

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Economy, Transport and Environment
Date:	11 March 2021
Title:	A326 South Junction Improvement Works, Fawley Waterside – Update
Report From:	Director of Economy, Transport and Environment

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Purpose of this Report

1. The purpose of this report is to seek approval to procure and spend up to the increased value of the scheme of £10.45million.

Recommendations

2. That the Executive Member for Economy, Transport and Environment notes the increase to the value of the A326 South Junction Improvement Works scheme from £8.1million to £10.45million, to be approved under delegated authority by the Director of Economy, Transport and Environment, as it is wholly funded through external resources.
3. That the Executive Member for Economy, Transport and Environment gives approval to procure, spend and enter into necessary contractual arrangements to implement the A326 South Junction Improvement Works scheme, up to a total value of £10.45million, including variation to funding agreements to secure additional funding, in consultation with the Head of Legal Services.
4. That authority to make arrangements to implement the scheme, including minor variations to the design or contract, be delegated to the Director of Economy, Transport and Environment.

Executive Summary

5. Following the Executive Member for Economy, Transport and Environment Project Appraisal approval in March 2020, the COVID-19 pandemic has increased the risk position for the project and further contingency is now considered necessary to afford the project improved financial certainty. In

addition to the productivity impacts of COVID-19, cost risks have also increased around the scheme's procurement route, the emerging design issues necessary to accommodate the design requirements of Local Transport Note (LTN) 1/20, and further environmental and construction constraints. This has established a scheme cost value, including risk items in excess of the earlier identified budget. As a result, the total value of this scheme is now increasing from £8.1million to £11.2million. The additional funding required will be provided by FWL, the details of which will be confirmed in an amended Deed of Variation. Within the overall £11.2 million there is £0.75 million of design costs which FWL will pay for directly to the design company. This results in a funding provision and scheme cost of £10.45 million that Hampshire County Council will be responsible for delivering. As such it is the £10.45 million value of the scheme that is being reflected in the capital programme and in the Project Appraisal.

6. The purpose of this report is to seek approval to procure and spend up to the increased scheme value of £10.45 million funded from the SLEP grant of £5.7million, and funding from Fawley Waterside Limited (FWL) of £2.4million with a revised additional contingency sum from FWL of £3.1million, which includes £0.75million design fee, taking the total contingency available to Hampshire County Council to £2.3million.
7. As the whole of the variance in the value of the scheme is to be externally funded, the Director of Economy, Transport and Environment has authority to approve this increase using delegated powers.

Contextual information

8. A business case was submitted to the SLEP by Hampshire County Council in conjunction with FWL. FWL has proposals to transform the old Fawley Power Station site into a thriving residential and commercial waterside community which becomes a destination for employment and leisure activity. Approval of the business case was subject to 12 weeks public consultation and ended 30 March 2020.
9. The Executive Member for Economy, Transport and Environment approved the Project Appraisal for the scheme in March 2020. A funding agreement was executed with the SLEP in June 2020. The FWL delivery agreement was executed in November 2020.
10. The unfolding pandemic, the required procurement route and a change to design guidance have increased the risk position of the project. Discussions have been held with FWL to seek its agreement to increase its contingency to support the project. Should the necessary approvals be granted a variation to the existing funding agreement will be made to increase the agreement's contingency value by £1.3million to £3.1million, which includes £0.75million design fee, taking the total contingency available to Hampshire County Council to £2.3million. This increase to the contingency is in addition to agreed FWL funding of £2.4million, which was established in accordance with the FWL agreement for funding of a project overspend.

11. The A326 South Junction Improvement works is a much-needed highway improvement scheme, with provision for other transport modes, and under the terms of agreements, the scheme will proceed independently of the Fawley Waterside Development. Design development to accommodate new design guidance for walking and cycling is addressing issues raised by third party review of scheme proposals. The A326 capacity improvement scheme is due to be supplemented by a review of East-West Connectivity options that would complement the A326 South Junction Improvement Scheme and emerging Waterside transport policies.

Background

12. The proposed A326 junction improvements will contribute to the resilience of the existing highway network and relieve congestion on a key inter-urban road corridor. The junction improvements will also support and accelerate the delivery of the development at Fawley Waterside whilst mitigating the potential transport impacts associated with the development. They will also help to protect the rural environment of the New Forest by improving capacity on a strategic route (the A326) and helping to ensure that traffic does not divert onto less appropriate more minor routes through the National Park, during times of congestion on the A326.
13. As part of a Waterside Transport Strategy, Hampshire County Council is bringing forward other improvement measures within the Waterside area including proposals for a Large Local Major (LLM) scheme which is likely to include upgrades to junctions and links along the A326 North, including upgrade of some of the single carriageway sections to dual carriageway between Marchwood and the M27 at Junction 2; Transforming Cities Fund measures to enhance provision of north south walking and cycling facilities to provide improved regional connectivity for non-motorised modes; and proposals to supplement and improve A326 east/west connectivity to improve links across the route for non-motorised modes.

