

# CAPITAL INVESTMENT BUSINESS CASE

*Active Travel Fund 5 - Approval to accept Active Travel England (ATE) funding and allocate to funding to projects within the capital/revenue programme.*



## 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.*

This business case seeks the approval to add external Department for Transport funding to the capital and revenue programmes to improve walking and cycling provision in Plymouth. This will enable more active travel so as improving people's health, quality-of-life and access to opportunities, whilst helping to reduce the city's carbon emissions.

There is a demonstrated need for each of the elements in the proposed package of measures which is deliverable within the funding and timescales available and therefore makes no ask on corporate borrowing.

## SECTION I: PROJECT DETAIL

<b>Project Value</b> (indicate capital or revenue)	Capital: £280,245 Revenue: £36,059 Total: £316,304	<b>Contingency</b> (show as £ and % of project value)	£36,059 11% of total funding
<b>Portfolio Holder</b>	Cllr Mark Coker, Cabinet Member for Strategic Planning and Transport	<b>Directorate</b>	Growth
		<b>Service Director</b>	Paul Barnard
<b>Senior Responsible Officer (client)</b>	Richard Banner	<b>Project Manager</b>	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)*

Current walking and cycling provision requires regular maintenance and upgrades to sustain an appropriate standard of active travel.

Lack of adequate cycle parking provision in the city can be seen as discouraging residents from choosing cycling as a mode of transport.

**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?)*

Active Travel England have stated that ATF5 Funding is for:

- Scheme construction, particularly those that can be delivered quickly
- Change control to unblock existing ATF schemes
- Essential maintenance to address safety concerns
- Early development funding for projects that are funded in the next spending round

Having briefed the portfolio holder on the options for this funding below is a summary of how Councillor Coker would like to apportion the funding, with a rationale for each of the elements:

- **£36,059** for walking and cycling minor improvements (rev)  
Rationale: Lack of intervention will result in further deterioration of current defects on the cycling/walking network and stalling of current scheme to provide new walking and cycling route. Together with lack of adequate provision for cycle parking these factors contribute to greater reliance on car travel. Lack of safe pedestrian and cycling provision also has a potential to result in future road accidents.
- **£235,245** to help unblock and construct the Colesdown Hill ATF4 schemes (cap)  
Rationale: This is a scheme which has been already approved by Active Travel England. This additional funding will help ensure that the scheme can be delivered to a high standard, removing the need to call upon corporate borrowing as the scheme costs have increased.
- **£5,000** for the development of a cycling safety scheme at Forder Valley Road (West) (cap)  
this proposal would seek to develop designs for a new section of cycle lane along part of Forder Valley Road (West) (the road between Crownhill Road and the new Platinum Parkway junction). The scheme would aim to improve cyclist safety and reduce the likelihood of collisions.
- **£40,000** towards the purchase of cycle parking (cap), primarily cycle lockers  
There is a significant waiting list for new lockers in a number of locations. This proposal would aim to provide lockers in convenient locations for all of those people on the waiting list

**Why is this your preferred option:** *(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).*

The proposals provide changes required to enhance road safety and enable more people to walk and cycle so improving health and equality of access to opportunities. Whilst each of the elements are different, all are responding to a clear need.

The scheme aligns with Policy SPT9 – Strategic principles for transport planning and strategy: seeking to reduce the impact of severance caused by [a lack of quality] transport networks, enabling more journeys by walking, cycling and providing genuinely alternative ways to travel. At its core the policy places the adopted hierarchy of transport modes and routes based upon different modes, with walking and cycling at the top of the pyramid and first modes to be considered/improved.

The schemes also align with several Corporate Plan priorities.

