



Department for  
**Transport**

**From the Secretary of State**

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6 JULY 2006

Jackie Longworth  
Leader of South West Regional Assembly  
Dennett House  
11 Middle Street  
Taunton  
TA1 1SH

Dear Ms Longworth

**REGIONAL FUNDING ALLOCATIONS (RFAs)**

I am writing to respond to the transport proposals which were included in the South West's advice presented to Ministers at the end of January. Gillian Merron will also be writing separately to you shortly, together with ministerial colleagues in the Treasury and Departments of Trade & Industry and Communities & Local Government, with the Government's overall response to your region's advice on RFAs.

The Government has, for the first time, given regions a say in decision-making about transport schemes that affect them at the regional and local levels. It has been the first opportunity for you, your local authority partners and other key interests to consider together your transport programme against the region's high level objectives, and to develop a realistic, prioritised and affordable programme which offers the best overall contribution to meeting those objectives. My colleagues and I recognise that the prioritisation of transport schemes has required much work to ensure all the various interests are fully understood and reconciled. We are very impressed with the care and effort which has gone into the development of your advice, and with the progress which has been made in developing a consensus on what needs to be done.

I have read with interest your assessment of the issues and context in your region, and your assessment of the continuing transport challenges. Your transport advice has substantially met the aim of showing how related priorities can be drawn together to form a coherent strategic vision for improving transport performance in the region. We also recognise that the focus of this advice will greatly assist in the future sustainable growth in key urban areas. The challenge now is for the region to develop the capacity to deliver this investment broadly in line with the indicative timetable shown in your advice. We in DfT and in the GOSW will be working with you and key local authorities to achieve this aim.

**Schemes to be taken forward in the South West**

I generally accept the priorities that you have agreed within your region. Accordingly, I am able to confirm the schemes that we expect to fund during the next three years (2006/7 to 2008/9), subject to the points noted below. These include schemes currently under construction and those expected to start construction, and are listed in annex A to this letter.

I also include an indicative list of schemes that can be progressed so that they are ready to be added to the programme where necessary, and start construction in the remaining RFA years, from 2009/10 to 2015/16. These are listed at annex B. I recognise that aspects of these later schemes may change, or new priorities emerge, so we expect that you will wish to reconsider these schemes when you review your advice in the future.

These lists include the schemes contained in tables 1 and 2A of your regional advice. We note that schemes in your table 1 have been firmly prioritised and that schemes in table 2A have been identified as potential additions to the RFA, subject to environmental impact, affordability, deliverability and statutory procedures. In our decisions on the progression of these schemes we will take account of any further advice from the region.

The Department's provision of funding will, of course, be subject to schemes securing all necessary statutory powers, demonstrating sufficient value for money, and being supported by a satisfactory business case in line with the Departmental requirements. In particular, schemes where the assumed RFA cost exceeds the currently approved DfT maximum contribution will need a revised value for money assessment, and exploration of other funding sources, before we take a final decision on whether Departmental funding for the scheme should be increased.

You will recognise that we cannot commit to precise start dates, given uncertainties about future scheme costs and progress. Given these uncertainties, the Department will need to retain the scope to manage scheme progress to ensure that spending is in line with the total of all regional budgets. However, our aim will be to ensure that spending in each region is in line with its indicative allocation taking a number of years together. And where possible, in making decisions on approvals and start dates, we will be guided by the sequencing and timing set out in your advice."

#### Schemes previously approved by Government

You will see that the list at annex A includes 4 schemes which are already underway in your region, as part of the Government's programme of sustained and increasing investment in transport. We have increased spending on regional and local major transport schemes by around 50% (in real terms) since 2001/02, and the indicative budgets on which the regional advice is based sustain this record level of investment over the ten year period.

Reflecting your advice, we also expect to fund 4 schemes in your region that are currently at earlier stages of development following an initial Government approval, subject to the caveats noted above.

We also expect to fund a start on the Second Strategic Route (A30/A303/A358), which you have prioritised for spend from the end of the RFA period. We will wish to discuss further with you the composition and timing of this investment in the light of the outcome of the current review of the A303 Stonehenge scheme. We recognise the importance of this route to the south west, and also that it is likely to place a heavy future call on your RFA funds.

#### New schemes without existing approval

In the light of your advice I have been able to reach decisions on two new schemes that had not been previously approved. I am today approving the Greater Bristol Bus Network and the Taunton Third way and Northern Distributor Road for entry to your regional programme.

24 other new schemes that you recommended need further work and assessment, but subject to that work being completed satisfactorily and meeting the requirements for funding approval, and the schemes being affordable within your RFA, I would expect them to be added to your regional programme over the next ten years.

I am attracted by your innovative suggestions for a regional infrastructure fund, matched by RDA resources, a small schemes fund and a local authority 'capacity building' fund. My officials will be glad to discuss more firmly developed proposals for these funds with you.