Finance

14. The capital scheme value increase from £8.1million to £10.45million will be wholly externally funded with no impact to Hampshire County Council budgets.
15. The scheme is to be funded by the Solent Local Enterprise Partnership (SLEP) grant of £5.7million, and funding from FWL of £2.4million. Costs in excess of the LEP funding agreement will be met with a revised additional contingency sum of £2.3million provided by FWL.

<u>Estimates</u>	<u>£'000</u>	<u>% of total</u>	<u>Funds Available</u>	<u>£'000</u>
Design Fee ¹			SLEP	5,681
Client Fee	333	3.2	FWL	2,435
Supervision	866	8.3	FWL	2,334
			Contingency	
Construction	9,251	88.5		
Total	10,450	100.0	Total	10,450

¹ Due for payment direct by FWL as set out in Paragraph 6.

<u>Maintenance Implications</u>	<u>£'000</u>	<u>% Variation to Committee's budget</u>
Net increase in current expenditure	49.0	0.043%
Capital Charge	1,000	0.625%

Programme

16. Key Milestones and funding plan:

- detailed design and Tender award (Phase 1) – April 2021;
- Phase 1 construction works complete – November 2021;
- detailed design and Tender award (Phase 2) – July 2021; and
- final scheme completion – April 2022.

Scheme Details

17. The proposed junction improvement works are as follows:

- Junction 3 – Blackfield Road/Church Lane/B3053: Signalised junction proposed, including new crossing facilities;
- Junction 4 – Long Lane/A326 – (Holbury Roundabout): Localised improvements to the existing roundabout (widening of approaches and exit lanes);
- Junction 4b - A326/Holbury Drove: New southbound right-turn ghost island including new pedestrian crossing facilities;
- Junction 4c -A326/Southbourne Avenue: New southbound right-turn ghost island;
- Junction 5 – Hardley Roundabout: Localised improvements to the existing roundabout (widening of approaches and exit lanes);

- Junction 6 – Dibden Purlieu Roundabout: Localised improvements to the existing roundabout (widening of approaches and exit lanes);
- Junction 7 – Applemore Roundabout (Sizer Way): Localised improvements to the existing roundabout (widening of approaches and exit lanes); and
- Junction 8 – Dibden Roundabout: Localised improvements to the existing roundabout (widening of approaches and exit lanes) and new pedestrian crossing.

18. In order to meet SLEP timescales the scheme will be delivered in phases in the following sequence: - J4, J5, J8 as Phase 1 and J3, 4b, 4c, J6 and J7 as Phase 2.

Departures from Standards

19. The Scheme proposals will be designed to comply with Department for Transport and Hampshire County Council standards for highway improvement schemes.
20. The design is currently at detailed design stage and details of any departures from standards will be dealt with in accordance with the Scheme of Delegation.

Consultation and Equalities

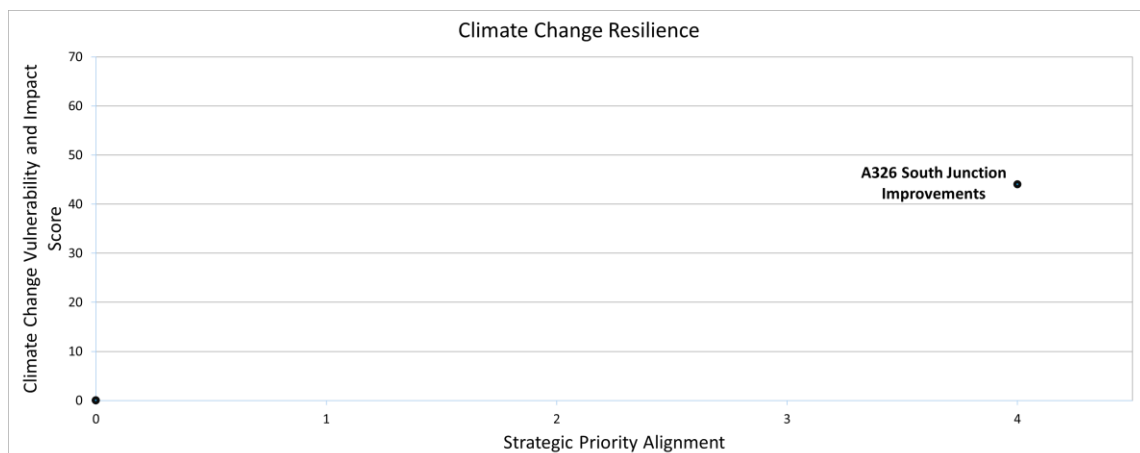
21. The consultation for Fawley Waterside development included information on the traffic implications and mitigation.
22. The vast majority of consultees were very supportive of the principles of the development but had concerns about the existing traffic congestion and how the development could make this worse. They generally supported the junction improvement works but also wanted more strategic transport interventions (such as dualling of the A326 and reopening of the existing freight railway line for passengers) – the former is being considered by Hampshire County Council as part of the overall Waterside Transport Strategy proposals.
23. Consultees responses were received on the walking and cycling measures due to be introduced with ongoing feedback from the Waterside Cycling Action Group. The issues they have identified are being addressed in detailed design development and as part of the wider East/West Connectivity review.
24. This increase to the funding for the A326 South Junction Improvement Works scheme will have a neutral impact upon groups with protected characteristics. An Equalities Impact Assessment will be undertaken for each scheme during the design phase.