**Option Analysis:** *(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).*

<b>Do Nothing Option</b>	All of the funding is external and would therefore need to be returned to the Department for Transport
<b>List Benefits:</b>	No benefits to the people of Plymouth or Plymouth City Council
<b>List Risk / Issues:</b>	Local residents would be likely to question why Plymouth City Council has not accepted the funding. Similarly, the Department for Transport and Active Travel England would question this and it would undoubtedly impact upon the council's capability rating which would impact upon future funding allocations

<b>Cost:</b>	£0
<b>Why did you discount this option</b>	This option was discounted on the basis that the changes are required to enhance road safety and help enable people to use more sustainable travel choices.
<b>Do Minimum Option</b>	Again, all of the funding is external, and so if only part of the funding were accepted, the rest would need to be returned to the Department for Transport
<b>List Benefits:</b>	No benefits to the people of Plymouth or Plymouth City Council
<b>List Risk / Issues:</b>	As per the “do nothing option”
<b>Cost:</b>	£0
<b>Why did you discount this option</b>	As per the “do nothing option”
<b>Viable Alternative Option</b>	<b>Allocate the funding to other schemes</b>
<b>List Benefits:</b>	There is no shortage of good proposals to improve facilities for pedestrians and cyclists and therefore alternative proposals could undoubtedly provide similar benefits albeit in different locations and benefiting different users.
<b>List Risk / Issues:</b>	Alternative proposals would be unlikely to be deliverable within the timescales required and the funding envelope available
<b>Cost:</b>	£316,304
<b>Why did you discount this option</b>	Because the preferred package of measures is deliverable within the required timescales and funding available and, in supporting an already approved scheme on the capital programme helps avoid the risk of requiring corporate borrowing.

<b>Strategic Case:</b>	
<b>Which Corporate Plan priorities does this project deliver?</b>	Fewer potholes, cleaner, greener streets and transport
	Keeping children, adults and communities safe

<b>Milestones and Date:</b>		
Contract Award Date	Start On Site Date	Completion Date
May 2025	June 2025	March 2026

## 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.	Low	Low	Low

<b>Calculated risk value in £ (Extent of financial risk)</b>	0	<b>Risk Owner</b>	PCC		
<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>Calculated risk value in £ (Extent of financial risk)</b>	0	<b>Risk Owner</b>	PCC		
<b>Risk</b>					
<b>Mitigation</b>					
<b>Calculated risk value in £ (Extent of financial risk)</b>		<b>Risk Owner</b>			
<b>Risk</b>					
<b>Mitigation</b>					
<b>Calculated risk value in £ (Extent of financial risk)</b>		<b>Risk Owner</b>			
<b>Risk</b>					
<b>Mitigation</b>					
<b>Calculated risk value in £ (Extent of financial risk)</b>		<b>Risk Owner</b>			

### 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:

External funding of £316,304 provides needed facilities and so reduces the potential ask on PCC budgets. If we do not add external funding to the capital (£280,245) & revenue (£36,059) programme Plymouth will need to fund the improvements required.

