



# Department for Transport

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28 November 2017

Dear Nigel,

## **ST AUSTELL TO A30 LINK ROAD– PROGRAMME ENTRY: LARGE LOCAL MAJOR SCHEMES PROGRAMME**

Following the receipt of your Business Case for the above scheme and subsequent discussions, this letter confirms that Ministers have agreed to provide Cornwall Council with the agreed level of funding below, subject to the following conditions, and thereby confirm Programme Entry for the scheme within the Large Local Major schemes programme. This should allow your Authority to complete the negotiation of all the remaining legal and procurement processes (but not enter into final contractual or other legal commitments) following which a request for Full Approval can be made. Once Full Approval has been granted the required contractual and other legal commitments can be entered into.

### **DfT Funding**

As part of this approval the Department will provide a maximum capped funding contribution of up to **£78.461 million** towards the estimated total scheme cost of **£84.861 million**. Should Full Approval of your scheme be granted, funding will be paid as capital grant under Section 31 of the Local Government Act 2003. We will discuss with you the final profile of funding and the extent to which funding is to be provided in advance of Full Approval. For this purpose I would be grateful if you would let me have your latest estimated profile of spending including a breakdown of costs to be incurred prior to Full Approval.

### **Terms and Conditions of Funding**

This offer of funding is subject to the following conditions:

- i. This funding approval is granted entirely without prejudice to any view that the Secretary of State or other Ministers may take on any future application for statutory powers or in accordance with any other functions.
- ii. The scheme must be implemented in accordance with the scheme proposals as set out in your funding bid as submitted to the Department and subject to any changes which may occur as a result of further design or as a result of any remaining statutory procedures. Ministers reserve the right to reconsider their decision on funding if there are any changes to the overall cost, scope or design of the scheme which they consider to be material, particularly where such changes would alter the value for money of the scheme. You must notify the Department immediately of any such material changes.
- iii. The Department's contribution will be up to a maximum of **£78.461 million**. No further funding will be provided by the Department. Cornwall Council is solely responsible for meeting any expenditure over and above this amount.
- iv. Should this scheme progress to Full Approval, further detailed conditions would apply to any grant payable. The grant would be claimed annually in advance.
- v. Cornwall Council will be solely responsible for the validity of the procurement process for the scheme, subject to the broad approach being acceptable to the Department.
- vi. Cornwall Council continues to develop the business case for the scheme in accordance with the Department's Transport Business Case guidance and Transport Appraisal Guidance (WebTAG).
- vii. The Department is kept closely informed of progress with, and expenditure on, the scheme. It is important that you complete and return quarterly monitoring forms by the due date. In general, updates of progress, and information on work carried out should be shared with DfT on an open and transparent basis and no reasonable request for information withheld.
- viii. A DfT representative may attend Project Board meetings as observer and Project Board papers and minutes should be provided to DfT on request.
- ix. Cornwall Council will carry out a full evaluation of the scheme, the details of which we would wish to discuss with you and agree before Final Approval. We would expect you to make the results of this evaluation available to the Department.

I should be grateful for written confirmation that Cornwall Council agrees to these conditions, including certification from your Section 151 Officer that the Council accepts the above terms and conditions.

### **Full Approval**

You are required to submit a final business case to the Department for Full Approval. This will need to include:

- confirmation of the overall cost and scope of the scheme;
- a declaration that that you have acquired all the necessary statutory powers to construct the scheme;
- confirmation that you have completed the procurement process to a stage where you have a preferred bidder and a firm and final offer; and
- confirmation from your S151 officer that Cornwall Council has the ability to cover all remaining funding required over and above the capped Departmental amount including any additional funding required as a result of the remaining legal and procurement processes.

We look forward to working with you on the updating of the Business case and we would welcome the opportunity to keep in touch with you as this work progresses. We also look forward to receiving a bid for Full Approval once any remaining legal and procurement processes have been satisfactorily completed.

I am copying this letter to David Glinos, DfT Area Lead.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Robert S Fox', written in a cursive style.

**Robert S Fox**