

**PLANNING AND  
INFRASTRUCTURE POLICY  
ADVISORY COMMITTEE**

**17 June 2022**

**Levelling Up 2 Bid Junction 7 M20 Signalisation**

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>
Planning and Infrastructure PAC	8 June 2022
Lead Member on the Executive for Planning and Infrastructure, Councillor Paul Cooper	17 June 2022

<b>Will this be a Key Decision?</b>	No
<b>Urgency</b>	<p>Urgent</p> <p>The deadline for submitting a Round 2 Levelling Up bid is the 6<sup>th</sup> July 2022. Kent County Council need to commission additional work to prepare the bid for submission. To give officers time to do this, Kent County Council will be deciding which Levelling Up bids to submit on the 13<sup>th</sup> June 2022.</p> <p>If urgent:</p> <ul style="list-style-type: none"><li>- 5-day notice requirement</li></ul>
<b>Final Decision-Maker</b>	Lead Member on the Executive for Planning and Infrastructure, Paul Cooper
<b>Lead Head of Service</b>	William Cornall
<b>Lead Officer and Report Author</b>	John Foster
<b>Classification</b>	Public
<b>Wards affected</b>	Boxley

## **Executive Summary**

The Levelling Up Fund is a £4.8b Government programme to support investment in infrastructure across the three themes of town centre and regeneration, culture and transport. A grant of up to £20m is available per project. One submission is allowed in each MP's constituency area over the life of the Fund.

Key to a successful bid is to be able to demonstrate deliverability by 2024/25. Maidstone does not have a capital project sufficiently advanced yet to merit a submission.

Kent County Council (KCC) would like to submit a joint transport infrastructure project that signals the M20 Junction 7 slip roads and improve walking and cycling and have asked for Maidstone's support to do so.

The same project was submitted in Round 1 but was not successful. Feedback from DLUHC and the DfT suggests the bid was strong and should be well received if re-submitted with some changes. The deadline for submission is 6<sup>th</sup> July 2022. KCC need time to commission work and make these changes and would like a decision by the 13<sup>th</sup> June in order to do so.

If the project is supported, it would mean no further projects could be considered in future rounds in the Faversham and Mid Kent constituency. Helen Whately is the Member of Parliament for that constituency and supported the first-round bid for this project.

## **Purpose of Report**

Decision

## **This report makes the following recommendation to Lead Member for Planning and Infrastructure:**

1. That the submission of a joint Levelling Up Round 2 bid with KCC to fund improvement works to Junction 7 M20 as set out at paragraph 3.3 Option 2 of this report be approved.
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# Levelling Up 2 Bid Junction 7 M20 Signalisation

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> <li>• Embracing Growth and Enabling Infrastructure</li> <li>• Safe, Clean and Green</li> <li>• Homes and Communities</li> <li>• A Thriving Place</li> </ul> <ul style="list-style-type: none"> <li>• Accepting the recommendations will materially improve the Council's ability to achieve the objective of Embracing Growth and Enabling Infrastructure.</li> </ul>	Head of Regeneration and Economic Development
<b>Cross Cutting Objectives</b>	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> <li>• Heritage is Respected</li> <li>• Health Inequalities are Addressed and Reduced</li> <li>• Deprivation and Social Mobility is Improved</li> <li>• Biodiversity and Environmental Sustainability is respected</li> </ul> <p>The report recommendation(s) supports the achievement of environmental sustainability by reducing congestion, queuing and vehicle emissions</p>	Head of Regeneration and Economic Development
<b>Risk Management</b>	Refer to paragraph 4.1 of the report	Head of Regeneration and Economic Development
<b>Financial</b>	<ul style="list-style-type: none"> <li>• At present the Council does not have the funding in place to proceed with this project, hence the need to resubmit the bid with KCC</li> </ul>	Senior Finance Manager (Client)

<b>Staffing</b>	<ul style="list-style-type: none"> <li>We will deliver the recommendations with our current staffing.</li> </ul>	Head of Regeneration and Economic Development
<b>Legal</b>	<ul style="list-style-type: none"> <li>The Report does not contain any legal implications. Contractual and Procurement advice will be required if the bid is successful.</li> </ul>	Team Leader, Contracts and Commissioning
<b>Information Governance</b>	<ul style="list-style-type: none"> <li>The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council Processes.</li> </ul>	Information Governance Team.
<b>Equalities</b>	<ul style="list-style-type: none"> <li>The recommendations do not propose a change in service therefore will not require an equalities impact assessment</li> </ul>	Nicola Toulson Equalities & Communities Officer
<b>Public Health</b>	<ul style="list-style-type: none"> <li>We recognise that the recommendations will have a positive impact on population health or that of individuals.</li> </ul>	Public Health Officer
<b>Crime and Disorder</b>	<ul style="list-style-type: none"> <li>There are no implications for crime and disorder if the recommendations are accepted</li> </ul>	Head of Service or Manager
<b>Procurement</b>	<ul style="list-style-type: none"> <li>There are no procurement requirements</li> </ul>	Head of Service & Section 151 Officer
<b>Biodiversity and Climate Change</b>	<ul style="list-style-type: none"> <li>The implications of this report on biodiversity and climate change have been considered and reducing congestion and delay on the A249 by improving pedestrian and cycle facilities, access for buses, and reduce carbon emissions, through reducing queuing and vehicle emissions aligns well with the Council's strategy. Additional consideration for biodiversity enhancement, natural corridors and pollution capture should also be considered as part of the KCC bid.</li> </ul>	Biodiversity and Climate Change Officer

