

BUSINESS CASE UPDATE

PROJECT TITLE: MILLBAY BOULEVARD & ASSOCIATED WORKS



1.0 SCHEME SUMMARY / PROJECT PROPOSAL

This note provides an update to the Millbay Boulevard and Associated Infrastructure Works Business Case approved by executive decision published 20/08/18 and updated in 21/04/20.

This project ran for 3 years from September of 2019 and involved the provision of necessary infrastructure works to help facilitate the delivery of two strategic housing-led sites at Bath Street and and a further one at Colin Campbell Court. These infrastructure works included securing additional land from the Plymouth Pavilion's to transform Bath Street into the Council's long standing Millbay Boulevard concept for a new wide linking street between the City Centre and Millbay Waterfront and measures to improve connectivity between Colin Campbell Court, North Stonehouse and Millbay.

The Millbay Boulevard project has its origins in the Mackay Plan of 2003 and has been supported throughout the evolution of this council's planning strategy to our current day Joint Local Plan policies.

Since that time the work to deliver the project has now concluded with the new Millbay Boulevard widened street fully open to the public and the benefits realised.



To recap the scheme involved:

- removing footbridges over Union Street and Western Approach which had come to the end of their servicable life and linked our Western Approach car park with the Pavilions and the city centre at Frankfort gate with improvements then made to pedestrian crossings,
- the construction of a storage facility to the Plymouth Arena Complex, to offset space lost from under the vehicle ramp,
- works to deliver the new Boulevard public realm scheme which commenced at the Union Street end in September 2019 and worked southwards through the Covid 19 Pandemic and a period of shutdown to finally complete in June 2021, delivering a much needed sustainable transport infrastructure which improves the link between the City Centre and Waterfront at Millbay, focusing on walking and cycling,
- achieving a significant gain in Green Infrastructure through the planting of 26 new pine trees, and 600 sqm of new coastal planting within rain gardens,
- the demolition of a large vehicle ramp from the rear of the Pavilions Arena building to physically widen Bath Street and for it to have the space to become the new Boulevard separating it from the Pavilion's structure,
- constructing for the first time in Plymouth a Sustainable Urban Drainage system with a capacity of 250 cum (equivalent to the volume of seven standard shipping containers) and which protects 1.7 sq km of this locality properties, homes and businesses from flooding given it sits at the city's lowest datum,
- engineering for the first time in Plymouth a District Heating Network, comprising 1260 linear metres of pipework and two thermal boreholes tapping into Plymouth's warm water aquifer, and capable of distributing this heat to the future housing led developments that will be built around the Boulevard, providing low cost energy to this part of Plymouth that can be rolled out across the city centre in the future,
- providing a new public square in the north of the Boulevard equipped with power for local events
- delivering an extension to the city's CCTV system,
- laying ducting for the city's future 5G network,
- And providing the cabling for two on-street electrical vehicle-charging stations.

2.0 FINANCIAL BACKGROUND

At its outset this project was fortunate enough to attract significant inward investment meaning that the Council's financial commitment to the project was held below 50% of the anticipated £6.2 Million estimated project cost.

The breakdown of that funding is shown below:

£2.5M - Land Release Funding (Ministry of Housing Communities & Local Government (MHCLG),
 £0.3M - Developers Contributions through Section 106 Monies,
 £0.5M - European Union Regional Grant (Water Resilient Cities Interreg & Heatnet programmes).
 £2.9M - Plymouth City Council Corporate Borrowing,

£6.2M – Total

The project was expedited promptly with the intent to expend £2.5M of MHCLG Land Release Grant as quickly as possible and avoid any risk of it being clawed back by Central Gov't. This was achieved and the project moved in phases from its demolition and site clearance to in ground civils works and finally securing the public realm improvements we see today. The demolition ran from 2nd to 4th quarter 2019 with construction work following quickly behind from 1st quarter 2020 and finally completing in 2nd quarter 2021.

3.0 KEY BUDGET CHANGES

The key purpose of this update report is to seek approval to bring additional funding into the project to resolve current budget pressures totalling £460K.

