

Department for **Transport**

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Dear Mike,

NORWICH NORTHERN DISTRIBUTOR ROAD

Further to my previous correspondence on the proposed Norwich Northern Distributor Road this letter sets out the current Government position.

The Government has made clear its most urgent priority is to tackle the UK's record budget deficit, in order to restore confidence in the economy and support the recovery. The Department for Transport will play a full part in the spending review which will be reporting in the autumn. Only once the Government's spending review has been concluded will the Department for Transport be in a position to identify those major investments that can be supported.

The Government has also made a commitment – as set out in the Coalition Agreement – to reform the way decisions are made on which transport projects are prioritised.

Given the uncertainties which both of these factors create, and in view of the likely budgetary constraints, and the consequent likelihood that not all schemes will be able to proceed on their planned timetable, it would be inappropriate for the Department to continue to invest time and resources on development of schemes at the same rate as before. Local Authorities will also wish to consider carefully whether investing further time and resources in developing such schemes ahead of the Spending Review is justified. They should not assume that schemes prioritised under the previous Government's Regional Funding Allocations (RFA) process will be funded to the previous published levels.

Ministers have therefore decided to suspend the Local Major Schemes Guidance and process at least until the conclusion of the spending review in the autumn. I would like to draw your attention to the attached interim guidance note that is being issued today and which will replace the previous Major Schemes Guidance on the DfT website.

As part of this, Ministers have made it clear that, at least until the conclusion of the spending review, the Department can give no assurances on its intention to fund any schemes that were awarded Programme Entry by the previous Government. This includes the Norwich Northern Distributor Road. We would therefore strongly advise you

to minimise further development activity on this scheme and would emphasise that any preparatory and development spend is entirely at your own risk. As a consequence of this, we will not be undertaking any further assessment or analysis at this stage or raising any case specific issues, including any follow-up discussions that we were due to be held with regards to the conditions as set out in the previous Programme Entry letter.

I regret the uncertainty this will cause and we hope to be in a position to provide more clarity later this year.

I am copying this letter to David Allfrey at Norfolk CC and Mike Evans in the Government Office for the East of England for information.

Yours sincerely,

Steve Berry