

Maidstone Joint Transportation Board



**Aug
2022**

M20 Junction 7 – Improvement Scheme

Decision Making Authority	Kent County Council/Maidstone Borough Council
Lead Director	Philip Lightowler (Interim Director)
Lead Head of Service	Tim Read
Lead Officer and Report Author	Kerry Clarke/Lee Burchill
Wards and County Divisions affected	Maidstone Rural North, Maidstone North East & Maidstone Rural East
Which Member(s) requested this report?	Committee

This report makes the following recommendations:

For Information. That this report be noted.

Timetable

Meeting	Date
Maidstone Joint Transportation Board – Update Report	3 August 2022

M20 Junction 7 Improvement Scheme

1. INTRODUCTION AND BACKGROUND

- 1.1 This report provides an update in respect of the planned highway improvement scheme at M20 Junction 7.
- 1.2 The proposed M20 J7 improvement has been developed to work as part of a package of junction and highways upgrades in the local area. Those parallel works are already funded and entail the A249 Bearsted Road improvements including signalisation of the roundabouts at the junctions between Bearsted Road and the A249 and with the New Cut Road. The M20 Junction 7 works and Bearsted Road improvements were developed as an integrated package of measures to reduce congestion and support new high-quality development.
- 1.3 It would be KCC's preference to deliver the M20 J7 scheme alongside, or soon after the completion of the A249 Bearsted Road Improvement Scheme. This would provide cost efficiencies and enable delivery of a much more effective improvement that will address existing capacity problems at M20J7 and enable the economic benefits of new development to be realised.
- 1.4 Whilst there are some Section 106 monies available to deliver the scheme, there is no certainty as to when they will be available and a complete reliance on those monies will lead to a delay in its implementation. Therefore, in order to deliver the necessary infrastructure improvements to facilitate the growth in the surrounding areas; external funding is required to bridge the existing funding gap.
- 1.5 Previously the scheme was expected to be funded through the former Highways England's Growth and Housing Fund. However, the withdrawal of that funding route, and the exhaustion of alternative routes such as Local Growth Fund and Levelling Up Fund Round 1 has left a continued funding shortfall to implement this important part of the overall package of works in the M20-A249- Bearsted Road area.

2. Current financial position:

- 2.1 A breakdown of KCC's current understanding of the S106 payments that have been triggered and received by KCC or are outstanding is shown below:

MBC LP site H1(7) North of Bicknor Wood, Gore Court Road, Otham:

- Trigger 50 homes occupied: £390,000: Received by KCC and spent on design
- Trigger 230 homes occupied: £1,062,429.44: Received by KCC

MBC LP site H1(10) South of Sutton Road, Langley (aka Rosewood)

- Trigger 300 homes occupied: £2,534,327.00: Outstanding, trigger not yet met (an update has been requested but in May 2022 the number of units occupied was only at 45)

Given the above, KCC understands that there is at least a total of **£3,596,756** in s.106 funding that should remain to be put towards the cost of delivery of the M20 J7 scheme.

- 2.2 The works are currently estimated to cost **£6,621,610** based on estimates at Quarter 3 2022/23 FY and allowing for inflation over the construction period to early 2025. However, this does not yet include the commuted sums which will be required for National Highways as KCC will be working on their asset. Therefore this cost is likely to further increase.
- 2.3 Based on the S106 monies which are currently banked by KCC, there is a funding gap of at least **£5,559,181** which needs to be bridged to allow the scheme to be delivered alongside or soon after the A249 Bearsted Road Scheme.
- 2.4 If KCC receive the additional S106 monies due prior to scheme construction, then the funding gap will reduce to **£3,024,854**.

3. Funding Opportunities:

- 3.1 Although the Levelling Up Fund (LUF) Round 1 bid for the M20J7 was unsuccessful, feedback received from the DfT suggested the bid was strong and could be resubmitted as a Levelling Up Fund Round 2 bid.
- 3.2 The proposal to put forwards a joint KCC and MBC bid to Levelling Up Fund Round 2 was considered at MBC's Planning and Infrastructure Policy Advisory Committee on Wednesday 8 June 2022. The Committee recommended that a joint bid be put forwards for the scheme, the full minutes can be viewed using the following link:

[Minutes Template \(maidstone.gov.uk\)](https://www.maidstone.gov.uk/minutes-template)

- 3.3 A bid is currently being prepared and will be submitted prior to the submission deadline on 2nd August 2022.
- 3.4 In addition to the LUF bid, KCC also submitted a bid on 15th July 2022 to MBC's Community Infrastructure Levy (CIL) Funds for Infrastructure. The scheme meets the requirements for CIL funding as it:
- Provides infrastructure necessary to support growth,

- The current capacity issues at M20J7 will be made more severe by new development in the surrounding areas, and
- The scheme is a critical scheme included in the Borough Council's Infrastructure Delivery Plan (IDP) and supports MBC's current adopted Local Plan.

3.5 KCC will continue to actively pursue alternative sources of funding to deliver the M20 J7 Improvement Scheme, should the bids mentioned above be unsuccessful. However, it is anticipated that due to inflation; the cost to deliver the scheme will continue to rise and therefore the additional funding required will also increase until funding can be secured, and a construction contract put in place.

4. Conclusion:

4.1 There is currently a funding gap of at least **£3,024,854** which needs to be bridged in order to deliver the M20J7 Improvement Scheme alongside the A249 Bearsted Road Scheme.

4.2 KCC are actively pursuing alternative funding streams to bridge this funding gap and ensure that the scheme can be delivered alongside, or shortly after, the A249 Bearsted Road Scheme.