

Director of Highways, Transport and Planning	Ref No: OKD28 (19/20)
20 December 2019	Key Decision: Yes
A29 Realignment Scheme – funding and contract award	Part I
Report by Project Manager, Place Services	Electoral Divisions: Fontwell, Barnham, Bersted

Summary

The A29 Realignment Scheme will deliver a new 4.34 km road to the east of Eastergate, Westergate and Woodgate villages. The scheme will be delivered in at least two phases. The full scheme (phases 1 and 2) has an estimated cost of £54.24m and will provide part of the highway infrastructure needed to support the planned strategic development of the area by providing access to land for residential and commercial development. The scheme will also alleviate traffic congestion along the existing A29, notably at the Woodgate level crossing which causes delays on to a key access route into Bognor Regis.

In March 2019, the Cabinet Member for Highways and Infrastructure made a [decision](#) which included approval of the route, business case, consultation and delegated the procurement process and award of a 'design and build' contractor for Phase 1 of the scheme to the Director of Highways and Transport.

The Transport Business Case submitted to the Coast to Capital Local Enterprise Partnership (LEP) was approved by their Investment Board on 17 October 2019. Subsequently £9.90 million of Local Growth Funding was awarded for the delivery of Phase 1, subject to entering into a funding agreement. The LEP has also agreed that further funds totalling £2.40 million will be earmarked for the delivery of Phase 2 should additional Government Funding become available to the LEP.

Phase 1 between A29 Fontwell Ave and B2233 Barnham Road is the subject of this decision for the County Council to enter into a funding agreement with the LEP and to award the Phase 1 contract for Design and Build Services (Ref HI20 (18/19)).

West Sussex Plan: Policy Impact and Context

The proposal has been identified as a priority for investment in the West Sussex Strategic Transport Investment Programme, supporting the delivery of strategic growth in Arun District.

This project supports the "A Prosperous Place" priority from the West Sussex Plan. The West Sussex Transport Plan 2011-2026 (WSTP) states that transport issues are a deterrent to visitors and businesses locating in Arun District. Bognor

Regis currently suffers from relatively poor connectivity by road and rail which has discouraged businesses from investing and has contributed to poor economic performance relative to the rest of West Sussex and the wider region. The aims for Arun include exploring opportunities through new development to improve access along the A29, including the potential to provide a bridge over the railway line avoiding the Woodgate level crossing.

Financial Impact

The Capital Programme 19/20 – 23/24 approved by Full Council February 2019 includes £55.5m for the A29 Phase 1 and Phase 2. The total scheme cost in the Transport Business Case is estimated at £54.24m, of which £11.65m is for Phase 1. £0.25m of the funding is approved as in flight, the remainder in pipeline.

For Phase 1, the County Council has been awarded by the Coast to Coast Local Enterprise Partnership (LEP) £9.90m (85% of the total cost of Phase 1) from the Local Growth Fund (LGF) subject to completion of a funding agreement between WSCC and the LEP. The remaining £1.75m (15% of the total cost of Phase 1) will be funded from local sources, comprised of developer contributions and/or WSCC capital funding.

Recommendations

The Director of Highways, Transport and Planning is recommended to;

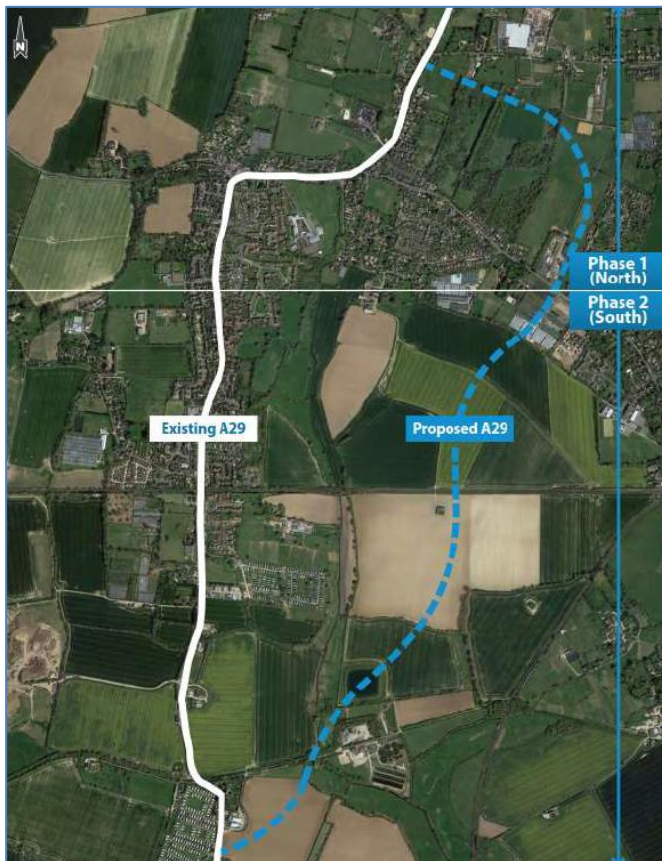
1. Enter into a Funding Agreement with Coast to Capital LEP for Phase 1 of the scheme;
2. Award the design and build contract for phase 1 of the scheme to Jackson Civil Engineering Group Ltd; and