If all of the schemes included in your priority lists, including these funds, proceeded to the timetables you have suggested, there would be an overspend against your regional budget, especially over the period 2008/9 to 2012/13. However, as you have recognised, a number of the schemes require considerable further development, or could face deliverability problems. I accept your desire to give early priority to schemes in the cities, but a number of these schemes in particular are not yet well developed. I also recognise the potential funding pressures in the later RFA years from the Second Strategic Route. We will therefore need to maintain a close dialogue with you to review progress on your schemes and to ensure that investment matches your regional budget over the RFA period.

Given that this has been the first opportunity for you to look at priorities across your region, against your wider objectives, it is not surprising that you have considered that a few schemes that had been approved or developed before the RFA process was introduced are not among your highest regional priorities for the next ten years. I accept your advice that five previously approved schemes -A30 Carland Cross to Chiverton Cross, A30 Temple to Higher Carblake Improvement, A39 Camelford Link Road, A391 St. Austell to A30 Link and the Salisbury Brunel Link Road and Harnham Relief Road- will not be funded in the RFA ten year period.

#### **Future Advice**

Finally, I welcome your expressed intention to submit further advice on transport schemes. The process as a whole has been generally welcomed and has proved very constructive. We are keen to build on this success, and will be seeking views widely on how the process might be enhanced. Taking those views into account, we

expect to seek further formal advice on regional transport priorities within the next two years. We also want to encourage a continuing dialogue with regions to ensure your views on the regional programme are regularly taken into account as schemes progress.

As a first step my officials will be in touch with yours to arrange a meeting to discuss what processes you would find most helpful. The meeting might also be an opportunity to clarify any points in this letter, or on my recent announcement on TIF, and more generally to consider how future process might be improved and developed in future. This would include discussion on how allocations might be extended to include rail.

I am writing in similar terms to the Chair of SWRDA.

A handwritten signature in black ink, appearing to read 'Douglas Alexander', with a stylized, cursive script.

**DOUGLAS ALEXANDER**

## **Annex A: Schemes for funding within the next three years (2006/07 to 2008/09)**

\* denotes scheme from region's table 2A

### *Schemes underway*

- A419 Commonhead Junction (Highways Agency)
- A30 A382 Merrymeet Junction (Highways Agency)
- A30 Bodmin Indian Queens (Highways Agency)
- Barnstaple Western Bypass (Devon)

### *Approved schemes not yet underway*

- A38 Dobwalls Bypass (Highways Agency)
- A419 Blunsdon Bypass (Highways Agency)
- A354 Weymouth Relief Road (Dorset)\*
- Poole Bridge Regeneration Initiative (Poole)
- Greater Bristol Bus Network (Greater Bristol Authorities)
- Taunton Third Way & Northern Distributor Road (Somerset)

### *Schemes which do not yet have approval (i.e. not accepted into the Programme)*

- Integrated Transport Gloucester Parkway (Gloucestershire)
- A350 Westbury Bypass (Wiltshire)\*
- East of Exeter (Phase 2) A30 Junction Improvement to Junction 29 (Devon)
- Exeter PUA Infrastructure (Devon)
- East of Plymouth Developments Stage 1 incl Deep Lane Junction (Plymouth)
- Bath Public Transport Package inc Newbridge P&R & Bath City Rapid Transit (Bath and North East Somerset)
- Camborne Pool Redruth Transport Package (Cornwall)\*
- Truro Transport Package (Cornwall)\*
- Newquay Airport (Cornwall)
- Isles of Scilly Ferry (Cornwall)

## **Annex B: Indicative list of schemes from 2009/10 to 2015/16**

\* denotes scheme from region's table 2A

*Previously approved schemes not yet underway:*

- A303 Stonehenge (depending on outcome of Stonehenge Review)

*Schemes which do not yet have approval (i.e. not accepted into the Programme)*

- A358 Ilminster to Taunton/A303 Ilminster Bypass (Highways Agency)
- South Bristol Ring Road (A38-A370 Red Route) (North Somerset and Bristol City)
- Weston-Super-Mare area Package (Phase 1) (North Somerset)
- Bristol Rapid Transit - Hengrove/North Fringe (West of England UAs)
- Bristol Rapid Transit - Ashton Vale/Emersons Green (West of England UAs)
- Bristol Rapid Transit - Bath/Cribbs Causeway (West of England UAs)
- South Bristol Ring Road (Hengrove-A38) (North Somerset and Bristol City)
- Callington Road Link (Bristol City Council)\*
- Exeter HQPT (Devon)\*
- Gloucester A40 Improvements / Widening (Gloucestershire)\*
- Gloucester/Cheltenham Park and Ride (Gloucestershire)\*
- North Swindon Strategy (Great Western Way & Purton Link) (Swindon)\*
- SE Dorset ITS (network control and information) (South East Dorset)\*
- South Devon Link Road A380 (Kingskerswell Bypass) (Devon/Torbay)\*