

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Executive Member for Economy, Transport and Environment
Date:	14 January 2020
Title:	M27 Junction 10 Update
Report From:	Director of Economy, Transport and Environment

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1. The decision:

- 1.1. That since Scheme development work and the progression of work on the Full Business Case is at an impasse, pending the confirmation of full funding for delivery and of a delivery body, the Director of Economy, Transport, and Environment be asked to review the role of the County Council as Scheme Promoter for the M27 Junction 10 Improvement works (“the Scheme”) and to bring forward a report to a future Decision Day.
- 1.2. That the Director of Economy, Transport, and Environment be authorised to make preparations for a potential suspension and termination of the County Council’s role as scheme promoter to avoid abortive work or expenditure, pending resolution of the funding and delivery arrangements for the Scheme.
- 1.3. That the County Council seeks firm agreement with Highways England to ensure that there is clarity around their role in the delivery of the motorway elements of the Scheme.
- 1.4. That the County Council supports and works with Fareham Borough Council to secure Government funding for Welborne to ensure that the Junction 10 Scheme can be fully funded and delivered.

2. Reason for the decision:

- 2.1. A critical next stage of the scheme promotion work is the formal submission of the Full Business Case for approval by the Department for Transport to enable the release of allocated funding. In order to complete the business case, detailed collaborative work is required with Highways England, including the submission of extensive technical documentation and information through Highways England’s statutory approval process. This formal Highways England sign off cannot be fully progressed until the design is completed. However, such completion is not possible until a delivery body has been identified, as the approach to delivery will inform the design. The delivery body is unlikely to be confirmed without full funding for the scheme.

2.2. The Full Business Case cannot be submitted without the approach to delivery and procurement being confirmed or without full funding being identified. There is now a significant gap in funding, and additional delays entailed by the Highways England sign off process mean that the Solent LEP Local Growth Fund allocations (which make up the bulk of current funding) may now be at risk of being lost to the scheme. This factor, along with the planning authority resolution to cap developer funding at a level even below that previously identified, means that there is no immediate prospect of sufficient funding being identified to allow progress with the scheme. It is therefore intended that no further design and development work on the M27 Junction 10 is undertaken and that staff resources are re-deployed to avoid abortive expenditure, including further work on tasks which will need to be fully informed by the delivery body for the scheme (which has yet to be confirmed).

2.3. Hampshire County Council's position has been clear and agreed from the point it took on the scheme promoter role, that it would neither provide capital funding nor underwrite any financial risks associated with the scheme. It is likely that, without additional delivery funding being identified or a third party agreeing to fully underwrite the financial risks, the County Council will need to review its role as the Scheme Promoter. This, of course, does not affect the County Council's work as Highway Authority in respect of planning processes.

3. Other options considered and rejected:

3.1. Not to review the County Council's role in respect of the Scheme, or to prepare the way for an orderly wind-down of works and transfer of responsibilities. This option was rejected as it could pose risk to the County Council should suspension or termination become unavoidable, potentially incur abortive expenditure on scheme development, and would potentially hamper the future efforts of an alternative Scheme Promoter.

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:

14 January 2020

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