Proposal

1 Background and Context

- 1.1 The proposed A29 Realignment Scheme will deliver a 4.34km road to the east of Eastergate, Westergate and Woodgate villages. The new road alignment will provide part of the highway infrastructure needed to support the planned strategic development of the area by providing access to land which will attract significant public and private sector investment.
- 1.2 The new road will also alleviate traffic congestion along the existing A29, notably at the Woodgate level crossing which causes delays on to a key access route into Bognor Regis.
- 1.3 The scheme will be delivered in at least two phases; Phase 1 from the A29 south of Eastergate Lane to a new junction with Barnham Road, Phase 2 from Barnham Road to a new junction on the A29 south of Lidsey bends. This is shown in Figure 1.

Figure 1



- 1.4 The LEP included the A29 Realignment scheme in the 2014 Strategic Economic Plan. In the Coast to Capital Growth Deal, the Government allocated £12.30m from the Local Growth Fund to the scheme in-principle, subject to confirmation of value for money and deliverability through the submission and approval of a Business Case.
- 1.5 In order to secure Local Growth Funding, WSCC submitted a Transport Business Case (TBC) to the LEP in January 2019 confirming deliverability and value for money. The TBC set out that the scheme will be delivered in at least two phases with priority being given to delivering Phase 1 between A29 Fontwell Ave and B2233 Barnham Rd. The Business Case was approved by the Coast to Capital LEP in October 2019 and it is requested that the County Council enter into a Funding Agreement with Coast to Capital LEP for £9.9m of LGF contribution to Phase 1. The £2.40m LGF for Phase 2 cannot be approved now because the work will take place beyond the current LGF spending window, however this sum will be earmarked for the delivery of Phase 2 should additional Government Funding become available to the LEP.

2. Proposal Details

- 2.1 Jackson Civil Engineering Limited submitted a compliance bid which has been evaluated as being the most economically advantageous to the County Council in terms of value for money.
- 2.2 It is therefore proposed that Jackson Civil Engineering Limited commence and complete Stage 1 (design) to enable all necessary information to be

prepared and ready for construction. Further approval for Stage 2 (construction) award for the scheme will be sought from the Director for Highways, Transport and Planning before the contract is awarded. This will require another Forward Plan item and published decision for Stage 2.

FACTORS TAKEN INTO ACCOUNT

3. Consultation

- 3.1 West Sussex County Council held a full public consultation for the new road realignment over a period of more than 8 weeks from 26 February to 26 April 2019. The Consultation Findings Report has now been published at this [link](#)
- 3.2 The Cabinet Member's proposed decision about the A29 Realignment Scheme was called-in by the Environment, Communities and Fire Select Committee on 13 March 2019.
- 3.3 In response, the Cabinet Member confirmed that comments received during the consultation would be taken into account before the scheme design was finalised.
- 3.4 It is acknowledged that no substantive changes were required to Phase 1 the scheme. However the detailed design will consider all comments and will require further localised engagement with stakeholders.

4. Financial and Resource Implications

- 4.1 The Transport Business Case estimated that the cost of the full scheme (both Phase 1 and 2) is £54.24m which will be funded using LGF (£12.30m), predicted developer contributions (£30.50m) and WSCC capital (£11.40m).
- 4.2 The Transport Business Case cost estimate for Phase 1 of the scheme is £11.65m. The County Council has been awarded by the Coast to Coast Local Enterprise Partnership (LEP) £9.90m (85% of the total cost of Phase 1) from the Local Growth Fund. The remaining £1.75m (15% of the total cost of Phase 1) will be funded from local sources, comprised of developer contributions (unsecured) and/or WSCC capital funding.
- 4.3 The LEP has been advised that the timings of works means £8.20m of the Local Growth Funding cannot be spent on the A29 realignment Phase 1 before the current LEP spending window concludes on the 31 March 2021. The LEP is in agreement that this funding will be swapped with other schemes in the County Council's capital programme in order to ensure that the Local Growth Funding is spent before the end of March 2021. This arrangement will be formalised within the funding agreement which is being entered into with the LEP.
- 4.4 Table 1 below provides the estimated costs cited in the Transport Business Case for Phase 1.

