

CAPITAL INVESTMENT BUSINESS CASE

Colesdown Hill Underbridge walking and cycling route



EXECUTIVE SUMMARY

This business case seeks to increase the Eastern Corridor Strategic Cycle Network (ECSCN) project Capital budget by reallocating funding in the existing approval given by decision [L39 22/23](#) to the ECSCN within the Strategic Planning and Infrastructure Capital Programme. This entails:

Adding £99,925 by way of a Revenue Contribution to Capital Outlay (RCCO) currently allocated in Revenue to the Plymbridge Road walking and cycling scheme and viring £2,110,075 of existing budget already in the Capital Programme that have both been awarded by Active Travel England. The Plymbridge Road scheme has subsequently become undeliverable in the timescales required by the funder and it is therefore proposed that the funding is re-allocated to ECSCN Colesdown underbridge scheme, a high priority walking and cycling scheme that is part of the [Local Cycling and Walking Infrastructure Plan](#). All other aspects of Decision L39 22/23 are left unchanged.

In addition the business case also seeks to add to the capital programme £750,000 of Sherford Major Works section 106 funding.

The decision:

1. Approves this Business Case
2. Approves the addition to the Capital Programme of £99,925 of revenue funding awarded by Active Travel England by way of a Revenue Contribution to Capital Outlay (RCCO) currently allocated in Revenue to the Plymbridge Road walking and cycling scheme.
3. Approves the virement of £2,110,075 of existing budget already in the Capital Programme awarded by Active Travel England to ECSCN.
4. Approves the addition of £750,000 of Sherford Major works section 106 funding to the Capital Programme
5. Delegates the authority to authorise the procurement process to the Service Director for Strategic Planning and Infrastructure where they do not already have authority to do so;
6. Delegates the authority to award of the contract(s) and enter into any agreements in relation to the funding to the Service Director for Strategic Planning and Infrastructure.

Delivery of this route aligns 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 route is identified as a priority through its inclusion in the [Local Cycling and Walking Infrastructure Plan](#).

Transport represents 30% of the city's carbon emissions, a proportion that is set to grow. Providing sustainable alternative transport options is essential to meeting the city's Climate Emergency targets.

If this funding is not reallocated, it could be lost.

Key risks identified include: cost escalation; program slippage; and significant number of objections to the scheme. Suitable mitigation measures will manage these risks to help ensure the successful delivery of this project.

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	£849,925 addition £2,110,075 virement = £2,960,000	Contingency (show as £ and % of project value)	£330,000 (11% of additional and vired funds)
Programme	Transport	Directorate	Place
Portfolio Holder	Cllr Mark Coker, Strategic Planning and Infrastructure	Service Director	Paul Barnard (Strategic Planning & Infrastructure)
Senior Responsible Officer (client)	Richard Banner	Project Manager	Jim Woffenden
Address and Post Code	Colesdown Hill/Billacombe road, PL9 8AJ	Ward	Plymstock Dunstone

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)*

External Department for Transport funding awarded by Active Travel England on the capital and revenue programmes has been allocated to a scheme which is no longer deliverable in the timescales required by the funder. In order to use this funding in a timely and effective manner, the funding needs to be reallocated to an alternative walking and cycling scheme which meets the objectives of the council and Active Travel England.

Active Travel England have confirmed that the funding can be reallocated to Colesdown Hill down Underbridge walking and cycling scheme.

£590,000 of the Sherford Maj Works section 106 funding is for the delivery of the Colesdown Hill underbridge scheme.

£160,000 of Sherford Maj Works section 106 funding is to cover expenditure associated with the previous phase of the project, most notably landscape planting, the delivery of biodiversity net gain & settling final accounts.

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?)*

Delivery of this route aligns 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 scheme is part of a key walking and cycling route connecting Sherford and parts of Plymstock with the Saltram Meadow development and the city centre. The route is identified as a priority through its inclusion in the [Local Cycling and Walking Infrastructure Plan](#).

