

**From:** [Name Redacted – DfT Official]  
**Sent:** 13 January 2012 15:58  
**To:** [Name Redacted – Essex County Council Official]  
**Subject:** RE: A13/A130 Sadlers Farm Junction Improvements

Thank you for your e-mail and the Exception Report updating us on the spend profile for the scheme and the reasons why we are now facing a spend slippage of £6.52m into 2012/13 (and beyond). Thanks also to [Name Redacted – Essex County Council Official] for his follow up e-mail clarifying the three options you've identified for handling the situation.

It is very disappointing that expenditure slippage on this scale has occurred. In our grant letter in May 2011 we made it clear to all scheme promoters that from this year onwards it cannot be assumed that any slippage in funding in one year (ie 2011/12) will automatically transferred as a higher grant to the next (2012/13). This reflects the more stringent budgetary processes that the Department now has to follow and the need to manage our budget to ensure that the resources we have are used as effectively as possible. It is all the more disappointing that it was only in November that you were reporting slippage of £0.5m with a worst case scenario of £1m. Although the scheme is close to completion, there may be merit in you looking at the project management arrangements to learn lessons for the future.

I am grateful to you for thinking through the possibilities for advancing spend in this financial year. Looking at the options in your note, we are constrained by the rules of Government Accounting rules which prevent us from giving grant funding in advance of need. This effectively rules out options 2 and 3. **We therefore agree that option 1 is the best way forward in the circumstances, i.e. we will allow you to carry forward the £6.52m into financial year 2012/13.** Clearly when it comes to the Part 1 costs, there are difficulties in pinning down the value and timing of payments; it would however, be helpful if you could profile these as best you can in your Quarter 3 QMR.

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**From:** [Name Redacted – Essex County Council Official]  
**Sent:** 06 January 2012 17:09  
**To:** [Name Redacted – DfT Official]  
**Subject:** Additional Information

As spoken on the phone earlier this afternoon, I have amended our options as set out below. I hope this is clearer but please do not hesitate to come back to myself or [Name Redacted – Essex County Council Official] next week.

Option	Option Description
1	Allow the County Council to carry forward the £6.520 million into next financial year (2012/13)
2	Here we propose to accrue the whole value of the remaining grant

	<p>if this is acceptable to DfT. This amounts to £6.520million. This allows the grant to be paid within the original timescales and budget envelope with no overrun to 2012/13.</p> <p>Although this represents forward funding, the safeguards that we have in place are that the County Council will only pay for work that is satisfactorily carried out by the contractor. ... [Text redacted] ...</p>
3	<p>This option is a sub section of Option 2 and covers the outstanding amount of Land and Part One claims.</p> <p>With the agreement of the DfT it could be possible to claim all of the land and part 1 claims in the same manner as previously carried out for the land costs in 2010/11, as these are committed costs as a result of the start of the scheme. Alternatively we could profile these and claim as costs are incurred.</p> <p>Whatever the arrangement, what we need to do is have an arrangement going forward that allows us to consider the remaining unsettled land compensation costs stemming from the CPOs, and any Part One claims under the LCA 1973. ... [Text redacted] ... In reality we settle these claims as they are presented and agreed, but would be happy to profile any costs which fall to future years to the best of our ability, and to claim for these retrospectively over a seven year period or whatever period you feel would be appropriate.</p>

I appreciate that some of the above is still perhaps a little difficult to fully explain, but hopefully it is sufficient for your discussions with colleagues next week.

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**From:** [Name Redacted – Essex County Council Official]

**Sent:** 22 December 2011 16:36

**To:** [Name Redacted – DfT Official]

**Subject:** A13/A130 Sadlers Farm Junction Improvements

Further to our discussions with [Name Redacted – DfT Official], I attach a report outlining a request for slipping funds and activities into next financial year (i.e. 2012/13). This report also gives assurance from the contractor Birse Civils that the completion date will be 9<sup>th</sup> May 2012. I should also stress that this delay will not cost the Department any further funding.

If you would like to discuss any aspect of the report or would like to meet in person, please do not hesitate to contact either myself, [Name Redacted –

Essex County Council Official] or [Name Redacted – Essex County Council Official].