

EXECUTIVE DECISION

made by a Cabinet Member



REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER

Executive Decision Reference Number – L25 22/23

Decision	
1	Title of decision: Morlaix Drive Access Improvement Scheme – Budget increase
2	Decision maker (Cabinet member name and portfolio title): Councillor Richard Bingley, Leader of the Council
3	Report author and contact details: Robin Bevan, Transport Planning Officer (01752) 307799 robin.bevan@plymouth.gov.uk
4	Decision to be taken: To allocate an additional £0.48m for the project into the 2022/23 Capital Programme to be funded by Integrated Transport Block capital funding
5	<p>Reasons for decision:</p> <p>Following the decision to award the contract for delivery of the scheme to South West Highways in December 2021, construction commenced in January 2022. Since then there have been a number of factors that have resulted in the forecast outturn cost of the scheme increasing above the budget that was available at the start of construction. These include:</p> <ul style="list-style-type: none"> • unprecedented high levels of inflation impacting the economy and in particular, the construction industry • additional retaining structures required that were not in the original design scope due to ground conditions differing substantially from those anticipated from survey information, this has extended the construction programme • deeper excavations required than those in the original design scope due to ground conditions differing substantially from those anticipated from survey information; this has extended the construction programme • requirement for additional utility diversions (including private services) beyond those determined at the start of construction, and backlog of works of utility companies; this has extended the construction programme • additional project management costs to cover extended construction programme <p>As the scheme is currently in the latter stages of construction, additional funding is sought to enable the full scheme to be delivered / completed. This will ensure the scheme provides the benefits and outcomes as intended, and therefore demonstrating to external funding partners the Council's commitment to delivering the Plymouth & South West Devon Joint Local Plan (JLP).</p>
6	Alternative options considered and rejected: Ceasing construction activities was considered and rejected, as this would leave an unfinished piece of infrastructure (that is located partly on land owned by University Hospitals Plymouth NHS Trust) that

could not be used by the public and staff /visitors to the hospital, and would be contrary to the Council's commitment to delivering the JLP. Leaving works incomplete would also pose many risks to the safety of the public.

Reducing the scope of the works was also considered and rejected, as the full scheme needs to be delivered in order to ensure it provides the full benefits and outcomes as intended, being one of the key strategic infrastructure measures identified as essential to the sustainable delivery of the JLP. The scheme is not scalable and changing the scope of the design at a late stage of construction would be likely to incur significant costs.

Choosing not to complete or deliver the full scheme would reduce its benefits which consequently would affect the ability of the Council to deliver the JLP as planned.

The Council secured £3.3m of funding through competitive bidding via the National Productivity Investment Fund towards the cost of the scheme in 2017. This funding would be put at risk if the scheme was not completed as per the scope of the original funding bid.

7 Financial implications and risks:

Capital

The Executive Decision to add £4.734m to the Council's Capital Programme for the Morlaix Drive Access Improvement Scheme and delegate the award of any subsequent contract to the Director for Place was signed in January 2018.

Subsequent to this a further £94,000 contribution from PCC Highways for resurfacing works on Brest Road that are included in the project was added to the scheme budget in 2020/21. A further £100,000 of revenue to capital contribution was approved by S151 Officer in 2021/22 prior to the start of construction, in order to ensure the scheme was still affordable before construction commenced. An additional £140,000 of revenue to capital contribution (Strategic Transport) was approved by S151 Officer in the current financial year to cover some of the rising costs of the scheme, bringing the total budget value to £5.068m.

Current scheme budget

Funding source	Amount
Corporate borrowing un-ringfenced	£1,420,000
DfT NPIF S131 Grant	£3,314,000
PCC Highways resurfacing contribution	£94,000
Revenue to capital from Strategic Transport (2021/22)	£100,000
Revenue to capital from Strategic Transport (2022/23)	£140,000
Total	£5,068,000

The current overall project cost estimate has now risen to **£5.548m**. This includes a contingency amount for risk based on a quantified assessment of identified residual risks.

It is proposed that **£0.48m be added to the capital programme from the Integrated Transport Block** funding (which is provided by Department for Transport to support local authorities for transport capital improvements) to make up the shortfall between the current scheme budget and the latest cost estimate.


The scheme is programmed to substantially complete by the end of the 2022/23 financial year, although there are some minor works that will be completed in 2023/24. As there is uncertainty in terms of the exact profile of spend it is proposed that £0.48m be added to the capital programme in year, with any remaining funds in the budget at the end of 2022/23 rolling forward to be available for use in 2023/24.

<p>Since this increase in the scheme budget will utilise existing unallocated Integrated Transport Block capital funds it does not require any additional Council capital funding or corporate borrowing, and therefore does not create any additional capital budget pressures.</p> <p>Revenue</p> <p>The decision does not require additional corporate borrowing and as such there is no direct impact on revenue costs in terms of interest payments.</p> <p>Morlaix Drive is owned by University Hospitals Plymouth NHS Trust. The scheme will deliver improvements to both Morlaix Drive and Brest Road to adoptable highway standards and upon completion of the scheme, Morlaix Drive will be dedicated as highway and adopted (as per an existing planning obligation upon the NHS Trust).</p> <p>The scheme provides new infrastructure and therefore limited maintenance is expected in the first 10 years post opening. Following this, Morlaix Drive will become part of the Authority's maintenance liability, however the estimated average annual maintenance is relatively small at approximately £9,000 and this would be expected to be accommodated from within existing transport maintenance budgets.</p> <p>An element of the scheme is a change to the junction of Morlaix Drive with Brest Road, including new traffic signals. There will also be a limited maintenance implication of this although again this would be expected to be accommodated from within existing transport maintenance budgets.</p>				
8	<p>Is the decision a Key Decision? (please contact Democratic Support for further advice)</p>	Yes	No	Per the Constitution, a key decision is one which:
			x	in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total
			x	in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1million
		x	is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority.	
<p>If yes, date of publication of the notice in the Forward Plan of Key Decisions</p>				