The delivery of this scheme directly support our city's 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 the planned 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>).

Transport represents 30% of the city's carbon emissions, a proportion that is set to grow in the coming years. Providing sustainable alternative transport opportunities is essential to meeting the city's Climate Emergency targets.

If this funding is not reallocated, Active Travel England may seek to clawback the funding that has been awarded, and the likelihood of securing future walking and cycling funding from Active Travel England would be likely to be reduced.

<p>Why is this your preferred option: <i>(Provide a brief explanation why this option is preferred) and (Explain why this is a good capital investment and how this would be an advantage for the Council) and (explain how the preferred option is the right balance between the risks and benefits identified below).</i></p>	
<p>Economic appraisals of investment in walking and cycling infrastructure tends to demonstrate good value for money in comparison with other investments, and this scheme is no exception. An appraisal was carried out using the Department for Transport's Active Mode Appraisal Toolkit (AMAT) which indicated a benefit cost ratio of 2.77, so a return of £2.77 for every pound invested.</p> <p>In addition, the scheme is deliverable within the timescales required by the funder, Active Travel England.</p> <p>The “do nothing” option described would be to return the external funding awarded to the council. If this option were taken we would not be able to enhance our network enable a further uptake in sustainable transport so as to help address the climate emergency and provide economic and health benefits.</p> <p>The “do minimum” and “viable alternative” options described below have been previously considered but do not provide the full benefits of the preferred scheme.</p>	
<p>Option Analysis: <i>(Provide an analysis of ‘other’ options which were considered and discounted, the options considered must be a ‘do Nothing’ and ‘do minimum’ and ‘viable alternative’ options. A SWOT – Strength, Benefit, Opportunity, Threat analysis could be attached as an appendix).</i></p>	
Do Nothing Option	Abandonment of the project
List Benefits:	Removal of any time and resource implications and risks associated with the design and construction of the project
List Risk / Issues:	The steps, which are inaccessible to many physically disabled users, would remain the only means of accessing the path. The continuation of this situation could be open to challenge under the Equalities Act.
Cost:	No financial cost
Why did you discount this option	
Do Minimum Option	Ramp onto Colesdown Hill
List Benefits:	Likely to be less expensive than the currently preferred option.
List Risk / Issues:	Providing a fully accessible ramp with a 5% gradient would require a ramp that would be approximately 100 m long. The ramp then would connect onto Colesdown Hill which itself has inappropriate gradients for some users. This option would be less attractive for users carrying on towards Elburton and Sherford.
Cost:	Costed at £732,000 in October 2020 but with a number of excluded items.
Why did you discount this option	Cost and environmental implications would be substantial without ultimately providing a high quality route that is accessible for all users.
Viable Alternative Option	Provide a route along the A379 as an alternative to the path along the former railway alignment

List Benefits:	Potentially less costly depending on options. Visible to the public
List Risk / Issues:	Route alongside busy road with parked cars and driveways. Generally considered a less attractive option due to the proximity to parked cars, driveways noise, pollution and traffic. May not be practical to deliver a route that is fully compliant with current design guidance.
Cost:	Uncertain
Why did you discount this option	Ensuring that the traffic free route along the former railway alignment is fully accessible to all users is considered a higher priority.

Strategic Case:	
Which Corporate Plan priorities does this project deliver?	reduced health inequalities
	an efficient transport network
	a green sustainable city that cares about the environment

Milestones and Date:		
Contract Award Date	Start On Site Date	Completion Date
September 2024	October 2024	Autumn 2025

