



Department for  
**Transport**

From Mike Penning MP, Parliamentary  
Under Secretary of State

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Dear Andrew,

You have asked the Secretary of State to review with the Highways Agency the impact of a developer contribution of £50m on the economics of the A5-M1 link and to clarify the Department's position with regard to this project

In assessing the A5-M1 scheme against other projects, we used an estimated future cost to the Department of circa £150million. On that basis, it was ranked just below the set of schemes prioritised for start of works during the current Spending Review period. In particular, you asked the Secretary of State about how this project compared to the A11 dualling project. I can confirm that the NPV per £ of the A11 project is much higher than the A5-M1 link on the basis of the circa £150m cost, and remains higher, although by a much smaller margin, even on the basis of circa £100m cost. As you know, I have given the House a commitment to publish the business cases for all these schemes in due course.

I have discussed with the Highways Agency again the programme for the Spending Review period. The experience of the Highways Agency roads programme is that the exact timing of start of projects is very difficult to predict because of the uncertainty of legal and statutory processes, including compulsory purchase of land. Therefore, the Government always intended that some schemes for 'further development' would move through statutory processes and design work in order to be ready to go on site before 2015, as further starts in addition to the projects the Secretary of State announced on Tuesday are required to maintain the workflow of the programme.

If the proposal for a £50m developer contribution to this scheme can be progressed to the point that the developer enters into a legal agreement with the Highways Agency that provides assurance that the contribution will be provided in full during the course of works on the scheme, I will be able to re-assess the A5-M1 scheme on the basis of a cost to the Department of

£100million. That would dramatically improve its NPV per £, currently placing it head and shoulders above the field as the next priority scheme after those announced for commencement on Tuesday.

On this basis, provided the statutory processes are completed, our expectation is that the A5-M1 link scheme would commence on site before 2015. My officials propose to meet the Council and the Developer as a matter of urgency to seek to agree the heads of terms between the Highways Agency and the developer.

Subject to confirmation from the Developer that it is prepared to enter into an appropriate agreement with the Highways Agency conditional upon planning permission for the development being granted, the Secretary of State intends to re-start the currently suspended public inquiry as soon as possible, with an estimated date of start of works on site of 2014. Our advice is that the Public Inquiry process is likely to be complete by end-2012, which is broadly the timescale that we understand is envisaged for the planning process in respect of the development land. Design work on the scheme will be taken forward in parallel.

You asked the Secretary of State about the current works to the M1 J10-13 and, in particular, whether there is an opportunity to construct at least parts of the proposed J11a as part of the scheme. Unfortunately, the current scheme is already underway and I am advised that it would be impossible to complete the statutory processes to extend the scope of the current scheme early enough to reap the economies which you are, quite rightly, concerned to try to capture.

Finally, as you are aware, I am very familiar with this scheme and the area it will affect. The Secretary of State however has asked me to indicate that he would be happy to accept your invitation to make a visit to the site of the existing M1 works and the proposed A5-M1 link and I would be grateful if you could liaise directly with his office to make arrangements.

I am copying this letter to Nadine Dorries MP.



**MIKE PENNING**