#### Non-financial outcomes and benefits:

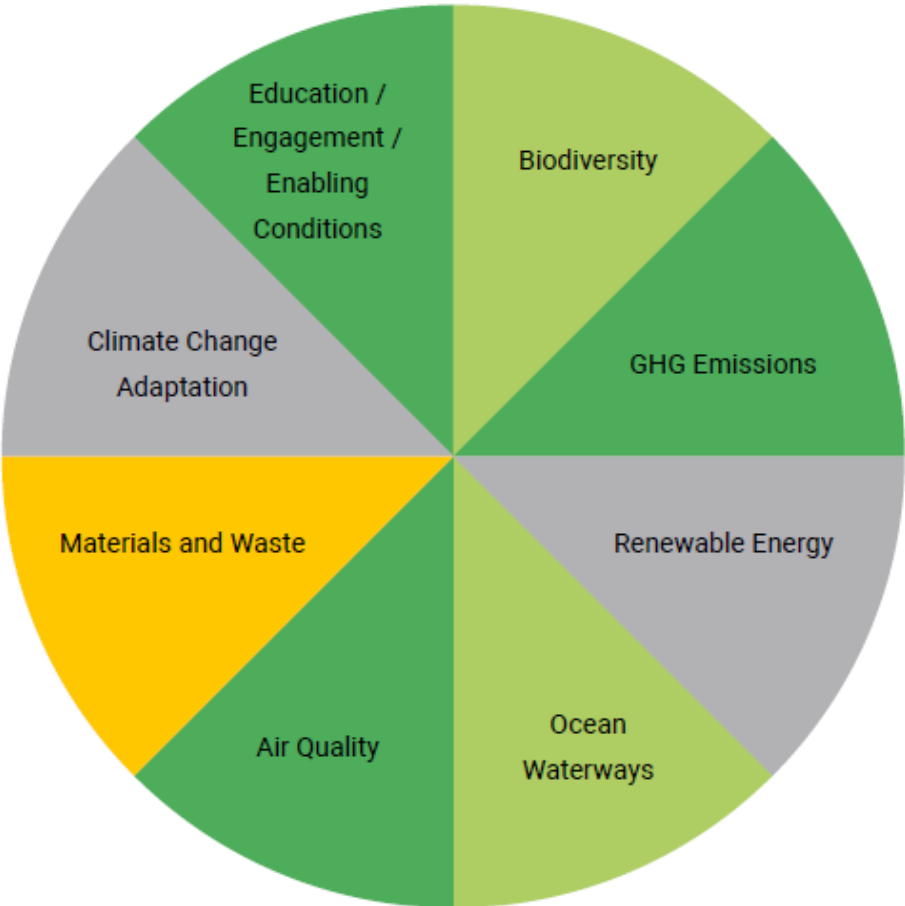
Sustainable transport improvements will help reduce severance, encourage mobility through walking, cycling and scooting that will improve health and help improve the place element of Plymouth by providing the means to encourage and enable residents to walk and cycle in their local neighbourhoods.

### SECTION 3: CONSULTATION

<b>Does this business case need to go to CMT</b>	No	<b>Date business case approved by CMT (if required)</b>	
<b>Did a mandate go via CPOG/CPB</b>	Yes	<b>Date Capital Mandate approved by CPB</b>	19/12/2024

<b>Does this project involve a corporately maintained property</b>	No
<b>Details of impact of this project ie cost saving from this project or additional requirements</b>	N/a

### Climate Impact Assessment

Upload Climate Impact Wheel	
Summary of the anticipated impact of the proposal on the climate (including any proposed mitigations and impacts beyond 2030)	<p>The decision to construct the active travel scheme will lead to the delivery of route improvements and encourage more residents to adopt active travel over car usage. Although there is inevitably embodied carbon from the materials and construction process, this is minor and short term.</p> <p>Long term the benefits and likely carbon emissions reduction will outweigh any short term impacts.</p>

Confirm you have engaged with Procurement		Yes
Procurement route options considered for goods, services or works	<ul style="list-style-type: none"><li>1. Plymouth Highways Term Maintenance Contract (PHTCM).</li><li>2. Seeking a minimum of three tenders via Invitation to Tender process.</li><li>3. Utilisation of a framework.</li><li>4. Contract Exemption</li></ul>	
Procurements Recommended route.	<p>Procurement Requirements:</p> <p>For the £36,059 revenue funding for minor network improvements we propose to utilise South West Highways (SWH) via Plymouth Highways Term Maintenance Contract (PHTMC). The PHTMC provides the optimum route for delivery given the value of and type of work.</p>	

	<p>The £235,245 capital funding for Colesdown Hill will be added to the existing capital programme. A procurement route appraisal will be undertaken to determine the best route to market that is compliant with Contract Standing Orders. One of the available procurement routes is to utilise South West Highways (SWH) via Plymouth Highways Term Maintenance Contract (PHTMC) whereby the early contractor involvement route is already being explored.</p> <p>The £5k capital funding to design a road safety improvement on Forder Valley Road will be procured via a Request for Quotation process in compliance with Contract Standing Orders.</p> <p>The £40k capital funding to provide secure cycle parking at locations (tbc) around the city will be procured following engagement with Procurement. We will continue discussions to determine the best route to market that is compliant with PCC's contract standing orders.</p>	
<b>Who is your Procurement Lead?</b>	Simone Newark – Construction Paul Williams – Cycle Lockers	
<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>		