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).*

Potential Risks Identified			Likelihood	Impact	Overall Rating
Risk	Cost escalation		High	High	High
Mitigation	Risks and contingency built into the budget. Experienced staff involved in estimating costs. Write to external funder seeking 'change control' or seek further external funding support if the scheme is unaffordable.		Low	Medium	Low
Calculated risk value in £ (Extent of financial risk)	NA	Risk Owner	Jim Woffenden		
Risk	Programme slippage		Low	Medium	Medium
Mitigation	Float has been built into the programme. Experienced staff involved in estimating time. Monitor delivery as project progresses. Write to external funder seeking 'change control' if the schemes are undeliverable within proposed timescales		Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	NA	Risk Owner	Jim Woffenden		
Risk	Significant number of objections to the scheme		Low	Medium	Low
Mitigation	There is a high level of demand for the scheme to be delivered to provide a route that is accessible for all users.		Low	Low	Low

	Should this not be the case, write to external funder seeking 'Change Control'			
Calculated risk value in £ (Extent of financial risk)	NA	Risk Owner	Jim Woffenden	
Risk	Private land not being made available for delivery of the route	Medium	High	High
Mitigation	Engagement with the landowner has taken place over a number of years and the landowner is supportive of the proposals.	Low	High	Low
Calculated risk value in £ (Extent of financial risk)	NA	Risk Owner	Jim Woffenden	

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:

The scheme is entirely funded through external funding contributions and therefore does not impose any additional burden on the council's resources.

Delivery of sustainable transport schemes help provide an attractive alternative to the use of the private car. This in turn can help reduce pressure to deliver schemes to increase road capacity, so helping to reduce pressure on the council's budgets where these are not fully funded through external funding sources.

Non-financial outcomes and benefits:

Transport represents 30% of the city's carbon emissions, a proportion that is set to increase significantly in the coming years. This transport scheme, by providing a far more sustainable alternative can help reduce car dependency and the city's carbon emissions.

Physical inactivity is associated with one in 6 deaths in the UK and is estimated to cost the UK £7.4 billion annually (including £0.9 billion to the NHS alone).¹ Providing opportunities for active travel is shown to help reduce this cost.

This scheme helps provide a low-cost means for people to access jobs, opportunities, services and leisure activities.

SECTION 3: CONSULTATION

Does this business case need to go to CMT	No	Date business case approved by CMT (if required)	
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Climate Impact Assessment

Upload Climate Impact Wheel	The Climate Impact wheel has been completed and uploaded.
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¹ [Physical activity: applying All Our Health - GOV.UK \(www.gov.uk\)](https://www.gov.uk/all-our-health)

Summary of the anticipated impact of the proposal on the climate (including any proposed mitigations and impacts beyond 2030)	The short term negative impacts of the construction of the scheme are expected to be more than offset by the fact that the scheme is helping to encourage sustainable transport, so helping to reduce the climate and other environmental impacts of private motorised transport in the city. Simply replacing petrol/diesel vehicles with electric vehicles will not enable the city to meet its climate emergency objectives and targets. To achieve this, a significant reduction in motor traffic is required which will require the provision of safe and attractive walking and cycling routes.
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Have you engaged with Procurement Service?		Yes
Procurement route options considered for goods, services or works	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 processes are likely to be undertaken for both the design and construction.	
Procurements Recommended route.	Given the scale and types of construction, the preference would be to utilise the Term Maintenance Contract with South West Highways. 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.	
Who is your Procurement Lead?	Kim Kingdom – Design Simone Newark – Construction	
Is this business case a purchase of a commercial property?		No
If yes then provide evidence to show that it is not 'primarily for yield'	Please note that whilst the business case is not for the purchase of a commercial property, it will be necessary to acquire, or take on liability for private land in order to deliver this route.	

