

From: Simon Jones, Corporate Director, Growth, Environment and Transport

To: David Brazier – Cabinet Member for Highways & Transport

Decision No: 22/00112

Subject: M20 J7 Improvement Scheme, Maidstone

Classification: Unrestricted

Electoral Division: Within Maidstone Rural North and adjacent to Maidstone Rural East, Maidstone South & Maidstone North East

Summary: This paper outlines proposals for improvements to road capacity at the M20 J7 and funding sources.

Recommendation(s):

The Cabinet Member for Highways & Transport is asked to agree the proposed decision as follows and as indicated on the proposed decision sheet attached at Appendix C to give approval to:

i) Subject to a successful bid delegate to the Corporate Director of Finance the authority to accept up to £5.4m of Community Infrastructure Levy funding from Maidstone Borough Council to deliver the M20 Junction 7 Capacity Improvements scheme aimed at reducing congestion, queuing, and air pollution.

iii) Adopt the M20 Junction 7 Capacity Improvements scheme shown on Drg. Nos. 70040984-GA-0101 T01 and 70040984-GA-0102 T01 for implementation.

iv) Delegate to the Corporate Director of Growth, Environment & Transport the authority to enter into the appropriate land, development and funding agreements and the award of the construction contract, and all other acts and consents and any subsidiary contracts required to allow the scheme to be implemented.

v) Delegate to the Corporate Director of Growth, Environment & Transport, under the Officer Scheme of Delegations following prior consultation with the Cabinet Member, any further or other decisions as may be appropriate to deliver the M20 Junction 7 scheme.

1. Introduction

1.1 M20 Junction 7 at Maidstone experiences significant congestion which without intervention will be exacerbated by the development of the Kent Medical Campus and housing developments in the area.

1.2 To the north of the junction, the A249 provides a strategic link to the M2 at Junction 5 and then into Swale. To the south, it provides access to Maidstone and the A20. Immediately south of the junction, the A249 connects to Bearsted Road, providing access to the Newnham Court Shopping Village, the developing Kent Medical Campus, and the Eclipse Park office, retail, and hotel business park.

- 1.3 The proposed M20 J7 improvements will complement and enhance the benefits of the £14.657m A249 Bearsted Road improvement scheme (Decision 22/00025). Together, the proposed M20 J7 improvement and the A249 Bearsted Road improvement form an integrated package of measures to reduce congestion and support new high-quality development. Both parts of the package were identified in the Kent Local Transport Plan (2016-2031) and will unlock the development of 100,000m² of specialist medical facilities and related uses, including 25,000m² of offices and research and development facilities and 3,000 highly skilled jobs at the Kent Medical Campus (KMC).
- 1.4 The objective of the M20 J7 improvements is to improve road capacity making for more reliable journey times and reduced queues for all road users. The scheme will also yield greater environmental and health and well-being benefits by reducing queuing times and increasing active travel infrastructure.
- 1.5 Following successful applications to the NPIF for funding towards the Bearsted Road improvement, an application was made to National Highways (NH) (formerly Highways England (HE)) for £4.7m from its Growth and Housing Fund to deliver the proposed M20 J7 improvement. Unfortunately, this fund was subsequently withdrawn, leaving that part of the package unfunded, although NH remains strongly supportive of the scheme. Subsequent bids for Local Growth Funding and Levelling Up Fund (LUF) Round 1 were unsuccessful.
- 1.6 The budget estimate for the delivery of the scheme has increased since the original estimate due to inflationary pressures caused by Covid, Brexit and more recently the war in Ukraine.
- 1.7 Due to the importance of delivering this infrastructure improvement, two further funding bids have been submitted:
 - 1.7.1 A bid was for £5.4m was submitted in July 2022 to Maidstone Borough Council's Community Infrastructure Levy (CIL) fund for infrastructure.
 - 1.7.2 A bid was submitted for £7.4m to LUF Round 2 in August 2022 because although the Round 1 bid for the M20J7 was unsuccessful, feedback received from the DfT suggested the bid was strong and could be resubmitted as a Round 2 bid.
- 1.8 The two possible funding packages to deliver the scheme are outlined in Section 3.