<b>Which Members have you engaged with and how have they been consulted</b> <i>(including the Leader, Portfolio Holders and Ward Members)</i>	<ul style="list-style-type: none"> <li>Portfolio Holder for Strategic Planning and Transport: Councillor Mark Coker</li> <li>Cycle Champion: Councillor John Stephens</li> </ul>
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<b>Confirm you have taken necessary Legal advice, is this proposal State subsidy compliant, if yes please explain why.</b>	Legal advice was taken.  No state subsidies involved.
<b>Who is your Legal advisor you have consulted with?</b>	Alison Critchfield

<b>Equalities Impact Assessment completed</b> <i>(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)</i>	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

<b>Breakdown of project costs including fees surveys and contingency</b>	<b>Prev. Yr.</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>28/29</b>	<b>Future Yrs.</b>	<b>Total</b>
	£	£	£	£	£	£	£	£
Project Management			5,500					5,500
Construction Drawings			4,500					4,500
Construction inc. contingency			270,245					270,245
<b>Total capital spend</b>			<b>280,245</b>					<b>280,245</b>

<b>Provide details of proposed funding: Funding to match with Project Value</b>								
<b>Breakdown of proposed funding</b>	<b>Prev. Yr.</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>28/29</b>	<b>Future Yrs.</b>	<b>Total</b>
	£	£	£	£	£	£	£	£
ATE Capital Grant			280,245					280,245
<b>Total funding</b>			<b>280,245</b>					<b>280,245</b>

<b>S106 or CIL</b> (Provide Planning App or site numbers)	N/A
<b>Which alternative external funding sources been explored</b>	N/A
<b>Are there any bidding constraints and/or any restrictions or conditions attached to your funding</b>	The terms stipulate that the funds should be committed by 31 March 2026 and spend by 31 March 2027.
<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 and so any VAT incurred by the Council on costs relating to the highways scheme 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>	Sarah Scott – Service Accountant
<b>Will this project deliver capital receipts?</b> (If so please provide details)	No

## 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>	£0
<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/A
<b>Budget Managers Name</b>	Richard Banner

Ongoing Revenue Implications for Service Area						
	24/25 £	25/26 £	26/27 £	27/28 £	28/29 £	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	Once completed the schemes will need to be maintained via Highways maintenance budget and it is considered that the impact will be low. The Head of Plymouth Highways has confirmed that the scheme will be incorporated into the Highways maintenance programme. There will be a maintenance liability for drainage clearance and vegetation cutback together with inspection regime to be introduced circa £1,750 PA, this will be absorbed into existing Highways Budget					
Which cost centre would the revenue pressure be shown			Has this been reviewed by the budget manager		Y	
Name of budget manager Phil Bellamy						
Loan value	£	Interest Rate	%	Term Years	Annual Repayment	£
Revenue code for annual repayments						
Service area or corporate borrowing						
Revenue implications reviewed by Nikki Hall						



**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	28/11/2024	v 1.0		00/00/2020
Jim Woffenden	28/11/2024	v 2.0	Lynn Walter	29/11/2024
	00/00/2020	v 3.0		00/00/2020

## SECTION 5: 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 £280,245 of external funding into the capital programme and £36,059 to the revenue programme, funded by Active Travel England;
- Approves the business case;
- Authorises the procurement process;
- Delegates the authority to award 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 Tudor Evans OBE (Leader of the Council)</b>		<b>Service Director: Paul Barnard, Strategic Planning &amp; Infrastructure</b>	
<b>Either email dated:</b>	12.02.2025	<b>Either email dated:</b>	29/11/2024
<b>Or signed:</b>		<b>Signed:</b>	
<b>Date:</b>		<b>Date:</b>	