

From: Matthew Balfour, Cabinet Member for Environment and Transport
Barbara Cooper, Corporate Director for Growth, Environment and Transport
Stephanie Holt, Interim Director for Environment, Planning and Enforcement

To: Environment and Transport Cabinet Committee – 21 July 2015

Decision No: **15/00064**

Subject: **Highways and Transportation schemes funded through Local Growth Fund Round Two**

Key decision: **Affects 2 or more electoral divisions**

Classification: **Unrestricted**

Past Pathway of Paper: N/A

Future Pathway of Paper: For Cabinet Member Decision

Electoral Division: Ashford South and Dover Town

Summary: In January 2015 the Government announced a Growth Deal Extension, increasing Kent County Council's Local Growth Fund allocation for Highways and Transportation projects to £109 million. Of the 24 transport projects allocated Local Growth Fund, four will be delivered by third party organisations. This includes the delivery of Ashford Spurs Rail Project by Network Rail and A20 Improvements in Dover as part of Dover Western Docks Revival to be managed by Dover Harbour Board.

Approval is sought to develop agreements for the transfer of funding and conditions of spend to Network Rail in respect of the Ashford Spurs scheme and Dover Harbour Board in respect of Dover A20 Improvements Scheme. This will enable the delivery of these two projects by the respective delivery organisation in accordance with Kent County Council requirements and the LEP Assurance Framework.

Recommendation(s):

The Cabinet Committee is asked to **consider and endorse**, or make recommendations to the Cabinet Member for Environment and Transport on the proposed decision, as follows and as indicated on the proposed decision sheet attached in Appendix 1 to:

Authorise the Council entering into agreement for the transfer of Local Growth Fund to the respective delivery organisation for;

a) the Ashford Spurs Rail Project and;

b) the Dover A20 Improvement Scheme (as part of Dover Western Docks Revival)

1. Introduction

- 1.1 In the Growth Deal announced in July 2014, the Government allocated £442 million from the Local Growth Fund to capital projects across the South East Local Enterprise Partnership (SELEP) area.
- 1.2 In January 2015 a Growth Deal Extension was announced by Government, following SELEP Local Growth Fund Round Two submission.
- 1.3 In total, through Rounds One and Two, £109m Local Growth Fund has been allocated towards the delivery of 24 Highways and Transportation projects in Kent.
- 1.4 The Growth Deal extension included the allocation of funding for Ashford Spurs Rail Project and Dover A20 Improvements scheme.
- 1.5 Through the Service Level Agreement with Essex County Council as the Accountable Body for SELEP, Kent County Council is responsible for the programme management of all Local Growth Fund projects in Kent. There are, however, specific projects for which third party organisations are responsible for delivering.
- 1.6 The project management and delivery of the Ashford Spurs scheme will be undertaken by Network Rail, and the Dover A20 Improvements Scheme by Dover Harbour Board.
- 1.7 Given that KCC is ultimately accountable to the LEP Accountability Board for Local Growth Fund spend within Kent, we are seeking formal agreements to be signed by the third party delivery agent to ensure that the Local Growth Fund conditions of spend and project delivery are transferred to each delivery organisation.
- 1.8 The report provides i) an overview of Ashford Spurs and Dover A20 Improvements and ii) seeks support for entering into formal agreements with the third parties delivering each of these schemes to ensure they are progressed according to the requirements of the LEP Assurance Framework.

2. Ashford Spurs

- 2.1 The Ashford Spurs scheme is a £4.52m project initiated by Kent County Council. Through the Growth Deal Extension, £2 million Local Growth Fund has been provisionally allocated to the project, subject to approval of the project by the SELEP Accountability Board.
- 2.2 The project is being managed jointly by Kent County Council, Ashford Borough Council, Network Rail, Eurostar and High Speed 1 through a Performance

Management and Governance Group (PMGG). The project aims to ensure train protection is in place to allow existing and future international trains to call at Ashford International Station. Ashford International Railway Station is currently connected to the High Speed 1(HS1) using an ex-British Rail signalling system (AWS/TPWS) on the Ashford Spurs.