2. Scheme description

- 2.1 The proposed scheme will implement traffic signals at the M20 Junction 7 roundabout and improve the walking and cycling infrastructure through the junction, mitigating the current barrier from north-south between Maidstone and Swale Districts through providing 4 new toucan crossings and a re-aligned shared use pedestrian and cycle path to connect with the existing infrastructure.

2.2 The proposals can be seen on the scheme designs which are shown on Drawing Nos. 70040984-GA-0101 T01 and 70040984-GA-0102 T01 included as Appendix A.

3. Financial Implications

3.1 A review of the cost estimate was carried out by Allan Dadswell Cost Consultants (ADCC) in July 2022, following the recent inflationary pressures. A summary of the cost estimate can be viewed below:

Item	Estimates (£s)
Construction (including contingency)	4,353,143
Utilities	250,000
Development and Design	250,000
Fees	716,000
Land and access	103,000
Risk	1,021,031
Inflation	1,644,703
Total	8,338,127

3.2 **No KCC capital or revenue funding will be required to deliver the scheme.** The scheme will only progress if the external funding bid(s) are successful. If the funding is secured and the scheme progresses to construction, then all KCC officer time and costs incurred in scheme delivery will be capitalised against the scheme.

3.3 Delivery of the scheme will also mean existing KCC assets (e.g., surfacing, drainage, and street lighting) can be upgraded as part of the scheme budget; reducing the asset management pressure for the medium term. The materials will also be selected to ensure the pressure is reduced for the longer term.

3.4 Developer contributions of £1,062,429 have been secured and banked. An additional S106 contribution of £390,000 has been invoiced and is currently awaiting payment.

3.5 The two options for funding sources for the scheme are shown in the tables below. The first table is the funding package if the LUF2 bid is successful. The second table shows the funding package if the CIL bid is successful.

Funding option 1 - LUF bid successful

Funding source	Amount (£s)	Status
LUF 2	7,275,698	Awaiting funding decision
S106	1,062,429	Banked
	390,000	Invoiced awaiting payment
Total	8,728,127	

Funding option 2 - CIL bid successful

Funding source	Amount (£s)	Status
----------------	-------------	--------

CIL	5,441,610	Awaiting funding decision
S106	1,062,429	Banked
	390,000	Invoiced awaiting payment
	2,534,327	Awaiting trigger point
Total	9,428,366	

- 3.6 A further S106 contribution of £2,534,327 will become available when the occupation trigger is reached. If the CIL bid is successful and funding option 2 is progressed; then this additional S106 will be needed to deliver the scheme. Therefore, to prevent the requirement for KCC to forward fund the scheme, the award of the construction contract could be delayed until the S106 was banked. If funding Option 1 is progressed, and this additional S106 becomes available within the delivery timescales then this would provide additional risk and contingency for the project.
- 3.7 The funding packages shown in the tables in 3.5 demonstrate that the scheme is affordable with additional contingency funds available if either the LUF2 or CIL bids are successful.
- 3.8 The LUF2 and CIL funding decisions are currently expected in December 2022. Unfortunately, this does not align with the deadlines to submit reports for this Committee, and so an update will be circulated once the decisions are known. If the funding bids are unsuccessful; the scheme will not progress and therefore this item will be removed from the agenda as there will be no requirement to seek authority for the recommendations outlined in Section 9.