Table 1 Estimated Costs from Transport Business Case

Phase One Project Costs	Total Cost (£m)	LGF (£m)	Match Funding (£m)
Construction Costs	4.58	3.48	1.10
Professional Fees	0.92	0.92	0.00
Public Inquiry	0.23	0.23	0.00
Stats	0.69	0.69	0.00
Land	0.92	0.92	0.00
Risk	2.08	1.77	0.31
Future Inflation	0.71	0.60	0.11
Optimism Bias	1.52	1.29	0.23
Total Net Cost	11.65	9.90	1.75

4.5 The construction cost is tendered as £3.72m which is below the cost estimate so no change is required to the capital programme in order to award the contract. If the outturn costs for the scheme result in an underspend, then this will be managed through the governance arrangements for the capital programme.

4.6 Table 2 below shows the predicted spend and funding source profile.

Table 2 Predicted Spend and Funding Source Profile

	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m
In Flight Capital Budget A29 Phase 1				
WSCC Funding	0.25	0.00	0.00	0.25
Total Capital Budget	0.25	0.00	0.00	0.25
Capital Budget A29 Phase 1 - Funding from Pipeline to In Flight				
WSCC Funding	-0.25	0.00	0.70	0.45
Local Growth Fund *	0.70	9.20	0.00	9.90
S106 Developer Contributions **	0.00	0.00	1.05	1.05
LGF Virement	0.00	-8.20	8.20	0.00
Change From Proposal	0.45	1.00	9.95	11.40
Subtotal	0.70	1.00	9.95	11.65
Design & Build Contract Award	0.00	-0.72	-3.00	-3.72
Remaining Phase 1 Budget	0.70	0.28	6.95	7.93

* subject to Completion of Funding Agreement

** Unsecured

5 Legal Implications

- 5.1 The procurement procedure undertaken was a competitive call off from the WSCC Highways Design and Build Framework Lot 2. This Framework is compliant with the County Council's obligations under the Public Contract Regulations 2015 and its own Standing Orders on Procurement and Contracts.
- 5.2 As a member of the LEP and as the statutory highway authority, it is considered to be a statutory role to enable the delivery of local economic growth.
- 5.3 The scheme is identified in the capital programme which has received County Council approval. The individual contract(s) for the scheme require formal decisions, as per the Council's constitution.
- 5.4 TUPE will not apply at either the commencement of the contract or at the end of the contract.
- 5.5 The procurement approach was developed with the WSCC Contracts & Procurement Services Team and has been scrutinised by the WSCC Procurement Board.
- 5.6 The final weighted scores of the tender process are detailed in Appendix A.

6 Risk Management Implications

Risk	Mitigating Action (in place or planned)
There is a potential risk that funding spent on the scheme to date and any further spending may need to be funded by the County Council if the scheme is cancelled.	In March 2019, the Cabinet Member for Highways and Infrastructure approved the alignment which demonstrates that the County Council is committed to delivering the scheme. However, it is unlikely that the scheme will be cancelled as it forms a key part of the package of infrastructure needed to deliver the adopted Arun Local Plan.
There is a potential risk that the County Council could potentially face penalties in the event of not delivering the scheme.	As it is unlikely that the scheme will be cancelled, this risk is also considered to be unlikely.
There is a risk that costs for Phase 1 may exceed the tendered amount due to unpredictable variables, for example prolonged bad weather and unknown groundwork conditions delaying the completion date.	This is a common risk with civil engineering projects and in this case it is mitigated by optimism bias and risk funds allocated in line with normal practice.

7 Other Options Considered

The option not to proceed with the recommendations has been discounted because it would result in:

- a) a delay to the delivery programme if the services of a Design and Build contractor and Contract Administrator are not secured at the appropriate time; and
- b) the County Council failing to deliver the A29 Realignment, which would mean that the impact of development on the transport network may not be consistent with the National Planning Policy Framework.

8 Equality and Human Rights Assessment

- 8.1 An Equality Impact Report will be prepared following the award of contract for the design and build and will accompany the key decision to submit the planning application for the scheme.
- 8.2 There are no identifiable Human Rights Act implications.

9 Social Value and Sustainability Assessment

The scheme will provide improvements to sustainable transport infrastructure (e.g. cycle lanes, footways). This will have a positive impact on non-motorised users including those who are physically less able who will be afforded better access to services without necessarily having to use vehicular transport. This is expected to contribute to greater independence in later life as well as generally improved health and well-being for the local community.

10 Crime and Disorder Reduction Assessment

There are no identifiable Crime and Disorder implications.

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