

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

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

Contact name: Enny Enigbokan

Tel: 0370 779 7761

Email: enny.enigbokan@hants.gov.uk

1. The decision:

- 1.1. 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.
- 1.2. 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.
- 1.3. 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.

2. Reasons for the decision:

- 2.1. 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 Department for Transport (DfT) cycle

infrastructure design requirements of Local Transport Note (LTN) 1/20, and further environmental and construction constraints. 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.

- 2.2. To address and offset this concern, permission is sought to vary the terms of the existing Fawley Waterside Limited delivery agreement, to increase the contingency sum to £3.1million, which includes £0.75million design fee, taking the total contingency available to Hampshire County Council to £2.3million.
- 2.3. 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.

3. Other options considered and rejected:

- 3.1. A “do nothing” option was rejected as this would not give the project the financial certainty it requires to adequately manage the scheme’s increased risk potential.

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: None

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:

11 March 2021

**Executive Member for Economy, Transport and
Environment
Councillor Rob Humby**