Members should note that none of this additional investment will be coming from the Council's corporate borrowing, but instead comes from additional grant aid that the project has been able to lever in and additional funding in the form of Developers Contributions (Section 106) from the City's Planning System.

This funding will address the financial challenges the project faced including funding shortfalls as a result of unforeseen construction events, the co-ordination of many interrelated processes to deliver the significant benefits now realised to deliver the scheme sequentially, and the effects of the Covid 19 Pandemic.

A. The details of those financial challenges are set out in the table (i) below:

Table (i) Challenges			
Issue	Reason	Impact upon Programme	Cost
Protracted demolition of the Pavilion's Vehicle Ramp	The Team discovered the construction of the ramp was not as originally designed and documented & as a result the structural stability had to be understood & assured.	8.8 weeks	£127K
Unfavourable and unforeseen ground conditions, obstructions and delapidated services	The Team were faced with challenging ground conditions given the geology and history of the site and the condition of the ageing services that had been poorly maintained meant repairs had to be undertaken.	7.3 weeks	105.4K
Covid 19 Pandemic	The site had to shutdown to avoid otherwise escalating costs to PCC of inactivity and issues with material supply. The contractor had to devise appropriate new working methodologies incorporating new welfare facilities, responses to possible infections, need for new Personal Protective Equipment, requirements for testing and social distancing practices for delivering the work.	13.8 weeks	£103.2K,
Protracted District Heating Borehole drilling	The nature of the Plymouth geology with its limestone bed some 100 metres below the Boulevard caused the borehole drill to fail and it took significant time to realign it and cap it off delaying the main civils works.	6.2 weeks	74.9K
Additional Consultants fees and administrative costs	The Team required additional consultant support to resolve the significant unforeseen challenges faced in the items above and other associated project costs.	All of the above	£29K
Additional unplanned infrastructure	The Millbay Compound Hoardings had to be realigned to allow the scheme to progress and the project took the opportunity to deliver on street Electrical Vehicle charging knowing that delivering it later would be cost prohibitive	n/a	£20.5K
TOTAL			£460K

B. The details of the proposed final resolution is shown in table (ii) below:

Table (ii) Proposed Resolution	
Source	Amount
European Regional Grant - Interreg 2 Seas Water Resilient Cities Programme	£ 32,413.00
Developers Contribution (S.106) - 13/00688 Millbay Plot A1	£299,534.88
Developers Contribution (S.106) - 16/02303 Runway Road, Derriford	£52,000.00
Developers Contribution (S.106) - 13/00688 Millbay Plot A1	£20,301.71
Developers Contribution (S.106) - 11/00750/FUL ESCo Low Carbon Contribution - Energy From Waste Plant,	£56,373.16
TOTAL	£460,622.75

C. The resultant impact on the project's budget if you agree to these measures is set out below in table (iii):

Table (iii) Proposed Budget Overview		
	Previous	Proposed Change
Corporate Borrowing	£2,910,503	£2,910,503
Land Release Grant	£2,500,000	£2,500,000
Developers Contributions (106)	£346,000	£774,210
EU Interreg 2 seas WRC Grant	£383,230	£415,643
EU Heat Net Grant	£147,000	£147,000
Vastint Contribution	£6,970	£6,970
TOTAL	£6,293,703	£6,754,326

4.0 REVENUE IMPLICATIONS

There no additional revenue implications associated with this report.

5.0 RISKS

In relation to the European Union grants identified in this report, please note all EU grants have now been received and are in the Council's holding account awaiting your direction.

All new Developers Contributions in the form of Section 106 monies set out in this report have been received and are in the Council's holding account awaiting your direction.

As a result of the above facts Officers consider there are no risks at all associated with the proposed decision set out below.

6.0 RECCOMENDATION

It is recommended that the Leader of the Council:

- Approves this Business Case update
- Allocates £460,623 into the capital programme, funded by £428,210 of Developers Contributions (Section 106) and £32,413 EU grant funding