

**SOUTH EAST ENGLAND
REGIONAL TRANSPORT BOARD**

Date: 7 October 2005

Subject: **Commitments**

Report of: Head of Regional Transport Planning, South East England Regional
Assembly

Recommendation:

That the Regional Transport Board:

- i) confirms its policy approach to commitments;
 - ii) advises the Government that the schemes listed in Annex I are considered commitments for the purposes of regional funding allocations and that accordingly funds be made available to deliver these schemes according the schedule of dates set out in Annex I.
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1. Purpose of the Report

- 1.1 To confirm the Board's approach to dealing with commitments and to advise the Board on the implications of those commitments on the transport component of the regional funding allocation.

2. The Board's Approach to Commitments

- 2.1 At its meeting on 19 May 2005 the Board considered a paper that set out a proposed approach to dealing with commitments as part of the process of prioritisation transport investment.
- 2.2 The Board concluded that it would not seek to apply the prioritisation methodology developed by the Assembly to those proposals that are:
 - a) in the Highways Agency programme of regional schemes and for which there is a firm commitment by Government to begin construction by 2008;
 - b) being progressed by Local Transport Authorities and for which the Government has given full approval, including an allocation of funds;
 - c) being promoted by Local Transport Authorities and for which the Government has given provisional approval but not sought any further advice from the region.

- 2.3 In addition the Board confirmed that whilst construction of the A3 Hindhead scheme is not scheduled to begin until after 2008 because of the availability of funds, this proposal is of such strategic importance that it too should be considered a commitment. As a consequence the Hindhead scheme is not being considered as part of the prioritisation process.
- 2.4 Annex I lists the proposals that are to be considered as commitments. It is not proposed that the Board should revisit its previous decision regarding commitments.
- 2.5 An analysis of the spatial distribution of the committed schemes (Annex 2) shows a strong correlation with the policy framework set out in both Part I of the South East Plan and the Regional Economic Strategy.

3. Available Headroom

- 3.1 Having confirmed the list of committed schemes it is now possible to identify the financial commitment for future years arising from those schemes. This financial profile is shown in Annex 3. The profile for the transport component of the regional funding allocation over the same time period is also shown in Annex 3.
- 3.2 Deducting the commitments from the regional funding allocation profile enables the headroom available to support new proposals for each financial year to be identified.
- 3.3 Chart 1 of Annex 3 shows that the size and timing of the A3 Hindhead commitment is such that very little resources remain for the Board to consider other schemes. We have accordingly been exploring the possibility of funding the Hindhead scheme in alternative way that might at the same time allow for earlier commencement: a 'DBFO' (Design Build Finance Operate) approach could allow for the scheme's cost to be spread over an extended period. An assumed allocation of £5m/year to the A3 Hindhead scheme, for example, increases available headroom in each financial year as shown in Chart 2 of Annex 3. It is on this basis that we have proceeded to develop a draft programme as outlined in item 9 of this agenda.
- 3.4 The Board is reminded that the Government's guidance states that the region should focus its advice on the period after 2006-07.

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