- 2.3 Originally the use of this signalling infrastructure was workable as Eurostar Class 373 trains were compliant with this system. The need for this project has arisen in anticipation of the introduction by Eurostar of the new Class 374 trains, which are not compliant with AWS/TPWS. Without the project to upgrade Ashford Spurs signalling system, international trains will be unable to serve Ashford International Railway Station.
- 2.4 The investment of Local Growth Fund, along with TEN-T CEF match-funding currently sought from the European Union, is required to ensure the continuation of international rail connectivity to Ashford International Station. A bid has been submitted for £2m European Union Connecting European Facility funding in 2016/17. An announcement on TEN-T CEF match funding is expected mid July 2015.

3. Dover A20 Improvements Scheme

- 3.1 Dover A20 Improvements Scheme is a £5m transport project as part of the Dover Western Docks Revival scheme, to be delivered by Dover Harbour Board. The £5m Local Growth Fund contribution to the project will fund improvements to two roundabouts (Prince of Wales and York Street) located on the A20 adjacent to Western docks in Dover. These improvements will improve traffic flow along the A20, reducing delays and supporting development of Dover Marina, town centre and Dover Western Dock.

4. Financial Implications

- 4.1 It has been agreed with Government that SELEP and therefore Kent County Council will receive Local Growth Fund in annual instalments in advance, subject to completion of a Transport Business Case for each project and the approval of the project by SELEP Accountability Board.
- 4.2 The LGF allocated to these two projects in 2016/17 will be transferred from the Council to Dover Harbour Board and Network Rail in instalments.
- 4.3 The Service Level Agreement between the SELEP Accountable Body (Essex County Council) and Kent County Council transfers responsibility for the delivery of the LGF projects in Kent to the Council.
- 4.4 An agreement will be developed to transfer the conditions of LGF spend and project management responsibility to Dover Harbour Board for the Dover A20 Improvements scheme and to Network Rail for the Ashford Spurs scheme. Project management responsibilities for Network Rail and Dover Harbour Board will include scheme delivery and regular reporting to the Council on project progress and spend.

5. Policy Framework

- 5.1 The delivery of Ashford Spurs and A20 Improvements Scheme will support the Council in meeting its Strategic Outcome for “Kent Communities to feel the benefits of economic growth by being in work, healthy and enjoying a good quality of life”. This will be achieved through the projects supporting continued operation of key transport infrastructure which is vital to the Kent and national economies as well as helping support growth by enabling new residential and commercial development.
- 5.2 The objective of ensuring international rail connectivity from Ashford, reducing congestion and supporting economic growth, as set out in “Growth without Gridlock”, Kent’s transport delivery plan, will be supported through the delivery of these projects.

6. Conclusions

- 6.1 The Ashford Spurs and Dover A20 Improvements schemes are important projects in supporting economic growth and ensuring Kent retains its reputation as the gateway to mainland Europe. The allocation of Round Two Local Growth Fund to these projects is welcomed in supporting the continued international rail connectivity of Ashford International Rail Station and the Dover Western Docks Revival Project.

7. Recommendation(s):

The Cabinet Committee is asked to **consider and endorse**, or make recommendations to the Cabinet Member for Environment & Transport on the proposed decisions, as follows and as indicated on the proposed decision sheet attached in Appendix 1 to:

Authorise the Council entering into agreement for the transfer of Local Growth Fund on the respective delivery organisation for;

- a) the Ashford Spurs Rail Project and
- b) the Dover A20 Improvements Scheme (as part of Dover Western Docks Revival.)

8. Background documents

None.

9. Contact details

Report Author:
Ann Carruthers
Deputy Director of Environment, Planning and Enforcement
03000 41 33 47

Ann.carruthers@kent.gov.uk

Relevant Director:

Stephanie Holt

Interim Director of Environment, Planning & Enforcement

03000 41 33 56

stephanie.holt@kent.gov.uk

Appendix A – Proposed Decision Sheet