

Delegated Decisions report



23 March 2021

APPOINTMENT OF CONSULTANTS TO DEVELOP A TRANSPORT MODEL FOR THE NEW LOCAL PLAN

Name of Cabinet Member	Councillor Pete Marland (Leader of the Council)
Report sponsor	Paul Thomas Interim Director - Planning, Strategic Transport and Placemaking
Report author	James Povey Strategic Lead - Transport Policy and Planning James.povey@milton-keynes.gov.uk 01908 254 275

Exempt / confidential / not for publication	No
Council Plan reference	Commitments 23 & 34
Wards affected	All wards

Executive Summary

A new transport model compliant with national standards is required to support the new Local Plan, as well as future transport strategy development and funding bids. To avoid delay to the delivery of the new Local Plan, and ensure it is reliable and robust to meet our needs, the new model will use 2019 data. The work will be commissioned using Lot 1 (Professional Services) of the PSP3 Midlands Highways Alliance Framework and the contract will be awarded to AECOM Ltd. The contract period is anticipated to be fifteen months. The expected cost of all work to build and operate the model will exceed £500,000, with this decision concerned only with the award of the consultancy contract of £456,210 to build and host the new model. All the work to build and use the model in support of the next Local Plan will be funded from the £3.5m budget allocated via Annex W in 2020.

1. Decision to be Made

- 1.1 To agree to the direct award of contract to AECOM Ltd, under Lot 1 of the PSP3 MHA framework, to develop the new multi modal transport model for use as an evidence base to the next Local Plan, any Mass Rapid Transit business case, future transport strategies and other funding bids to be funded from the £3.5m identified within Annex W for Strategy to 2050 (PlanMK / MK Futures).

2. Why is the Decision Needed?

- 2.1 We have an existing multi modal traffic model (MKMMM) with a base year of 2016 which has been used as an evidence base for Plan:MK and the growth proposals it contains, the current Local Transport Plan and Government Funding Bids such as the £95 million Housing Infrastructure Fund Bid. The current traffic model would exceed the generally accepted 5-6 year age threshold in 2022 and so would be very unlikely to be compliant with Department for Transport standards. The next Local Plan due for adoption around 2025 will therefore require an updated modelling platform as evidence. The initial piece of work is expected to cost £456,210.
- 2.2 The development of the new MKMMM, up to the point it can undertake future forecasts, is expected to take 15 months following commission. The model development is on the critical path for the adoption of a new Local Plan, so any delay in commissioning the work will impact on the Local Plan timescales.
- 2.3 In addition to supporting the new Local Plan, the new model will be a key piece of evidence for the further development of the Mass Rapid Transit concept outlined in the Milton Keynes Strategy for 2050 and will also be vital in any future business case given its ability to forecast future travel demand. The model will also be a key piece of evidence in any future Local Transport Plans, supporting strategies, and supporting evidence for any future funding bids for new transport infrastructure.
- 2.4 The Council agreed £3.5m in Annex W of the 2020/21 budget to support work on 'Strategy to 2050 (PlanMK/MK Futures)'. Work on the new model will be funded from this given it is needed for the development of the new Local Plan and Mass Rapid Transit concept.
- 2.5 AECOM Ltd are being commissioned by a direct award under the Midlands Highways Alliance Framework. AECOM Ltd built and host the existing MKMMM. Commissioning them directly via the Framework has enabled officers to discuss our requirements and options with them and determine a model specification appropriate for our needs and budget. There are also additional benefits and efficiencies from their familiarity with the existing model, as well as the work they are doing on the new Bedford model given the interaction between the two model geographies.

2.6 A key area of uncertainty has concerned the base year for any new model, and this has delayed commissioning until now. This is the point at which all the travel data is gathered and on which the future model forecasts will be based. The Covid-19 pandemic has had obvious impacts on travel demand and behaviour. It is likely we could have a number of years before travel behaviour normalises, as businesses and society adapt following the experience and potential future measures to manage the pandemic. Given this instability in travel demand and behaviour, it has been concluded by officers and on advice from AECOM Ltd, that using pre-pandemic 2019 data is the most reliable on which to develop a robust model. This is an approach being taken by a number of other Local Authorities, and notably by Highways England for the development of their new regional models. As the longer-term impacts on travel behaviour from the pandemic are better understood in future years, sensitivity tests can be applied to model outputs to ensure credibility and compliance with any standards. There is a limited window of time when the 2019 data, provided by a third party (CitiLogik), is available to purchase as part of the AECOM Ltd commission.

