

MORLAIX DRIVE ACCESS IMPROVEMENT SCHEME - BUDGET INCREASE

Executive Decision Briefing Note



BACKGROUND

The Morlaix Drive Access Improvement Scheme is one of the Council's strategic transport schemes identified to support delivery of the Plymouth & South West Devon Joint Local Plan.

The scheme will widen the existing narrow road that links Brest Road to Derriford Hospital, allowing for a constant flow of two-way traffic, including buses, and an upgrade of the existing narrow footway to a shared pedestrian and cycle path. The junction of Morlaix Drive with Brest Road will operate under new traffic signals (with new pedestrian crossings) and the northbound Brest Road entry on to Derriford Roundabout will be for buses, cyclists and emergency vehicles only. A new shared use path will also be provided along Brest Road on the east side between Morlaix Drive and William Prance Road.

The scheme was awarded £3.314m in section 31 National Productivity Investment Funding (NPIF) from the Department for Transport in 2017, which is ring-fenced to this project.

The contract for the construction of the project was awarded through the Council's Term Maintenance Contract (TMC) with South West Highways in December 2021.

The scheme was originally planned to commence construction in 2020, however due to the pandemic and the proximity of the scheme to Derriford Hospital, construction did not commence until January 2022, with a planned completion date of December 2022.

CURRENT PROBLEMS

Morlaix Drive is currently a narrow, 300m stretch of road linking Brest Road with Derriford Hospital and provides access to the ambulance station, Brest Way, and the hospital's large multi-storey car park. At present Morlaix Drive is, in part, too narrow for two-way use and is therefore only used as an informal access to the hospital site for staff, visitors and patients. Existing facilities for cyclist and pedestrians on Morlaix Drive and Brest Road are poor.

Large scale growth is proposed in the Derriford and Northern Corridor Growth Area which will generate increased demand for travel and place greater pressure on the transport network. Morlaix Drive is identified in the Plymouth & South West Devon Joint Local Plan as a critical part of the transport network to support increased travel by bus and thus the sustainable growth of the city.

Morlaix Drive needs to be widened and upgraded to local highway standards to support two-way traffic, including buses, with the junctions improved at Brest Road and the Derriford Hospital end. Once upgraded, buses from the south and east of the city serving the Derriford Hospital Interchange will be able to avoid the congested A386 Derriford Roundabout resulting in reduced journey times and improved reliability.

BENEFITS OF THE SCHEME

The Morlaix Drive Access Improvement Scheme will widen Morlaix Drive along its entire length, providing better access, including for buses, to Derriford Hospital and improve reliability for bus services in the north of the city.

The Morlaix Drive scheme is one of a number of infrastructure improvements needed to allow sustainable growth in the north of the city to happen. It will become a key strategic route for buses, allowing direct access to the hospital via the new Forder Valley Link Road for future bus services from the east of the city. The improved walking and cycling facilities will help to encourage trips to be made by more sustainable modes and improve links between communities as well as forming part of the 'Seaton Arc'.

The scheme compliments other nearby and recently delivered strategic transport projects including Derriford Transport Scheme, Derriford Hospital Interchange and Marjon Link Road. These infrastructure projects are needed to support the significant number of new homes and jobs planned for the north of the city over the next 20 years.

PROJECT COST

The scheme was entered onto the Council's Capital Programme in January 2018 following approval by the City Council Investment Board (CCIB) and the associated Executive Decision (reference L42 17/18) to add £4.734m to the Council's Capital Programme for the scheme and delegate the award of any subsequent contract to the Director for Place. At that time, which was at the feasibility design stage, the scheme budget was £4.734m, with the balance of £1.42m coming from corporate borrowing.

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. Due to the scheme being put on hold as a result of COVID-19, inflation costs had placed additional pressure on the scheme budget. As a result 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. This brought the total scheme budget at the start of construction to £4.928m.

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:

- 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

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**.

As a result of the factors outlined above, 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.

FUNDING

The scheme budget is currently funded as follows, with the majority of funding being provided through the Department for Transport's National Productivity and Investment Fund (NPIF).

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 DfT NPIF grant funding is subject to the condition that it may only be spent on this project.

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.

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.

PROCUREMENT

As the scheme is being delivered through the existing Term Maintenance Contract (TMC) with South West Highways there is no requirement for any additional procurement exercise. Increases in construction cost are being dealt with in accordance with the TMC, which is a hybrid NEC3 Term Service Contract, with the scheme being delivered under Option C of the TMC.

DELIVERY TIMESCALES

Construction of the Morlaix Drive Access Improvement Scheme commenced in January 2022 and is planned to substantially complete by the end of March 2023.

MEMBER AND STAKEHOLDER SUPPORT

Members were consulted through the City Council Investment Board (CCIB) and the Business Case approved in December 2017. The subsequent Executive Decision was signed in January 2018, placing £4.734m of funding onto the Council's Capital Programme. The Executive Decision included the decision to delegate the award of any subsequent contract to the Director of Place.

The Cabinet Member for Transport was consulted with on 19 November 2021 and approval was secured to progress and deliver the scheme as planned. Ongoing consultation has taken place during construction, most recently in February 2023 regarding the budget increase that is the subject of this briefing note.

Public and ward member consultation was carried out in summer 2019, with the results fed into the development of the final design for the scheme.

RECOMMENDATION

It is recommended that an additional £0.48m for the project is added into the Council's 2022/23 Capital Programme to be funded by Integrated Transport Block capital funding.