

# CAPITAL INVESTMENT BUSINESS CASE

Walking, Wheeling and Cycling Funds



## EXECUTIVE SUMMARY

The Executive Summary is a short summary of the Business Case and should be the last section you complete, this will enable you to extract or only the key facts from relevant sections i.e. 'project on a page'. The summary is a 'snapshot' of the business case which will need to tell the story and sell the proposal.

### key notes

This business case seeks the approval of adding funding to the capital programme. This is external funding that will enable PCC to improve the walking and cycling network of Plymouth. An offer of external funding has been made to the Council which requires acceptance on 24 March 2023.

### key risks

1. If we do not add external funding to the capital programme Plymouth will need to fund all of the improvements required to grow the city, something that will be unaffordable.
2. By accepting the funding for these projects we are expected to have completed these projects by March 2024. In the event that this is not possible change control request can be made, but no guarantees are provided on the likely success. The projects have been picked as whilst they are ambitious we do believe we can deliver on these within a financial year.

## SECTION I: PROJECT DETAIL

<b>Project Value (indicate capital or revenue)</b>	£2,480,000 Capital £2,367,868 Revenue £112,132	<b>Contingency (show as £ and % of project value)</b>	£248,000 (10%)
<b>Programme</b>	Sustainable Transport	<b>Directorate</b>	Place - SP&I
<b>Portfolio Holder</b>	Councillor Jonathan Drean	<b>Service Director</b>	Paul Barnard
<b>Senior Responsible Officer (client)</b>	Richard Banner	<b>Project Manager</b>	Mike Jones, Catherine Arthurs, Jim Woffenden,
<b>Address and Post Code</b>	Citywide	<b>Ward</b>	Citywide

**Current Situation:** (Provide a brief, concise paragraph outlining the current situation and explain the current business need, problem, opportunity or change of circumstances that needs to be resolved)

At present there are locations in the city where the crossing facilities and footpaths can be improved if we are to provide options to encourage more residents to walk, cycle and scoot and lower the carbon emissions from transport.

External funding from central Government can be used to improve and enhance the infrastructure within Plymouth without calling upon PCC resources.

**Proposal:** (Provide a brief, concise paragraph outlining your scheme and explain how the business proposal will address the current situation above or take advantage of the business opportunity) **and** (What would happen if we didn't proceed with this scheme?)

The activities within this bid align with our strategic principle for transport planning Joint Local Plan Policy (SPT9) to get the most out of existing transport networks, through measures that improve efficiency and encourage behavioural change.

The delivery and development of the schemes directly support our cities growth ambitions for housing and employment sites set out in our 2019 adopted Joint Local Plan

(<https://new.plymouth.gov.uk/plymouth-and-south-west-devon-joint-local-plan>); aligns with investments near and on routes to our Enterprise Zone Oceans Gate (<https://www.oceansgateplymouth.com/>) and Freeport (<https://new.plymouth.gov.uk/plymouth-and-south-devon-freeport>); and aligns with our Investment Zone (<https://www.gov.uk/government/publications/the-growth-plan-2022-factsheet-on-investment-zones/the-growth-plan-2022-investment-zones-factsheet>).

#### Project Development

The funding will enable development of LTNI/20 compliant designs for crossings on LCWIP Routes 1 and 14 along with scheme design for LCWIP Route 11. The development of the schemes when delivered will encourage uptake of walking, wheeling and cycling as sustainable transport solutions for health, well-being and equality and promote a modal shift to low carbon transport options.

#### Project Delivery:

##### Civic Square walking and cycling improvements

The delivery of this cycling route will ensure cyclists in the city centre are protected from high volume motor traffic through the removal of traffic. It directly supports delivery of JLP policy PLY6 facilitating easier movement in and around the City Centre by high quality walking and cycling links and reconnecting neighbouring residential areas. It will be accessible to all regardless of age, gender, ethnicity or disability and as the works will include new lighting and CCTV will help to encourage behavioural change ensuring everyone feels safer and more confident cycling.

##### Plymbridge Road walking and cycling improvements

Delivery of this traffic free route and new toucan crossing as part of LCWIP route 16 will complete a traffic free network connecting some of Plymouth's most deprived neighbourhoods (bottom 20%) to schools and the Northern Corridor growth area which is projected to deliver 13,000 new jobs and 9350 houses by 2034 in line with S04 of the JLP - ADOPTED VERSION 2019 ([plymouth.gov.uk](https://www.plymouth.gov.uk)) This route links two existing cycle routes to provide a continuous route for commuting between residential and key employment areas.

If this funding was not received we would be reliant upon PCC funds and the Capital Programme to undertake these works, which would place additional financial pressures on PCC. This presents an opportunity to secure external funding from Central Government to improve the walking and cycling network of Plymouth.