Climate Change Impact Assessments

25. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

- Vulnerabilities from this project may arise from exposure to extreme heat events during warmer months. Bituminous road surface often melts under extreme heat stresses and this may apply to this particular scheme;
- Pavement design specification caters for predicted higher temperatures due to climate change, this includes use of environmentally safe stiffer binders to protect against increasing temperatures;
- This particular road is also located within proximity to the coast, (less than 3km to Southampton Water) and is therefore vulnerable to sea level rise, coastal flooding and erosion arising from extreme storm event;
- Highway design standards and specifications allow for extreme events such as a 100-year storm event;
- It is recognised that carbon emissions will arise from construction activities, however, this will be mitigated by the improved efficiency of the junctions by reducing queue lengths and congestion at peak time, following implementation of the proposed improvement works;
- Other mitigations include reduction of the amount bituminous materials planed off during construction; and by use of recycled materials where appropriate, thereby reducing the total amount of waste.

The graph below provides a simple visual representation of the scheme's estimated vulnerability to climate change against the number of strategic priorities that the scheme meets.



Statutory Procedures

26. Planning permission is not required to deliver the scheme because it has been confirmed as being 'permitted development'.
27. Permanent Traffic Regulation Orders (TROs) and S58 of the New Road and Street Works Act (NRSWA) restrictions will be required for the scheme. In addition, Temporary Traffic Regulation Orders (TTROs) will be required where necessary to reduce speed and manage traffic at the construction stage which will be promoted and processed through established procedures.

Land Requirements

28. All of the land required for the works is within the existing highway.

Maintenance Implications

29. The change in scheme value will not vary to the project's maintenance implications.

LTP3 Priorities and Policy Objectives

3 Priorities

- To support economic growth by ensuring the safety, soundness and efficiency of the transport network in Hampshire
- Provide a safe, well maintained and more resilient road network in Hampshire
- Manage traffic to maximise the efficiency of existing network capacity, improving journey time reliability and reducing emissions, to support the efficient and sustainable movement of people and goods

14 Policy Objectives

- Improve road safety (through delivery of casualty reduction and speed management)
- Efficient management of parking provision (on and off street, including servicing)
- Support use of new transport technologies (i.e. Smartcards; RTI; electric vehicle charging points)
- Work with operators to grow bus travel and remove barriers to access
- Support community transport provision to maintain 'safety net' of basic access to services
- Improve access to rail stations, and improve parking and station facilities
- Provide a home to school transport service that meets changing curriculum needs
- Improve co-ordination and integration between travel modes through interchange improvements
- Apply 'Manual for Streets' design principles to support a better balance between traffic and community life

- Improve air quality
- Reduce the need to travel, through technology and Smarter Choices measures
- Promote walking and cycling to provide a healthy alternative to the car for short local journeys to work, local services or school
- Develop Bus Rapid Transit and high-quality public transport in South Hampshire, to reduce car dependence and improve journey time reliability
- Outline and implement a long-term transport strategy to enable sustainable development in major growth areas

Other

Please list any other targets (i.e., National Indicators, non LTP) to which this scheme will contribute.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> Project Appraisal: A326 South Junction Improvement Works, Fawley Waterside	<u>Date</u> 10 March 2020

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

This increase to the funding for the A326 South Junction Improvement Works scheme will have a neutral impact upon groups with protected characteristics. An Equalities Impact Assessment will be undertaken for each scheme during the design phase.