

Appendix 1

Report to Accountability Board	Forward Plan reference number:
Date of Accountability Board Meeting: 10 June 2016 Date of report: 23 May 2016	
Title of report: Decision to agree the reallocation of £3m Local Growth Fund from Westenhanger Lorry Park to Ashford International Rail Connectivity Project.	
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1. Purpose of report

- 1.1 The purpose of this paper is to request approval for the re-allocation of funding between Westenhanger Lorry Park and Ashford International Rail Connectivity (Ashford Spurs) Project

2. Recommendations

- 2.1 The Board are asked to:
- Approve the re-allocation of £3m Local Growth Fund project from Westenhanger Lorry Park project.
 - Approve the removal of Westenhanger Lorry Park project from the SELEP LGF programme.

3. Background

- 3.1. Through the Local Growth Fund Round 2 Growth Deal Expansion, Westenhanger Lorry Park and Ashford International Rail Connectivity project were provisionally allocated £3m and £2m respectively.
- 3.2. The need for LGF investment in Kent County Council promoted Westenhanger Lorry Park project has been negated, due to Government's plans to invest in a large scale Lorry Area.
- 3.3. It is therefore proposed that the £3million funding allocation to this project should be re-allocated to the Ashford International Rail Connectivity project to help bridge the funding gap.

4. Westenhanger Lorry Park

- 4.1. The provisional allocation of £3m LGF to Westenhanger Lorry Park project was intended to support the delivery of a 300 space overnight lorry park at M20 Junction 11.
- 4.2. The scheme's aim was to tackle issues of inappropriate lorry parking in Kent and to ease pressure during the implementation of Operation Stack.
- 4.3. Subsequent to the LGF allocation to the project, the Chancellor of the Exchequer announced (in Nov 15) funding of up to £250 million to enable the delivery of a permanent lorry area near M20 Junction 11 to increase network resilience during Operation Stack in Kent.
- 4.4. The Highways England proposal will deliver a 3,600 space Lorry Area for Operation Stack, of which it is proposed that approximately 500 spaces could be allocated for overnight parking. As this is in the same vicinity as the Westenhanger Lorry Park, it negates the need for Kent County Council's LGF project.
- 4.5. The Highways England Lorry Area will therefore deliver benefits in excess of those identified through the Westenhanger Lorry Park proposal for which LGF was allocated and negates the need for the Kent County Council Westenhanger Lorry Park proposal.

5. Ashford International Rail Connectivity (Ashford Spurs) Project

- 5.1. Ashford International Rail Connectivity project is a strategic priority to deliver the infrastructure investment required to allow existing and future international rails to call at Ashford International Railway Station.
- 5.2. The preparation of the Business Case and project development work by Network Rail has led to a revised anticipated project cost of £10.5m, including contingencies and risk.
- 5.3. This substantially increases the project cost estimate and widens the funding gap to a £7.8m shortfall.
- 5.4. Work is underway, in co-ordination with the ITE, to assess the Network Rail project costs estimate and reduce project costs where feasible, with a view to submit a revised business case for decision at the September 2016 Accountability Board.
- 5.5. To demonstrate SELEP's commitment to the project, it is proposed that the £3m underspend from Westenhanger Lorry Park project should be reallocated to the Ashford International Rail Connectivity project. This will help bridge the project funding gap and strengthen the case to Government for the allocation of additional capital investment in the project.

- 5.6. This proposal to reallocate the £3m underspend from the Westenhanger Lorry Park project to the Ashford International Rail Connectivity project has previously been agreed at the Kent and Medway Economic Partnership (KMEP) in April 2016.

6. Financial Implications

- 6.1. The re-allocation of £3m LGF to Ashford Spurs project will increase the total LGF allocation to the project to £5m, thereby reducing the funding shortfall to £4.8m based on the £10.5m Network Rail cost estimate.
- 6.2. The Kent County Council Westenhanger Lorry Park will be removed from SELEP's LGF Programme.

7. Legal Implications

- 7.1. None at present

8. Staffing and other resource implications

- 8.1. None at Present

9. Equality and Diversity implications

- 9.1. None at present

Role	Date
Accountable Body sign off	