# HAMPSHIRE COUNTY COUNCIL

#### **Executive Decision Record**

Decision Maker:	Executive Lead Member for Transport and Environment Strategy
Date:	3 October 2022
Title:	A326 South Project Update
Report From:	Director of Economy, Transport and Environment
Contact name: Patrick Bingham	
Tel:	Email: patrickbingham@hants.gov.uk

### 1. The decision:

- 1.1 That the Executive Lead Member for Transport and Environment Strategy approves an increase to the Project Appraisal value of the A326 South Project Scheme from £10.45million to £11.4million, as set out in the supporting report, subject to the additional cost being funded from the proposed capital inflation underwrite, which is being recommended for County Council approval in September.
- 1.2 That the Executive Lead Member for Transport and Environment Strategy gives approval to procure and spend to the revised value, subject to the additional cost being funded from the proposed capital inflation underwrite, which is being recommended for County Council approval in September.

## 2. Reasons for the decision:

- 2.1 The project has experienced significant delivery and habitat constraints, which have extended the delivery programme and added additional cost pressures absorbed by existing contingency. Consistent with the position across the highway construction industry, the scheme is also experiencing exceptional inflationary pressures and the scheme's budgeted contingency is no longer sufficient to cover its forecast outturn cost. As a consequence, supplementary funding is now required to support the completion of the project.
- 2.2 The terms of the funding agreement with the LEP mean that descoping the Scheme is not an option. In order to progress with delivery, additional funds are needed. As a result, it is proposed to vary the County Council's previous position and contribute to the funding package using capital inflation underwrite, subject to the establishment of such a fund by the County Council and approval of the required allocation.

### 3. Other options considered and rejected:

- 3.1. Do nothing. This option was rejected as it will not address the scheme's forecast budgetary shortfall.
- 3.2. Reduce the project scope. An application to the Solent Local Economic Partnership (SLEP) to defer aspects of the scheme delivery to help reduce costs was declined, and completion of the full scheme is still required to meet the SLEP's grant funding terms.

### 4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker:
- 4.2. Conflicts of interest declared by other Executive Members consulted:
- 5. Dispensation granted by the Conduct Advisory Panel: none.
- 6. Reason(s) for the matter being dealt with if urgent: not applicable.
- 7. Statement from the Decision Maker:

Approved by:	Date:
	3 October 2022
Executive Lead Member for Transport and Environment Strategy Councillor Edward Heron	