<b>Milestones and Date:</b>			
Project	Contract Award Date	Start On Site Date	Completion Date
Project Development	14/07/23	01/09/23	31/03/24
Civic Square walking and cycling improvements	24/03/23	13/02/23	30/09/23
Plymbridge Road walking and cycling improvements	14/07/23	01/09/23	15/03/24

## SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS

**Risk Register:** *The Risk Register/Risk Log is a master document created during the early stages of a project. It includes information about each identified risk, level of risk, who owns it and what measures are in place to mitigate the risks (cut and paste more boxes if required).*

<b>Potential Risks Identified</b>		<b>Likelihood</b>	<b>Impact</b>	<b>Overall Rating</b>
<b>Risk</b>	Lack of funding to deliver the whole programme	Low	Medium	Medium
<b>Mitigation</b>	Risks and contingency built into the bid. Experienced staff involved in estimating costs. Manage budget across programme Write to external funder seeking 'change control' if the schemes are unaffordable.	Low	Low	Low
<b>Risk</b>	Lack of time to deliver the whole programme.	Low	Medium	Medium
<b>Mitigation</b>	Float has been built into the programme. Experienced staff involved in estimating time. Monitor delivery as projects progress. Write to external funder seeking 'change control' if the schemes are undeliverable within 2023/24 timescales	Low	Low	Low
<b>Risk</b>	Lack of support for the schemes	Low	Medium	Medium
<b>Mitigation</b>	The types of schemes that are being introduced (crossings) are typically supported locally. Should this not be the case, write to external funder seeking 'Change Control'	Low	Low	Low
<b>Calculated risk value in £ (Extent of financial risk)</b>	£0			

### Outcomes and Benefits

**List the outcomes and benefits expected from this project.**

*(An **outcome** is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)*

*(A **benefit** is the measurable improvement resulting from an outcome that is perceived as an advantage. Benefits are the expected value to be delivered by the project, measurable whenever possible)*

**Financial outcomes and benefits:**

**Non-financial outcomes and benefits:**

External funding to improve the transport infrastructure within Plymouth. The schemes have been assessed with a Department for Transport approved method of measuring value for money and all are expected to provide 'high' returns.

Improved connectivity through the provision of crossings and footpaths to help reduce severance, encourage mobility through walking, cycling and scooting that will improve health and help improve the place element by providing the means to encourage and enable residents to walk and cycle in their local neighbourhoods.

### Low Carbon

**What is the anticipated impact of the proposal on carbon emissions**

The transport sector is accountable for 30% of the city's total emissions and is an area which requires a major change in public behaviour if we are to achieve our 2030 target.

Increasing the sustainable travel options available for the city is a thread which links all the mobility actions in Plymouth's Climate Emergency Action Plan.

	Implementing schemes that encourages more residents to walk, scoot and cycle which increases the number of residents travelling sustainably and will reduce the city's transport carbon emissions.
<b>How does it contribute to the Council becoming Carbon neutral by 2030</b>	<p>The proposal delivers against Climate Emergency Action Plan 3.44 - Continue to bid for Department for Transport funds to deliver sustainable travel schemes.</p> <p>The scheme will be accessible to Council officers and will help make commuting and site visits more sustainable by providing a walk, cycle and scoot network.</p>
<b>Have you engaged with Procurement Service?</b>	Yes
<b>Procurement route options considered for goods, services or works</b>	All procurement routes considered will be in line with Plymouth City Council's Contract Standing Orders. The procurement routes that will be considered, but is not limited to, include undertaking an Invitation to Tender process inviting a minimum of 3 quotes; utilising a pre-determined framework agreement; or utilising our Term Maintenance Contract with South West Highways. Separate procurement process are likely to be undertaken for both the design and construction.
<b>Procurements Recommended route.</b>	<p>Given the scale and types of construction, the preference would be to utilise the Term Maintenance Contract with South West Highways.</p> <p>The recommendation will be that a subsequent procurement route options analysis will be undertaken between the department and procurement to determine the route(s) which will represent best value for the Council. Formal sign off will be sought for the recommended route, which will be in accordance with Contract Standing Orders and Public Contract Regulations 2015.</p>
<b>Who is your Procurement Lead?</b>	Kim Kingdom – Design Simone Newark – Construction
<b>Is this business case a purchase of a commercial property</b>	No
<b>If yes then provide evidence to show that it is not 'primarily for yield'</b>	
Which Members have you engaged with and how have they been consulted ( <i>including the Leader, Portfolio Holders and Ward Members</i> )	

## SECTION 4: FINANCIAL ASSESSMENT

**FINANCIAL ASSESSMENT:** *In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole. Exact amounts only throughout the paper - not to be rounded.*

### CAPITAL COSTS AND FINANCING

<b>Breakdown of project costs including fees surveys and contingency</b>	<b>Prev. Yr.</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>Future Yrs.</b>	<b>Total</b>
	£	£	£	£	£	£	£	£

