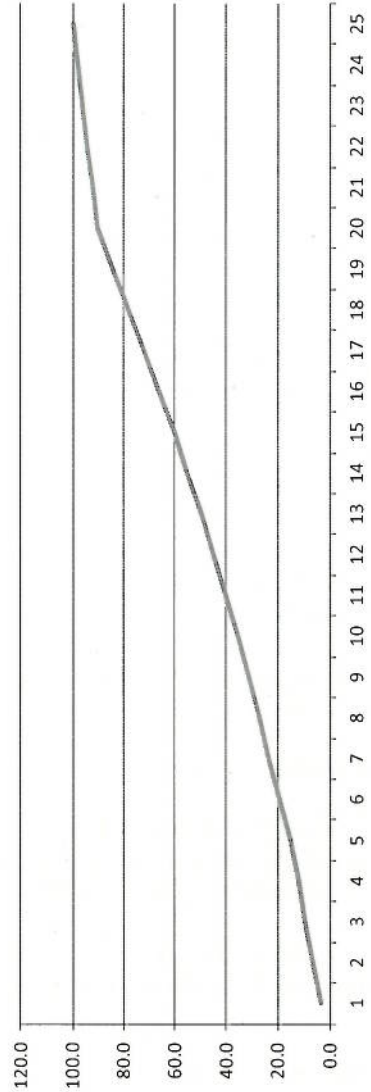
- h) works to remove the existing A14 viaduct structure across Brampton Road and the East Coast Mainline railway together with approach embankments and connection of the former A14 trunk road to the existing local road network; and
- i) de-trunking of the existing A14 between Brampton Hut and Alconbury with its connection to the improved A14 trunk road at Swavesey.

Proposed Milestone Dates:

| | |
|--|--------------------|
| Pre-Application Consultation: | Spring/Summer 2014 |
| Development Consent Order: | Autumn 2014 |
| Secretary of State Approval to Proceed: | Spring 2016 |
| Construction Start-of-Works: | Autumn 2016 |
| Main Improvement Scheme Open to Traffic: | December 2019 |

Schedule 2: Funding Profile

| Investor | Year | | | | | | | | | | | | | | | | | | | | | | | | | Total |
|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | |
| CAMBRIDGESHIRE COUNTY COUNCIL | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 25.0 |
| FENLAND DISTRICT COUNCIL | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.8 |
| HUNTINGDONSHIRE DISTRICT COUNCIL | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 5.0 |
| SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 5.0 |
| CAMBRIDGE CITY COUNCIL | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 1.5 |
| EAST CAMBRIDGESHIRE DISTRICT COUNCIL | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 1.0 |
| SUFFOLK COUNTY COUNCIL | 0.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.5 |
| PETERBOROUGH CITY COUNCIL | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 1.5 |
| NORFOLK COUNTY COUNCIL | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 1.0 |
| ESSEX COUNTY COUNCIL | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 1.0 |
| NORTHAMPTONSHIRE COUNTY COUNCIL | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 1.5 |
| SE MIDLANDS LEP | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.5 |
| NEW ANGLIA LEP | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.5 |
| GREATER CAMBRIDGE GREATER PETERBOROUGH LEP | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 50.0 |
| CAMBRIDGESHIRE HORIZONS | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 5.20 |
| Total In Year | 3.5 | 3.0 | 3.0 | 3.0 | 3.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 100 |
| Cumulative Total | 3.5 | 6.4 | 9.4 | 12.3 | 15.3 | 19.3 | 23.3 | 27.2 | 31.2 | 35.2 | 40.2 | 45.2 | 50.1 | 55.1 | 60.1 | 66.1 | 72.2 | 78.2 | 84.3 | 90.3 | 92.2 | 94.2 | 96.1 | 98.1 | 100 | |



Schedule 3: Scheme Cost Estimate

1. Context

- 1.1 The following scheme cost estimate was prepared by the Highways Agency's commercial department at the request of the project team in August 2013 and is the most current estimate of Scheme costs relating to the A14 Cambridge to Huntingdon improvement scheme.
- 1.2 The cost estimate includes costs incurred in the planning, development and design of the Scheme as well as estimates of land and construction costs and associated supervision. It includes the costs of statutory approvals and third party costs.
- 1.3 Allowance is made for project and programme risk, project uncertainties and unscheduled items arising from further design development.
- 1.4 The cost is an outturn cost based on a construction start date in financial year 2016/17 and completion in financial year 2019/20. The outturn cost has been calculated using government estimates of inflation.