4. Policy Framework

- 4.1 The M20 junction 7 capacity improvements scheme is included as a Transport Priority for Maidstone included in LTP4 'Delivering Growth without Gridlock 2016 - 2031.
- 4.2 Delivery of the M20 Junction 7 Capacity Improvements supports the first three priorities of Framing Kent's Future 2022-2026 as follows:
- 4.2.1 Levelling Up Kent - The scheme will improve travel conditions, reducing journey time delays and queues at a key road junction critical for the provision of an effective and efficient transport network in the Maidstone and Swale region. This will provide a catalyst for economic growth and housing development. In so doing, the M20 J7 Improvements will increase opportunities to access more skilled and better paid employment opportunities, and reduce unproductive time spent in traffic congestion. The scheme output of reduced congestion will also make public transport trips more reliable.
- 4.2.2 Infrastructure for Communities – The scheme will enable the full build out of the Kent Medical Campus (KMC), providing the necessary infrastructure before the development is completed. By offering improved cycling and walking connectivity, a barrier to active travel will be removed and greater well-being and health choices encouraged.

4.2.3 Environmental step change – The scheme aims to reduce queue lengths and waiting time for approaching traffic at the M20 junction 7, thereby reducing tailpipe emissions in this AQMA and contributing towards the Net Zero targets. The scheme will also provide new cycling and walking infrastructure which will connect with existing facilities complementing the cycling and walking improvements in the Bearsted Road scheme. This will encourage cycling and walking to the KMC, Newnham Court Shopping Village and local residential developments, helping reduce congestion and improve air quality, health and well-being.

5. Equalities Impact Assessment

5.1 An updated Equalities Impact Assessment is included as Appendix B

6. Legal implications

6.1 Should the LUF2 or CIL bids be successful, Invicta Law advice will be sought before the Grant Agreements are entered into to ensure that the risks to KCC are acceptable.

6.2 Should the Council be successful in these funding bids, the award of any contracts to deliver these requirements will be in full compliance with all relevant procurement and governance regulations.

7. Conclusion

7.1 The M20 Junction 7 provides strategic links as a key part of Maidstone's highway infrastructure but additional capacity to accommodate current and future traffic is needed.

7.2 The current proposal will complement and enhance the existing infrastructure with the aim of reducing congestion and improving the connectivity of active transport infrastructure.

8. Recommendation(s)

8.1 The Cabinet Member for Highways and Transport is asked to agree the proposed decision as follows and as indicated on the proposed decision sheet attached at Appendix C to give approval to:

i) Subject to a successful bid, delegate to the Corporate Director of Finance the authority to accept up to £5.4m of Community Infrastructure Levy funding from Maidstone Borough Council to deliver the M20 Junction 7 Capacity Improvements scheme aimed at reducing congestion, queuing, and air pollution.

iii) Adopt the M20 Junction 7 Capacity Improvements scheme shown on Drg. Nos. 70040984-GA-0101 T01 and 70040984-GA-0102 T01 for implementation.

iv) Delegate to the Corporate Director of Growth, Environment & Transport the authority to enter into the appropriate land, development and funding agreements and the award of

the construction contract, and all other acts and consents and any subsidiary contracts required to allow the scheme to be implemented.

v) Delegate to the Corporate Director of Growth, Environment & Transport, under the Officer Scheme of Delegations following prior consultation with the Cabinet Member, any further or other decisions as may be appropriate to deliver the M20 Junction 7 scheme.

9. Background Documents

- Appendix A - Scheme designs: Drawing Nos. 70040984-GA-0101 & T01 and 70040984-GA-0102 T01 to be adopted :
<https://democracy.kent.gov.uk/documents/s115765/M20J7%20-%20Appendix%20A.pdf>
- Appendix B – Equalities Impact Assessment:
<https://democracy.kent.gov.uk/documents/s115762/AppendixBEqIAM20J7.docx.pdf>
- Appendix C – Record of Decision

10. Contact details

Report Author:
Kerry Clarke
Senior Project Manager
03000 411661
Kerry.Clarke@kent.gov.uk

Relevant Director:
Haroon Chughtai,
Director of Highways and Transportation
03000 412479
haroon.chughtai@kent.gov.uk