



Regional and Local Major Projects Division
Department for Transport
Room 3/18
Great Minister House
76 Marsham Street
London
SW1P 4DR

Our ref: A18-A180

Your ref: A18-A180

21 January 2009

Dear Sir or Madam

Re: Major Scheme Business Case – A18-A180 Link Road

In accordance with the Major Scheme Business Case requirements for the Department for Transport to see the financial provisions for the A18 - A180 Link I would like to confirm that the required 10% funding contribution of up to £775,328 and the predicted spending profile for North East Lincolnshire has been approved.

The Quantified Cost Estimate of £7,753,279 includes realistic cost inflation assumptions and a quantified risk allowance. An additional risk layer, calculated at 22% based on the Government Treasury Guidelines, is also included for this project taking the estimate up to the Approved Scheme Cost of £9,459,000.

The Council understands that any cost over the Quantified Cost Estimate but within the Approved Scheme Cost, will only be 50% supported by the Department of Transport. Any increase over the Approved Scheme Cost will be fully funded by the Council.

If you have any queries regarding this matter please do not hesitate to contact me.

Yours faithfully

Alan Madin
Executive Director of Corporate Services