

CAPITAL INVESTMENT BUSINESS CASE UPDATE



Plymouth Major Road Network Scheme – Allocation of funding following Outline Business Case approval

PURPOSE OF BUSINESS CASE UPDATE

To request that DfT s31 Grant, Environment Agency (EA) grant and Strategic Transport s106 is allocated to the Plymouth Major Road Network (MRN) Scheme budget so as to continue the development of the Scheme.

BRIEF DESCRIPTION OF PROJECT

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

Included within the MRN Scheme are highway, cyclist, pedestrian and bus priority improvements at Marsh Mills and along the St Budeaux Bypass, a second phase of the Flood Prevention works along Embankment Road at Arnolds Point and the removal of the disused railway bridge just east of Embankment Lane.

Part of the Strategic Cycle Network along Embankment Road at Blagdons Meadow and along the St Budeaux Bypass will also be upgraded.

PROGRESS UPDATE

The Council submitted a successful Strategic Outline Business Case (SOBC) to the DfT in 2019 securing development funding to produce the Outline Business Case (OBC). The Scheme was entered onto the Council's Capital Programme following the successful Strategic Outline Business Case (SOBC) submission to the DfT and following approval by the City Council Investment Board (CCIB). The associated Executive Decision reference is L28 19/20 dated July 2019.

The OBC was approved by the DfT in April 2024. The Final Business Case is currently planned for submission to the DfT in the Autumn of 2025 which if successful will release funding from the DfT for the construction of the works.

The DfT will fund 85% of the cost of the development and delivery of the Scheme but only 66% of the development costs covering the SOBC to FBC stages.

KEY RISKS:

Potential Risks Identified		Likelihood	Impact	Overall Rating
Risk	DfT do not approve FBC	Medium	High	High
Mitigation	Regular review of DfT position and proportionate approach to scheme development	Medium	Medium	Medium
Calculated risk value in £ (Extent of financial risk)	+1m	Risk Owner	Philip Heseltine	

Risk	Cost to develop Scheme and deliver works increases beyond budget due to DfT approvals delay	High	High	High
Mitigation	Provision made within risk budget. De-scope project ahead of FBC submission	Medium	Medium	Medium
Calculated risk value in £ (Extent of financial risk)	+1m	Risk Owner	Philip Heseltine	
Risk	Change of Government results in MRN funding being redirected	Medium	High	High
Mitigation	Regular meetings with DfT to understand MRN status and priorities and early warning of potential changes MRN Scheme could be broken up into smaller work packages to secure funding from other sources	Medium	Medium	Medium
Calculated risk value in £ (Extent of financial risk)	+1m	Risk Owner	Philip Heseltine	

MILESTONES AND DATES: *(delivery timescales) CURRENT PROGRAMME*

November 2025 – DfT Final Business Case (FBC) submitted
February 2026 - FBC Approved
May 2026 – Construction starts
June 2027 – Construction ends

NEXT STEPS

This request seeks to allocate £6,355,752 to the budget to enable the development of the Scheme to progress and will enable

- The design of the scheme to be progressed through to the completion of the detail design stage
- The DfT Final Business Case to be produced including updated traffic modelling and economic appraisal
- The planning application for the Arnolds Point Flood Defence scheme to be submitted
- Engineering, environmental and other surveys and reports to be carried out as needed
- The proposed construction works to be priced to inform the FBC submission
- The purchase of third party land if considered necessary for the scheme
- Early contractor involvement to be obtained to inform the buildability, construction methodology and principles that may be employed
- The external appointment of suitably qualified technical experts, including but not limited to, within the fields of civil and structural engineering, transport and land use planning, land valuation and surveying, road safety, environmental and ecology, contract management, quantity surveying and legal services, to support the development of the Scheme as required

FINANCIAL IMPLICATIONS

The total budget for the MRN scheme is £49.95m with 85% provided by the DfT. However, the majority of the DfT funding will only become available if the bid at the Final Business Case (FBC) stage is approved by the DfT.

The £6,355,752 allocation is funded from DfT s31 Grant, EA grant and Strategic Transport s106. All were already included as part of the overall £49.95m MRN funding package that was approved by the s151 officer for the OBC submission.

The funding package and the amounts from each source are detailed in the table below.

Funding	Amount
DfT MRN s31 Grant	£5,055,752
EA Grant	£800,000
Strategic Transport s106	£500,000
Total	£6,355,752

The current budget for the scheme is £1.017m approved as per below.

Original Approval	Dec-19	575,000.00
S151 Approval	Oct-21	35,000.00
S151 Approval	Mar-22	75,400.00
S151 Approval	Apr-22	101,685.63
S151 Approval	Jul-22	90,000.00
S151 Approval	Jan-23	140,000.00
S151 Approval	Mar-24	8920.68
	Total	£1,026,006.31

The budget for the scheme will be increased again on securing a successful FBC approval and the award of the DfT funding for construction of the works. This will require a new Executive Decision and an update to the Business Case.

RECOMMENDATION

It is recommended that the Leader of the Council:

- Approves this updated Business Case from the 05 December 2019 and the associated Executive Decision
- Allocates £6,355,752 for the project within the Capital Programme funded from DfT s31 Grant (£5,055,752), Environment Agency grant (£800,000 and s106 (£500,000) giving an approved project total of £7,381,758,31.