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Levelling Up Fund is a £4.8b Government programme to support investment in infrastructure across the three themes of town centre and regeneration, culture and transport. A grant of up to £20m is available per project with a minimum of 10% match funding. One submission is allowed in each MP's constituency area over the life of the Fund. Funding is targeted towards places with the most significant need, as measured by an index. Three categories have been created with category 1 representing places with the highest levels of identified need. Bids from categories 2 and 3 will still be considered for funding if they are of "exceptionally high quality". Maidstone is in category 2. County Councils can only bid for one large scale Transport project for their County but can work with Districts and Boroughs to submit proposals for smaller transport improvement projects. Districts and Borough's need the approval of the Highway Authority to submit their own transport bids.
- 2.2 The first round of the Levelling Up Fund (LUF) was announced in 2020 and supported £1.7 billion of projects. Levelling Up Round 2 was announced earlier this year with a submission deadline of 6<sup>th</sup> July 2022.
- 2.3 Key to a successful bid is to be able to demonstrate deliverability by 2024/25. Maidstone Borough Council does not have a large capital project sufficiently advanced yet to merit a submission.
- 2.4 However Kent County Council (KCC) would like to submit a project, jointly with MBC, that partially signalises the M20 Junction 7, widens some slip roads and improves walking and cycling. Significant queueing is a regular occurrence on the A249 at M20 J7, especially in the morning peak. At times, queueing on the roundabout can affect the M20. The improvement works would:
- Increase the capacity of the junction
  - Reduce congestion and delay on the A249
  - Improve pedestrian and cycle facilities
  - Improve access to existing development for all modes, including buses
  - Support new development and local economic growth
  - Help reduce carbon emissions, through reducing queuing and vehicle emissions
- 2.5 The same project was submitted in Round 1 but was not successful. This first bid requested just over £4.1m from LUF with match funding of just over £1m from developer contributions – a total cost of £5.1m.
- 2.6 The Council accommodated KCC's proposition to submit this project in Round 1 as it had explicit support in the approved Integrated Transport Strategy under Action H1: Targeted implementation of highway improvements at key strategic locations to relieve congestion and in the action plan under "Maidstone Urban Area – M20 Junction 7 Strategic Area". Moreover, there was no obvious alternative competing project Levelling Up could fund.

- 2.7 Feedback from DLUHC and the DfT suggests the bid was strong and would be well received if re-submitted with some changes. In summary it stated that the case for investment was well set out, although it would benefit from further engagement evidence. It provided good evidence of congestion and would benefit from further options assessment report. The bid showed good alignment with local and national context, but needs more evidence on reduction in co2 and link to LTN 120 compliance. The Benefit Cost Ratio was strong but requires further evidence as to how KCC got there:
1. undertake further analysis on current conditions, outlining high level data on existing congestion. Reflected to what extent this is on development traffic.
  2. Rerouting beyond immediate corridor, trip generation assumed by development and included in each scenario
  3. Provided more analysis in modal results, delays, volume over capacity and overall traffic throughput.
  4. Assessment of do minimum scenario
  5. Further detail on how model outputs converted into benefits.
  6. Provide more detail on smart technology and how it is modelled.
- 2.8 The Financial element of the bid was clear in what it asked for and what is coming from 3rd parties, but it would benefit from inserting extracts from S106 agreements. The risk management and track record and delivery schedule were strong. Project governance could not be faulted. In terms of monitoring and evaluation this needed to be more specific to the scheme and
- 2.9 KCC need time to commission this work and make these changes and would like a decision from Maidstone by the 13th June in order to do so.
- 2.10 The Junction 7 work is critical to enable the full delivery of Kent Medical Campus and residential development to the south of Maidstone. National Highways has stated:
- “Without the improvement in place, we may soon be at the point where both congestion and safety led capacity is reached and we start to have to object to or Grampian condition (no occupations until opening to traffic of the J7 improvement) all applications. This would have major implications for Maidstone’s aspirations and their ability to meet their 5-year housing supply requirements, and hence the achievement of Government short-term post-pandemic recovery and longer-term housing delivery”.
- 2.11 National Highways have insisted that three residential schemes in the southeast of Maidstone wholly fund the work through developer contributions (S106).
- 2.12 Up to £4.8m is available from these three developments to fund the works. However, the issue is that these improvements are needed now but the S106 monies will not be received in full for perhaps another 5 or more years. KCC who will be the deliverer of the works are extremely keen to progress them now.