Which Members have you engaged with and how have they been consulted (including the Leader, Portfolio Holders and Ward Members)	Councillor Mark Coker, Cabinet Member for Strategic Planning and Transport (in person briefing 5/12/2023) Plymstock Radford Ward members to be contacted by email.
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Confirm you have taken necessary Legal advice, is this proposal subsidy law compliant, if yes please explain why.	Yes. Subsidy law compliant confirmed by legal because no subsidy will be provided to any business or organisation.
Who is your Legal advisor you have consulted with?	K. Trickey, Solicitor

Equalities Impact Assessment completed (This is a working document which should inform the project throughout its development. The final version will need to be submitted with your Executive Decision)	Yes
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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

Breakdown of project costs including fees surveys and contingency	Prev. Yr. £	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	Future Yrs. £	Total £
Design & supervision		20,000	335,000	65,000				420,000
PM fees, Land acquisition & client risk pot		22,000	130,000	45,000				197,000
Construction, inc. phase 1 completion		71,000	1,180,500	1,091,500				2,343,000
Total capital spend		113,000	1,645,500	1,201,500				2,960,000

Provide details of proposed funding: Funding to match with Project Value

Breakdown of proposed funding	Prev. Yr. £	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	Future Yrs. £	Total £
RCCO addition			99,925					99,925
Grant virement		42,000	1,456,575	611,500				2,110,075
S106 addition		71,000	89,000	590,000				750,000
Total funding		113,000	1,645,500	1,201,500				2,960,000

S106 or CIL (Provide Planning App or site numbers)	Sherford Major Works Section 106 Contribution 06/02036/OUT
Which alternative external funding sources been explored	The scheme is 100% external funded.
Are there any bidding constraints and/or any restrictions	Funding for construction projects will need to be committed before 31 March 2024 with delivery soon to follow. A commitment can consist of business case approving delivery of a scheme agreed with Council executives.

or conditions attached to your funding	
Tax and VAT implications	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.
Tax and VAT reviewed by	Sarah Scott
Will this project deliver capital receipts? <i>(If so please provide details)</i>	

REVENUE COSTS AND IMPLICATIONS

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

Total Cost of developing the project	NA
Revenue cost code for the development costs	NA
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	NA
Budget Managers Name	NA

Ongoing Revenue Implications for Service Area

	Prev. Yr.	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	Future Yrs.
Service area revenue cost							
Other (eg: maintenance, utilities, etc)							
Loan repayment (terms agreed with Treasury Management)							
Total Revenue Cost (A)							
Service area revenue benefits/savings							
Annual revenue income (eg: rents, etc)							
Total Revenue Income (B)							
Service area net (benefit) cost (B-A)							
Has the revenue cost been budgeted for or would this make a revenue pressure							

Which cost centre would the revenue pressure be shown			Has this been reviewed by the budget manager		Y/N
Name of budget manager					
Loan value	£	Interest Rate	%	Term Years	Annual Repayment £
Revenue code for annual repayments					
Service area or corporate borrowing					
Revenue implications reviewed by					

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
Jim Woffenden	24/11/2023	v 1.0	Lynn Walter	24/11/2023
Jim Woffenden	24/11/2023	v 2.0	Hannah Whiting	24/11/2023
Jim Woffenden	04/12/2023	v 3.0	Hannah Whiting	04/12/2023
	00/00/2020	v 4.0		00/00/2020
	00/00/2020	v 5.0		00/00/2020

SECTION 5: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the Leader of the Council:

1. Approves this Business Case
2. Approves the addition to the Capital Programme of £99,925 of revenue funding awarded by Active Travel England by way of a Revenue Contribution to Capital Outlay (RCCO) currently allocated in Revenue to the Plymbridge Road walking and cycling scheme.
3. Approves the virement of £2,110,075 of existing budget already in the Capital Programme awarded by Active Travel England to ECSCN.
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5. Delegates the authority to authorise the procurement process to the Service Director for Strategic Planning and Infrastructure where they do not already have authority to do so.
6. Delegates the authority to award the contract(s) and enter into any agreements in relation to the funding to the Service Director for Strategic Planning and Infrastructure.

[Councillor Mark Coker, Cabinet member for Strategic Planning and Transport]		Paul Barnard, Service Director for Strategic Planning and Infrastructure	
Either email dated:	21/12/2023	Either email dated:	7/12/2023
Or signed: Councillor Mark Coker		Signed: Paul Barnard	
Date:		Date:	