



**KILN LANE BRIEFING NOTE [item 14]
For Local Committee in Epsom & Ewell meeting
3 December 2007**

BACKGROUND

As the cost of the Kiln Lane Link road exceeds £5 million, the county council is required to seek agreement to the scheme from both the Regional Transport Board and from the Department for Transport. Once a major scheme is accepted for funding, the Government would then provide the majority of the scheme costs.

The Regional Transport Board assesses major schemes and allocates funds from a Regional Funding Allocation. This funding source is used by both local authority schemes and highways agency schemes of regional significance. As a result, the fund is heavily oversubscribed. It currently provides £1.5 billion for investment between 2006 and 2016 – around £150 million per annum.

The pressure on this funding source has been exacerbated by the Government's decision that the A3 Hindhead road scheme should be treated as regional rather than national scheme. This has meant that the costs of the Hindhead scheme (£370 million) have to be met from the Regional Funding Allocation.

The Regional Transport Board assess schemes against three criteria – policy compatibility, deliverability and value for money. Schemes which score "high" on all three criteria are classed as category 1 schemes and are given highest priority. Schemes which score "high" on two criteria but "medium" on the third are classed as category 2 and so on.

As the fund is oversubscribed, schemes with high scores against all three criteria will be the first to be funded.

Inclusion in the Regional Transport Board's programme does not mean that a scheme will automatically be funded. The final decision rests with the Secretary of State for Transport who can reject a scheme put forward by the Regional Transport Board.

THE RTB STATUS OF THE SCHEME

The Kiln Lane Link Road scheme was assessed by the Regional Transport Board (RTB) in Autumn 2006 as a category 4 scheme – see table below. Because of this, the scheme was not included in the regional transport board's programme of schemes to be built before 2016. The scheme was deferred until the 2016-2026.

Table 1: RTB Scheme Ranking Extract

Scheme/ Intervention	Date Programmed	Policy Compatibility	Deliverability	Value for Money	Rank
Guildford Hub	2011-2016	High	High	Medium	2
Reigate Hub	2011-2016	High	High	Medium	2
Kiln Lane*	2016-2026	Low	High	Medium	4

***Currently identified in the Regional Programme as early start in the indicative 2016-2026 programme.**

FUTURE OPPORTUNITIES FOR FUNDING

The RTB has agreed that it intends to refresh the major schemes programme in early 2008. This is not an opportunity to completely revise the agreed regional priorities. For those schemes already within the regional programme up to 2016, subject to cost rebasing, affordability and deliverability, these will remain as now. This means that provided the County Council makes progress on developing the two hub schemes in Guildford and Reigate/Redhill identified in the RTB programme, then these will be funded. However, the RTB will take the opportunity to consider if there is a need to reprofile the order and financial spread of spending on schemes so as to either get a better fit with partnership funding, or where there are other policy goals which are best addressed by enabling a scheme to be developed earlier. As part of this refresh process the RTB will also now be considering the programme up to 2018, which provides the opportunity if required to accommodate cost rises in the 2011-2016 programme, but also to take account of the impact of cost information gathered in the pre 2016 period, the South East Plan and the recently published Comprehensive Spending Review (CSR).

NEXT STEPS

Kiln Lane sits in the 2016-2026 programme at present. As part of the 2008 refresh process it is anticipated that the Board will wish to review its position with regards the weighting given to individual elements of the prioritisation questionnaire and associated methodology which derived the ranking in Table 1 above. In relation to the Kiln Lane scheme the revised methodology will reflect changes in priorities because of the need for the programme to conform the South East Plan, the revised Regional Economic Strategy and the effect of the CSR. It is anticipated that with these pressures, the Kiln Lane scheme will be in competition from a number of new schemes that will enter the programme for the first time. It is anticipated that many if not all of these new schemes will have greater compatibility with the prioritisation questionnaire. On this basis Kiln Lane will do well to hold its current slot in the programme, given its low policy compatibility as indicated in Table 1. It is therefore recommended that the County Council work on the basis of current RTB funding timetable for Kiln Lane or any revised timetable for the scheme that may emerge from the 2008 refresh.

SHOULD WE WRITE TO THE GOVERNMENT TO REQUEST MORE RESOURCES FOR THE REGIONAL TRANSPORT BOARD?

The regional transport board has tried on a number of occasions to argue for more funding for the South East. These approaches have not been successful. The most recent comprehensive spending report did not provide scope for increases in the regional budgets. Because of this, there is very little chance of additional funds being made available for the South East.

SHOULD WE ASK FOR THE KILN LANE LINK ROAD TO BE BROUGHT FORWARD TO THE 2006-2016 BUDGET OR THE 2018 REFRESH?

The regional transport board are stressing that the refresh is not an opportunity for new schemes to be added to the programme. Cost increases on existing schemes are likely to take any additional resources. There is therefore little prospect of the board accepting the addition of a category 4 scheme as a late addition to the 2016 or 2018 programme.

The County Council is already delivering three major schemes before 2016 (Woking hub, Guildford hub and Walton Bridge) and so would struggle to provide the officer resources and funding needed to deliver an additional major scheme.

CAN WE CHANGE THE RTB'S PRIORITISATION METHODOLOGY TO RAISE THE RANKING OF THE SCHEME?

The current prioritization methodology places a strong emphasis on schemes which achieve as many policy aims as possible. This tends to favour public transport "package" schemes such as the Woking and Guildford hubs over road schemes such as the Kiln Lane Link Road. Officers are working with the RTB to see if the prioritization methodology may be changed. However, this could have the effect of increasing the score of other schemes which are competing for the same regional funds.

Officers will also look for ways to increase the score of the scheme within the existing methodology.

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