Table 1: Residential Developments and their contributions

Site & Local Plan Policy	Developer	Contributions (£4.8m)	Trigger for Payment
Land North of Bicknor Wood – H1(7)	Bellway	£792,000 index linked	125 occupied dwellings
Land West of Church Rd – H1(8)	Bellway	£1,106,142 + £390,000 to cover scheme design and contract costs	230 occupied dwellings
Land South of Sutton Rd – H1(10)	Countryside	£2,534,327	300 occupied dwellings

2.13 In addition, KCC is about to start delivering a nearby highways project at Kent Medical Campus, for widening the Bearsted Road and Newnham Court roundabouts and creating a dual carriageway between them. These works will start in the summer 2022. Owing to the proximity of these works KCC have already designed the J7 improvements in case monies became available sooner, with the prospect of the same contractor delivering them. So, the J7 improvements are genuinely shovel ready.

2.14 If the Levelling Up Fund pays for the majority of the works, then the developer contributions would not be needed in full, and the developers' liability to fund it would be reduced.

2.15 However this approach is being considered because:

1. The S106 agreements for these three sites explicitly state that Maidstone Borough Council, working in cooperation and collaboration with KCC, are obliged to use reasonable endeavours to obtain external funding to pay for the J7 works. Any external funding obtained is then deducted from the developer contribution. By submitting this Levelling Up bid MBC/KCC are doing what was intended when the S106 agreements were negotiated.
2. The costs of the works will have risen again since the original S106s were signed, above £4.8m. About £1m of developer contributions are likely to be available for KCC to use as match funding in the period that the Levelling Up grant needs to be spent i.e. by 2024/25.
3. There is a risk that in 5 to 10 years time the cost of these works will be even higher and there might not be external grant sources available to gap fund the works.
4. Notwithstanding in bullet point 1, if Levelling Up could provide loan funding to pay for the works, the developer contributions could still be claimed once their trigger points were reached. Unfortunately Levelling Up is non-repayable grant fund and cannot be used as a loan fund. In any event it has already been established that the cost of these works is greater than available developer contributions so some gap funding would be needed anyway.

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### **3. AVAILABLE OPTIONS**

- 3.1 Option 1: Not to support the bid.
- 3.2 If the Council were not to support the bid, then Kent County Council could not submit it and the improvements would be significantly delayed. Queuing is already a problem and further serious queuing on a key approach to Maidstone will cause delay and journey time uncertainty for all road users, including commuters, business users and deliveries. Buses will also be affected. The costs of delay will have an adverse economic impact. It will also inhibit access to the Kent Medical Campus and other development immediately south of J7. It will discourage investment in the NKEZ.
- 3.2 However, by not supporting the bid, the Council would retain its option to submit a different bid in Helen Whatley's constituency area in later rounds. That said the Government has made no promises regarding the timing or format of future rounds. A major project that may come forward in this area concerns the future of the Leisure Centre. However, at this time no decision has been made regarding whether the Leisure Centre should be refurbished or a new one built, in full or in part. There is no way of knowing whether a project like this in a category 2 area would be supported by the Government. This project may not be advanced enough by the time a Round 3 bid is possible to have a chance of being successful.
- 3.3 Option 2 to jointly resubmit the bid with KCC
- 3.4 The feedback from DLUCH and DfT is positive and subject to making the changes set out in this report will be well received if re-submitted. The bid will be submitted with a similar LUF request of circa £4m to £5m, with developer contributions in the region of £1m. The benefits of this approach are that congestion is alleviated now and environmental benefits are delivered earlier and barriers to development are removed now. This approach does however reduce the developer's obligations to fund the improvement works, but the S106 agreements always envisaged that MBC and KCC would work together to obtain external funding. This option is recommended.

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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 Option 2 is recommended, that a joint submission with KCC is supported for the reasons set out in section 2.12 and paragraph 3.2.

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### **5. RISK**

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks



associated are within the Council's risk appetite and will be managed as per the Policy.

## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

6.1 Kent County Council has obtained the support of the Kent and Medway Economic Partnership, Highways England and Helen Whately MP for their Round 1 submission.

### **6.2 Policy Advisory Committee Consultation**

At its meeting on 8 June 2022 the Planning and Infrastructure Policy Advisory Committee considered this issue and agreed the following recommendation:

"That the Lead Member for Planning and Infrastructure be recommended to approve the submission of a joint Levelling Up Round 2 bid with KCC to fund improvement works to Junction 7 M20 as set out at paragraph 3.3 Option 2 of this report."

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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

7.1 KCC will work with MBC to resubmit the bid and re-engage with KMEP and Helen Whately MP and other stakeholders to secure their support.

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## **8. REPORT APPENDICES**

- None

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## **9. BACKGROUND PAPERS**

- None