

APPENDIX A: A38 MANADON INTERCHANGE SCHEME FUNDING REQUEST MARCH 2022



Part I - Business Case update.

1. RECOMMENDATIONS

It is recommended that the Leader of the Council:

- Approves this business case update
- Allocates £800,000 to the Capital Programme, funded by:
 - DfT Integrated Transport Grant funding of £800,000
- Delegates Contract Award to Paul Barnard, Service Director for SP&I.

2. BACKGROUND

The Plymouth and South West Devon Joint Local Plan 2014-2034 (JLP) identifies Derriford and the Northern Corridor as a Growth Area because of its potential to deliver a regionally significant scale of growth in new jobs and new homes. The A38 Manadon Interchange is the primary access point which connects the A38 trunk road to the A386 Tavistock Road, the primary route to the Derriford area, and Outland Road and Mannamead Road from the City Centre. The A38 Manadon Interchange currently experiences significant congestion and delays, particularly at peak times, and is one of the worst performing junctions on the South West Strategic Road Network.

The Manadon scheme will seek to increase capacity on all arms of the junction as well as providing significant improvements to walking and cycling facilities, including a new cycle bridge across the A38.

In July 2019 Plymouth City Council (PCC) submitted the A38 Manadon Interchange scheme as part of the Peninsula Transport submission to the Department for Transport (DfT) for the Major Road Network/Large Local Majors (MRN/LLM) programme.

The scheme successfully secured DfT co-development funding at submission stage (one of only seven schemes nationally to achieve this at that time) and was accepted as having completed stage 1 (Strategic Outline Business Case).

The programme requires DfT approval of a three stage business case over a number of years:

- Stage 1: Strategic Outline Business Case (SOBC)
- Stage 2: Outline Business Case (OBC)
- Stage 3: Final Business Case (FBC)

Since 2019 the DfT have been in continued dialogue with Local Authority scheme promoters. There are now 103 schemes under consideration with the MRN/LLM programme. The A38 Manadon Interchange scheme has made good progress and submitted its OBC in October 2021.

The anticipated level of DfT funding is 85% for successful schemes. Initial co-development funding is at 66%. For LLM schemes construction must start in March 2025.

The Manadon scheme, having submitted its Outline Business Case in October 2021, would (under usual circumstances) have expected to have proceeded to Final Business Case and secured the necessary DfT funding to progress to FBC.

However in response to the economic impacts of the pandemic a national Spending Review was announced in autumn 2021. The DfT are therefore reviewing the full programme of 103 Large Local

Major and Major Road Network (LLM/MRN) schemes and so the decision for Manadon has been delayed and is not expected until later in the spring.

The scheme has engaged in Early Contractor Involvement (ECI) engaging Balfour Beatty through the SCAPE framework, and an experienced project team have been assembled. It is therefore requested that £800,000 is allocated onto the capital programme to allow the scheme to proceed during the DfT review.

The £800,000 requested is to be funded from monies already identified for the scheme but not yet on the capital programme, namely from the DfT annual grant funding to PCC for 2021/22 (Integrated Transport Block funding).

This £800,000 will allow the project to continue and most crucially allow for essential ecological surveys that must be completed during spring/summer as well as landscaping designs and progressing documents and surveys to support the planning application. It will avoid delaying the scheme and the risk of not being able to start construction by March 2025.

Any and all contracts awarded will be undertaken by delegated decision by Paul Barnard, Service Director SP&I, who will also have oversight of the spending of the funding requested.

3. COSTS

A Business Case was approved in December 2019 through Executive Decision L27 19/20 to place the co-development funding onto the capital programme and to proceed to OBC submission.

Co-development funding currently on the capital programme of £3.02m is shown in grey on table 1 below (DfT £1.89m: PCC £1.13m). These monies have now been spent.

The £800,000 requested is proposed to come from the PCC match funding element, namely the DfT annual Integrated Transport Block from 2021/22.

4. ALTERNATIVE OPTIONS

The alternative to placing £800,000 on the capital programme is to stand down the project and await the Outcome of the DfT review. However there are crucial ecological surveys that must begin in April 2022 and essential landscaping plans and work toward planning submission must begin in order to meet the March 2025 construction start date. In addition the experienced project team and contractor would need to be stood down.

5. PROPOSED PROGRAMME

Milestone	Date
Strategic Outline Business Case Approval	September 2019
OBC Submission to DfT	October 2021
FBC Approval from DfT	February 2025
Construction	2024/2025

6. RISKS

Potential Risk Identified				
Description:	DfT decision is not to progress Manadon to stage 3: Final Business Case.			
Mitigation:	<p>PCC have been in ongoing talks with the DfT to date. The Manadon scheme is a mature scheme with the DfT's Large Local Majors (LLM) programme and the first LLM scheme to submit its OBC within the STB region.</p> <p>It should also be noted that the DfT are already funding 66% of the scheme's development.</p> <p>There has also been ongoing dialogue with National Highways who have supported the scheme throughout it's development and who have entered into a signed MOU with PCC</p>			
Risk assessment	Initial	Post mitigation	Current	Total rating
Likelihood To be scored 1 (low) – 5 (high)	3	2	2	6
Impact To be scored 1 (low) – 5 (high)	4	4	4	
Trend	Reducing	Lead Officer:	Sally Farley	
		Risk Champion:	Philip Heseltine	
Potential Risk Identified				
Description:	DfT delay their decision for a significant period.			
Mitigation:	The £800,000 requested will allow the project to continue until the Autumn and so allows for this eventuality.			
Risk assessment	Initial	Post mitigation	Current	Total rating
Likelihood To be scored 1 (low) – 5 (high)	3	2	2	5
Impact To be scored 1 (low) – 5 (high)	3	3	3	
Trend	Reducing	Lead Officer:	Sally Farley	
		Risk Champion:	Philip Heseltine	