

Cabinet



Date of meeting:	07 July 2025
Title of Report:	A38 Manadon Interchange scheme final business case development funding
Lead Member:	Councillor John Stephens (Cabinet Member for Strategic Planning and Transport)
Lead Strategic Director:	Glenn Caplin-Grey (Strategic Director for Growth)
Author:	Sally Farley
Contact Email:	sally.farley@plymouth.gov.uk
Your Reference:	2025.06.25 ST/MS/P/MAN
Key Decision:	Yes
Confidentiality:	Part I - Official

Purpose of Report

The purpose of this report is to request that the final tranche of co-development funding for the A38 Manadon Interchange scheme be placed on the capital programme. This will provide the necessary funding to carry out all the survey, design, environment, planning and project management work to progress the scheme to submission of the Final Business Case and maintain anticipated timescales.

The scheme now has programme entry approval with the Department for Transport (DfT), which means it is in the DfT's budgeted programme. However, not all of this co-development funding has been placed on the capital programme by Plymouth City Council (PCC) to date.

Plymouth is a strategically important city nationally; it plays a major role across the globe in a number of key industries including defence and marine industries, is home to largest naval base in western Europe, has three Universities, a thriving ferry port and is a regionally important centre for healthcare. It has strong growth potential, and an ambitious growth agenda to deliver over 29,000 new homes.

To support this growth, there are three major development areas across the city. They are: North of the city including Derriford, the City Centre and Waterfront and the East of the City including Saltram Meadows and Sherford. There is a need to strengthen the transport infrastructure to allow the delivery of this growth, improve the way people travel across the city and enhance connectivity into the wider South West region.

The A38 Manadon Interchange is at the confluence of where the road network supporting this growth converges. The junction already suffers from significant congestion and unreliable journey times, with over 60,000 vehicles passing through the junction every day and queues on the off slips frequently queuing back onto the A38. Without significant investment this junction will continue to have a poor road safety record and will act as a constraint on future growth.

The Council has been progressing the development of the A38 Manadon Interchange scheme since 2019, when the scheme secured co-development funding from the Department for Transport through

the Large Local Major schemes programme, recognising the strategic regional need for improvements at Manadon Interchange. The decision by the DfT to approve the Outline Business Case, however, was delayed following the pandemic and the subsequent global economic shocks, it is, therefore, now imperative that the scheme makes good progress against the agreed programme.

Although still at an early stage, the Manadon scheme is being developed to provide improvements across all modes, alongside environmental enhancements.

The scheme entered into early contractor involvement in 2019 with Balfour Beatty under the SCAPE framework in order to provide the experience, expertise and human resource a project of this size requires. It is anticipated, however, that a construction contract would not be entered into until Autumn 2028.

Recommendations and Reasons

It is recommended that Cabinet:

1. Approves the Business Case attached to the report.

Reason: In order to progress the development of the A38 Manadon Scheme to the next stage of development.

2. Allocates £12,808,832 for the project into the Capital Programme funded by:
£8,897,042 ringfenced Department for Transport grant funding allocated specifically for this scheme.
£3,911,790 un-ringfenced Integrated Transport Block grant funding that PCC is able to use to fund its transport priorities.

Reason: To place the allocated DfT grant funding and Integrated Transport Block funding on the capital programme to provide certainty of scheme resourcing to proceed to Final Business Case.

3. Authorises the procurement process set out in the report.

Reason: to allow the scheme to continue to progress utilising early contractor involvement.

4. Delegates contract award decisions to the Service Director for Strategic Planning and Infrastructure where they do not already have authority to do so.

Reason: to ensure the project is expedited against the agreed programme.

Alternative options considered and rejected

1. To not proceed to Final Business Case at this time. This option was rejected because the scheme would either be delayed or not-delivered. As well as investment to date, significant future DfT funding for this scheme would also be risk.

Relevance to the Corporate Plan and/or the Plymouth Plan

The corporate Plan priority of 'Fewer potholes, cleaner, greener streets and transport' is relevant to this decision. Although this decision is restricted to funding to progress to final business case stage, the actual A38 Manadon Interchange scheme will provide upgraded infrastructure at one of the city's busiest junctions where the A38 Strategic Road network meets the busy A386. As well as providing improved road capacity the scheme will also provide improvements for pedestrians, cyclists and buses.

Manadon is specifically named within the Plymouth Plan to support planned growth and maintain competitiveness both regionally and nationally through improved resilience in the strategic road network, a reduction in journey times and improved journey time reliability.

Implications for the Medium Term Financial Plan and Resource Implications:

The A38 Manadon Interchange co-development funding has been included within the Medium Term Financial Plan. The allocation of £12,808,832 for the project into the Capital Programme will be financed by ring-fenced Department for Transport grant funding allocated specifically for the scheme of £8,897,042, as well as un-ringfenced Integrated Transport Block (ITB) grant funding of £3,911,790. Allocating ITB grant funding to this scheme means it will not be available to fund other investment priorities, which is likely to have resource implications for other transport investment, and which could, over time, increase the amount of borrowing required to fund other programmes (with knock-on implications for capital financing costs within the Council's revenue budget).

Financial Risks

There is a risk that the DfT do not approve the Final Business Case. However the Project has now achieved Programme Entry, and the DfT have provided significant investment to date.

There is a risk that the DfT delay the decision to approve the Final Business Case, leading to an increase to costs through inflation. To mitigate against this risk the DfT will be involved throughout Pre-Con period and information will be submitted in advance for early review.

There is a risk that development costs increase due to inflation. Inflation has already been incurred due to global economic events. The scheme has endeavoured to mitigate this through early contractor engagement to avoid further delays. The DfT has also identified this scheme as being eligible for 100% of construction costs, but this is still to be confirmed. However, it may be the case that value engineering will be required as the scheme develops.

Legal Implications

(Provided by AC)

None arising from this report.

Any future land requirements will be the subject of a further report.

Carbon Footprint (Environmental) Implications:

Tackling climate change is one of the Council's top priorities, and in March 2019, PCC declared a Climate Emergency. The Council, through its Annual Action Plans initially and subsequently through its three year rolling net zero plans, is committed to encouraging sustainable and cleaner transport, and decarbonising the transport system.

This decision to allocate co-development funding to the capital programme does not have a direct impact. However the A38 Manadon Interchange scheme includes high-quality infrastructure for active travel modes, including a new cycle bridge over the A38, which will provide a step-change in facilities and remove a key gap in provision which acts as a barrier to increasing active travel users on the A386 Northern Growth Corridor. Environmental enhancements are also included, through opening of areas of greenspace, and providing extensive landscaping and tree-planting. The scheme will reduce journey times for buses as well as improve journey time reliability on the major bus corridor linking the City Centre to northern Plymouth and will reduce carbon emissions from vehicle transport, providing an overall carbon benefit in the longer term.

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

Appendices

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	A38 Manadon Interchange development funding to FBC							
B	Equalities Impact Assessment							
C	Climate Impact Assessment							
D	Capital Investment Business Case: A38 Manadon Interchange scheme final business case development funding			X				

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	<i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Fin	OW. 25.26. 018	Leg	LS/00 0013 12/3/ AC/2 6/6/2 5	Mon Off	N/A	HR	N/A	Assets	N/A	Strat Proc	N/A
Originating Senior Leadership Team member: Paul Barnard, Service Director for Strategic Planning and Infrastructure											

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: 26/06/2025

Cabinet Member approval: Cllr John Stephens approved by email

Date approved: 26/06/2025