Project Development								
LCWIP Route 1: Ponsonby Road Crossing (Central Park)			28,644					28,644
LCWIP Route 14: Pomphlett Road Crossing (Morrisons)			28,644					28,644
LCWIP Route 11 – Elburton Road Cycle Lane Review			19,096					19,096
<b>Sub Total</b>			<b>76,384</b>					<b>76,384</b>
Delivery of new shared use walking and cycling facilities								
Civic Square walking and cycling improvements			181,409					181,409
<b>Sub Total</b>			<b>181,409</b>					<b>181,409</b>
Delivery – LCWIP Route 16								
Plymbridge Road walking and cycling improvements			2,110,075					2,110,075
<b>Sub Total</b>			<b>2,110,075</b>					<b>2,110,075</b>
<b>Total capital spend</b>			<b>2,367,868</b>					<b>2,367,868</b>

Provide details of proposed funding: <i>Funding to match with Project Value</i>								
Breakdown of proposed funding	Prev. Yr. £	22/23 £	23/24 £	24/25 £	25/26 £	26/27 £	Future Yrs. £	Total £
As above			2,367,868					2,367,868
<b>Total funding</b>			<b>2,367,868</b>					<b>2,367,868</b>

<b>Which external funding sources have been explored</b>	This is 100% external funded.
<b>Are there any bidding constraints and/or any restrictions or conditions attached to your funding</b>	Funding for construction projects will need to be committed before 31 March 2024 with delivery soon to follow. Feasibility and development funding will need to be spent by 31 March 2024. The schemes have been selected on the basis that they can meet these criteria.
<b>Tax and VAT implications</b>	The project will not directly generate any VAT-exempt income for the Council. Transport and highways infrastructure works are a non-business activity of local authorities and so any VAT incurred by the Council on costs

	relating to this project will be fully recoverable and there will be no adverse impact on the Council's partial exemption position.
<b>Tax and VAT reviewed by</b>	Ruth Didymus on behalf of Sarah Scott

## REVENUE COSTS AND IMPLICATIONS

### Cost of Developing the Capital Project (To be incurred at risk to Service area)

<b>Total Cost of developing the project</b>	N/a
<b>Revenue cost code for the development costs</b>	N/a
<b>Revenue costs incurred for developing the project are to be included in the capital total, some of the expenditure could be capitalised if it meets the criteria</b>	N
<b>Budget Managers Name</b>	N/a

### Ongoing Revenue Implications for Service Area

	Prev. Yr. £	22/23 £	23/24 £	24/25 £	25/26 £	26/27 £	Future Yrs. £
<b>Service area revenue cost</b>							
<b>Other</b> (eg: maintenance, utilities, etc)							
<b>Loan repayment</b> (terms agreed with Treasury Management)							
<b>Total Revenue Cost (A)</b>							
<b>Service area revenue benefits/savings</b>							
<b>Annual revenue income</b> (eg: rents, etc)							
<b>Total Revenue Income (B)</b>							
<b>Service area net (benefit) cost (B-A)</b>							
<b>Has the revenue cost been budgeted for or would this make a revenue pressure</b>							
<b>Which cost centre would the revenue pressure be shown</b>						<b>Has this been reviewed by the budget manager</b>	Y/N
<b>Name of budget manager</b>							
<b>Loan value</b>	£	<b>Interest Rate</b>	%	<b>Term Years</b>		<b>Annual Repayment</b>	£
<b>Revenue code for annual repayments</b>							
<b>Service area or corporate borrowing</b>							
<b>Revenue implications reviewed by</b>							

**Version Control:** (The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)

Author of Business Case	Date	Document Version	Reviewed By	Date
Richard Banner	01/03/2023	v 1.0		00/00/2022
Richard Banner	23/03/2023	v 1.4	Ruth Didymus	23/03/2023

## SECTION 6: RECOMMENDATION AND ENDORSEMENT

### Recommended Decision

- It is recommended that the Leader of the Council:
- Accepts the external funding offer as referred to in the Business Case and allocates £2,480m of external funding to the capital programme:

#### Project Development

- LCWIP Route 1: Ponsonby Road Crossing (Central Park)
- LCWIP Route 14: Pomphlett Road Crossing (Morrisons)
- LCWIP Route 11 – Elburton Road Cycle Lane Review

#### Project Delivery

- Civic Square walking and cycling improvements
- Funding to deliver Plymbridge Road.

- Approves the business case
- Authorises the procurement process for the programme;
- Delegates the authority to authorise the procurement process to the Service Director for Strategic Planning and Infrastructure;
- Delegates the authority to award of the contract(s) and enter into any agreements in relation to the funding (including the funding agreement itself) to the Service Director for Strategic Planning and Infrastructure where they do not already have authority to do so.

<b>Councillor Richard Bingley, Leader of the Council</b>		<b>Paul Barnard, Service Director for Strategic Planning &amp; Infrastructure</b>	
<b>Either email dated:</b>	24 March 2023	<b>Either email dated:</b>	23 March 2023
<b>Or signed:</b>		<b>Signed:</b>	
<b>Date:</b>		<b>Date:</b>	