<p>9</p>	<p>Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:</p>	<p>The project is identified as a part of the strategic transport infrastructure required to support the significant numbers of new homes and jobs that are planned for the north of the city over the lifespan of the Plymouth and South West Devon Joint Local Plan. The Morlaix Drive scheme directly supports the following Joint Local Plan policies: SPT1; SPT9; SPT10; SPT12; PLY38; and PLY47.</p> <p>Investment to the Morlaix Drive scheme will support improved reliability of buses in the area and provide benefits for traffic using the A386. Optimising and enhancing the existing transport network resulting in improved journey times and reliability allows large scale development to come forward in the Derriford area and along the Northern Corridor. The scheme is part of a package of recently delivered major transport infrastructure improvements in the north of the city including Derriford Transport Scheme, Derriford Hospital Interchange, Marjons Link Road and the soon to be opened Forder Valley Link Road. Improvements for pedestrians and cyclists will also be maximised within the scheme in order to encourage more sustainable journeys.</p> <p>This scheme will provide a key piece of infrastructure required to help facilitate a proportion of the 4,000 new homes planned for the wider Derriford Growth Area. This scheme is principally concerned with providing improved transport links which will help to give confidence to developers and will therefore help to create the conditions for growth and kick-start development.</p> <p>This scheme will improve infrastructure required to help facilitate a proportion of the 100,180 m2 of employment space (including a new district shopping centre) planned for the Derriford area.</p> <p>The planned investment in targeted infrastructure projects can play its part in stimulating growth and encourage further investment. This scheme in addition to other major transport improvements planned and undertaken in the area will enable major development proposals to be delivered in the north of the city.</p> <p>Successful delivery of this scheme will give further confidence to national and regional funding decision makers that Plymouth is a city that can deliver large scale investment projects that will make a real difference in driving forward growth and the local economy. Being able to cite recent examples for the project such as Derriford Hospital Interchange and Marjons Link Road has helped secure DfT NPIF funding for this scheme; successful delivery of the project will give the same confidence when the Council is seeking funding for other future major projects.</p>
<p>10</p>	<p>Please specify any direct environmental implications of the decision (carbon impact)</p>	<p>The scheme is already on the Council's capital programme and in construction and this decision does not have any direct environmental implications. Delivery of the full scheme will ensure it provides the full benefits and outcomes as intended, as one of the key strategic infrastructure measures identified as essential to the sustainable delivery of the JLP, thereby encouraging more public transport and active travel trips to</p>

		the north of the city and helping to reduce transport carbon emissions.	
Urgent decisions			
11	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes	(If yes, please contact Democratic Support (democraticsupport@plymouth.gov.uk) for advice)
		No	x (If no, go to section 13a)
12a	Reason for urgency:		
12b	Scrutiny Chair Signature:		Date
	Scrutiny Committee name:		
	Print Name:		
Consultation			
13a	Are any other Cabinet members' portfolios affected by the decision?	Yes	x
		No	(If no go to section 14)
13b	Which other Cabinet member's portfolio is affected by the decision?	Councillor Jonathan Drean (Cabinet Member for Transport)	
13c	Date Cabinet member consulted	9 February 2023	
14	Has any Cabinet member declared a conflict of interest in relation to the decision?	Yes	If yes, please discuss with the Monitoring Officer
		No	x
15	Which Corporate Management Team member has been consulted?	Name	Anthony Payne
		Job title	Strategic Director for Place
		Date consulted	22 February 2023
Sign-off			
16	Sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	DS107 22/23
		Finance (mandatory)	pl.22.23.389
		Legal (mandatory)	MS/00001231/28.02.23

		Human Resources (if applicable)	N/A						
		Corporate property (if applicable)	N/A						
		Procurement (if applicable)	SN/PS/670/ED/0223						
Appendices									
17	Ref.	Title of appendix							
	A	Morlaix Drive Access Improvement Scheme: Budget Increase – Briefing Report							
	B	Morlaix Drive Access Improvement Scheme: Budget Increase - Equalities Impact Assessment							
Confidential/exempt information									
18a	Do you need to include any confidential/exempt information?		Yes		If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in 18b below. (Keep as much information as possible in the briefing report that will be in the public domain)				
		No	x						
			Exemption Paragraph Number						
			1	2	3	4	5	6	7
18b	Confidential/exempt briefing report title:								
Background Papers									
19	Please list all unpublished, background papers relevant to the decision in the table below. Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.								
Title of background paper(s)			Exemption Paragraph Number						
			1	2	3	4	5	6	7
Cabinet Member Signature									
20	I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act (2010) and those who do not. For further details please see the EIA attached.								

Signature		Date of decision	7 March 2023
Print Name	Councillor Richard Bingley, Leader of Plymouth City Council		