2.7 Once the model is developed and available for forecasting, further work will be specified and subject to separate commissions from AECOM Ltd who will host and maintain the model on our behalf. This work will include the development of a forecast reference case to a future year, and the testing, analysis and reporting on any strategic developments being considered for inclusion in the new Local Plan. The precise costs for this additional work are unknown at the present time and will vary according to the number of growth scenarios and sensitivity tests that need to be undertaken, but the value is estimated to be up to £80,000. Future maintenance costs and further model tests and reports for infrastructure schemes and large planning applications will mean the value of this commission to AECOM Ltd will ultimately exceed £500,000, although developers contributions cover the costs of these amendments.

3. Implications of the Decision

Financial	Yes	Human rights, equalities, diversity	
Legal	Yes	Policies or Council Plan	Yes
Communication		Procurement	
Energy Efficiency		Workforce	

(a) Financial Implications

The initial cost of £456,210 represents significant expenditure on a single project, but it broadly aligns with the estimate for this work when the overall £3.5m budget for the Local Plan/Strategy for 2050 was allocated in 2020. Monitoring of the £3.5m budget allocated for the Local Plan/Strategy for 2050 occurs regularly via corporate boards overseeing the work programme for the new Local Plan.

(b) Legal Implications

The Council is the local transport authority and as such has various related statutory duties.

The report requests approval to award a contract to AECOM limited under Lot 1 of the PSP3 Midlands Highways Alliance Framework using the direct award option. The work to be carried out by the consultant will help the Council to develop a new transport model that is compliant with national guidelines and will facilitate the Council's compliance with its statutory duties as the local transport authority.

Use of frameworks is an accepted route to market provided that the framework proposed to be used has been procured in a manner that complies with procurement law and is open for use by the Council. Due diligence of the PSP3 MHA framework has been conducted. The framework was let following a compliant procurement exercise. The price element of the evaluation under the framework is 50% and therefore compliant with the Council's constitution which requires that at least 40% be attributed to the price element for tenders. The Framework permits direct award without further competition as requested under in this report. The framework was let on behalf of the MHA members of which MKC is a member and therefore the Council is directly identified as being able to use this framework as proposed. In awarding a contract under the framework, the Council has to adhere to the terms of the framework both for award and resulting contract in order to remain compliant with procurement law. The proposals under this report are compliant with procurement law and the Council's constitution.

(c) Other Implications

The current version of the Council Plan 2016-2022 includes the following commitments under the Climate Change key priority:

- Continue to support the development for a Mass Rapid Transport system (Commitment 23).
- Progress Plan:MK2 to plan the growth for MK properly, and include appropriate zero carbon housing mix policies that address the needs of Milton Keynes (Commitment 34).

The new MKMMM is a key evidence base for delivery of both of these commitments.

4. Alternatives

4.1 Do Nothing

We could continue to rely on the existing MKMMM for work on the Local Plan. The model would exceed the six-year age threshold in 2022 and so would be very unlikely to be compliant with Department for Transport standards. Its value as an evidence base for the next Local Plan would be undermined and risk the Plan being found unsound. Another consideration is that the current model's functionality limits its ability to model significantly improved public transport provision, and so would be less able to support an MRT business case.

4.2 Delay

We could delay the decision to commission the new MKMMM in order to base it on a data gathering exercise in 2022 when travel patterns may have settled. This would be expected to delay any new Local Plan adoption until at least 2026. We are unlikely to know in 2022 whether travel demand and behaviour has normalised by this point, as this could only be determined in retrospect some years into the future. Basing a model on such data would be very risky, and reduce confidence in its outputs, undermining any use of it. Delaying a decision now would also mean the option of utilising 2019-based data would no longer be available.

5. Timetable for Implementation

- 5.1 If the decision to commission AECOM Ltd is taken, work would commence in April 2021 to build the transport model ready for Local Plan testing as per the Local Development Scheme.

List of Annexes

None.

List of Background Papers

None.