2. Cost Estimate

- 2.1 The following table provides a breakdown of the latest engineer's scheme cost estimate for the A14 Cambridge to Huntingdon Improvement Scheme:

| Item | £m |
|-----------------------|-----------------|
| Base Estimate | 759.77 |
| Unscheduled Items | 72.53 |
| Risk Adjustment | 92.89 |
| Uncertainty Allowance | <u>20.82</u> |
| SUB TOTAL | 946.01 |
| Inflation Adjustment | 305.83 |
| Portfolio Risk | <u>92.95</u> |
| OUTTURN COST | 1,344.79 |

- 2.2 This represents a P50 range estimate for the scheme, based on the level of design detail available at scheme options phase and following the completion of value engineering activities to challenge the cost baseline.

3.4 Work is continuing on the environmental impact assessment and Environmental Statement for the scheme, which will also form part of the Development Consent Order application.

4. Consultation Issues

4.1 The Planning Act 2008 requires a statutory community and stakeholder consultation to be undertaken during the pre-application phase of the Development Consent Order process.

4.2 A pre-application consultation with the community, local authorities, businesses, landowners and other stakeholders took place between 7 April and 15 June 2014 and included over thirty events and exhibitions which were attended by over 1,500 individuals. Over 1,150 online and print-format questionnaires were completed and over 250 representations were made by a variety of other means.

4.3 Some 86 percent of respondents believed that the scheme is needed whilst over half considered that the proposed scheme, as presented by the Highways Agency, is the right solution. However, many sensible and constructive ideas were received and over 250 changes to the proposals have been made as a result of the representations received. Almost all the local authorities in the region (a draft response has been received from Cambridge City Council) responded to the consultation and all were generally supportive of the proposals.

4.4 Key issues raised by respondents included the removal of the existing A14 viaduct over the mainline railway in Huntingdon (over 70 percent support its demolition), the need for more detail around mitigation measures to minimise local impacts, and the general desire to progress the scheme as quickly as possible. Other issues included the further consideration of the Northstowe and other major developments, the development of non-motorised user provisions, and a range of detailed land-related issues.

4.5 A decision was taken not to make a preferred route announcement until after the end of the pre-application consultation. The announcement of a preferred route is not a statutory requirement under the Planning Act 2008 and the Highways Agency believes that it should objectively consider the outcome of the current phase of consultation before making such a decision. It is anticipated that the preferred route announcement will be made in July 2014. Route safeguarding arrangements will also be put in place in parallel with the preferred route announcement.

4.6 A further consultation exercise is likely to be required prior to the submission of the DCO application to explain arrangements for the extraction of materials for earthworks construction. This is likely to take place within the next two months and will proceed at a scale appropriate.

5. Project Delivery Issues

5.1 The Highways Agency intends to appoint a detailed designer, a number of construction contractors, and other resources necessary to deliver the scheme. The primary resources are likely to be procured from the Highways Agency's Collaborative Delivery Framework (CDF) which will be in place by October 2014. A secondary competition will take place shortly thereafter and it is anticipated that appointments will be made by February 2015.

Ian Parker
Project Director

A14 Cambridge to Huntingdon Improvement Scheme

Progress Report to Funding Partners June 2014

1. Overview

- 1.1 The A14 Cambridge to Huntingdon improvement scheme is progressing in accordance with the **Highways Agency's programme**. The start-of-works date in late 2016 remains achievable, subject to confirmation by the Secretary of State in early 2016.
- 1.2 Preliminary design is substantially complete and the project remains on programme, with submission of the Development Consent Order application still scheduled to take place in autumn 2014.
- 1.3 A pre-application statutory consultation exercise commenced in April 2014 and concluded in June 2014. No major issues emerged that affected the general principles of the scheme and there was widespread community support: over 85 percent of respondents believe the scheme is needed and over half felt that the solution we have proposed is the right one.

2. Funding Arrangements

- 2.1 Agreement in principle has been reached between the Department for Transport and local funding partners in relation to the funding arrangements for the scheme.
- 2.2 The Department for Transport has confirmed that there will be a £100million ceiling to local contributions and that a retractable floor to contributions will apply if, as a result of changes in the scope of the scheme, the cost falls below the £1.34 billion benchmark outturn cost set out in the Heads of Terms agreement. In the latter case, the obligation of the local funders will reduce pro-rata in proportion to the outturn scheme cost.
- 2.3 It is now a matter of urgency that Heads of Terms agreements are completed with each local partner in order to ensure that the proposed timetable for submitting the Development Consent Order application is not placed at risk.

3. Scheme Development Issues

- 3.1 The engineering and environmental design of the scheme has proceeded in this period and it is anticipated that the preliminary design will be completed and "frozen" by the end of July 2014. This design forms the basis for the Development Consent Order application.
- 3.2 Final changes to the preliminary design are currently taking place to reflect the outcomes of community and stakeholder consultation; to date over 250 minor changes have been made to the proposed design.
- 3.3 Further work is being completed to validate the traffic model, which has been updated to provide a more robust and complete picture of present-day and future traffic flows on the network affected by the scheme.