

## RECORD OF EXECUTIVE DECISION

Tuesday, 19 March 2013

**Decision No:** (CAB 12/13 9641)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	ENVIRONMENT AND TRANSPORT
SUBJECT:	*THE SUSTAINABLE DISTRIBUTION CENTRE
AUTHOR:	Simon Fry

### THE DECISION

- (i) To delegate authority to the Head of Planning, Transport and Sustainability to take any action required to procure and implement a service provider for the SDC from the LSTF revenue budget.
- (ii) To delegate authority to the Head of Planning, Transport and Sustainability, following consultation with the Head of Finance and IT as well as the Head of Legal, HR and Democratic Services to proceed to financial and contractual close.
- (iii) To delegate authority to the Head of Legal, HR and Democratic Services to enter into all necessary legal contracts and documentation to action the above decisions.

### REASONS FOR THE DECISION

1. In 2007, it was estimated that by 2026 Southampton road networks would see a 40% growth in traffic levels, due to growth in population and economy. In addition, parts of the City have poor air quality and have been designated Air Quality Management Areas (AQMAs). One of the ways to help resolve this problem is to make the management of freight within the City more efficient. An SDC will do this by consolidating loads on the outskirts of the City so that fewer vehicles travel into the City centre. The benefits include less vehicles servicing the City centre (in Bristol once such centre has reduced traffic by close to 75%), and corresponding reductions in congestion and air pollution. There is also potential for achieving efficiencies to the logistics supply chain which may benefit companies or organisations using the City centre.
2. The SDC requires a critical mass of activity before it can be commercially

viable. This was revealed by a study commissioned by the Council to determine the best business case and delivery model. Following extensive consultation with potential users the study also identified that a level of pump priming subsidy would be required to make it work and that the critical mass could be achieved early on if the City Council or other large organisations use its services. Funding to deliver this project, including the subsidy, has been secured through the Local Sustainable Transport Fund (LSFT) grant.

3. This report seeks approval to undertake a procurement process to establish the SDC. The procurement will not expose the Council to any financial or other risks because the fixed term nature of the subsidy will be explicitly stated in the tendering process.

#### **DETAILS OF ANY ALTERNATIVE OPTIONS**

1. Do nothing – Failure to deliver the project would result in LSTF funding being handed back to the Department for Transport (DfT) or at best reallocated to other LSTF projects.
2. Council set up and run its own SDC – This option was rejected because it is more cost effective to pump prime the private sector to deliver this scheme. Case studies where local authorities have delivered the centre have shown significant disadvantages, including ongoing financial support.

#### **OTHER RELEVANT MATTERS CONCERNING THE DECISION**

None

#### **CONFLICTS OF INTEREST**

None

#### **CONFIRMED AS A TRUE RECORD**

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 19<sup>th</sup> March 2013

Decision Maker: The Cabinet

Proper Officer: Judy Cordell

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on;

27<sup>th</sup> March 2013

Date of Call-in (*if applicable*) (*this suspends implementation*)

Call-in Procedure completed (*if applicable*)

Call-in heard by (*if applicable*)

Results of Call-in (*if applicable*)