

## **Report to Councillor Joy Dennis, Cabinet Member for Highways and Transport**

**March 2022**

### **A259 Bognor Regis to Littlehampton Corridor Enhancement Scheme**

#### **Report by Assistant Director (Highways, Transport and Planning)**

**Electoral division(s): Arundel & Courtwick, Littlehampton Town and Middleton**

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#### **Summary**

The A259 Bognor Regis to Littlehampton corridor enhancement scheme was identified as a priority scheme in the Strategic Transport Investment Programme by the County Council in 2019/20. It is considered as one of the top ten schemes in the South East by Transport for the South East. The proposed scheme involves major transport infrastructure improvements to a series of key junctions along the corridor, including junction capacity, non-motorised and bus users' provision and was subject to a public consultation in summer 2021.

The Department for Transport (DfT) has approved the Strategic Outline Business Case (SOBC) for the scheme, and the next stage of the scheme development is to prepare and submit an Outline Business Case (OBC) to the DfT

#### **Recommendations**

That the Cabinet Member for Highways and Transport:

- (1) Approves a £1.855m increase to the budget allocation for the Outline Business Case development as set out at paragraph 5.1 of the report; and
  - (2) Delegates authority to the Assistant Director (Highways, Transport and Planning) to prepare and submit the Outline Business Case to the DfT.
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#### **Proposal**

##### **1 Background and context**

- 1.1 The A259 Bognor Regis to Littlehampton corridor enhancement scheme was identified as a priority scheme in the [Strategic Transport Investment Programme \(STIP\)](#) by the County Council in 2019/20 (Ref: H&I02 (19/20)). It forms part of a package of transport infrastructure and service improvements to support the delivery of 20,000 new homes and 75 hectares of employment land in Arun. The proposed scheme which involves major transport infrastructure

improvements is considered as one of the top ten priority schemes for government's Major Road Network (MRN) funding investment in the South East by Transport for the South East.

- 1.2 The County Council carried out an Options Appraisal and Feasibility Study for the A259 corridor between Bognor Regis and Littlehampton in 2020. Following engagement with the key stakeholders, the number of proposals was reduced from sixty-five down to one proposal at each location. These proposals were subject to an online public consultation in summer 2021 and the consultation feedback indicated they were generally well supported.

## **2 Proposal details**

- 2.1 Further MRN funding can only be secured from the DfT following confirmation of the scheme's deliverability and value for money through the preparation of a business case. The business case is to be developed in two stages: outline and full and the MRN funding can only be drawn down in full (estimated to be £24.87m at SOBC stage) following ministerial approval of the full business case.
- 2.2 It is estimated the OBC will take around two years and £2.180m to develop. The DfT has agreed to provide £0.849m capital grant towards the OBC development and the County Council has accepted this grant. In addition, it is proposed that a further £1.006m corporate funding is to be allocated for the OBC development on top of the £0.325m corporate funding currently allocated.
- 2.3 It is proposed that the authority to make all necessary arrangements required for the preparation and submission of the OBC to the DfT to be delegated to the Assistant Director (Highways, Transport and Planning).

## **3 Other options considered (and reasons for not proposing)**

- 3.1 **Reject DfT's offer and stop OBC work** – the County Council could choose to reject the DfT's offer of OBC development grant and stop all preparation work for the scheme. This is rejected as the scheme was identified as a priority scheme in the Strategic Transport Investment Programme (STIP); the proposals were generally well supported during the public consultation in summer 2021 and £0.277m revenue funding has already been spent in developing the scheme (Options Appraisal, Feasibility Study and SOBC) and a further £0.325m corporate funding has also been allocated to continue with new traffic data collection and traffic model development work.
- 3.2 **Reject DfT's offer but continue OBC work** – the County Council could choose to reject the DfT's offer and fund the OBC development in its entirety. This is rejected as it means the County Council would have missed the opportunity to secure a significant amount of forward funding for the scheme.
- 3.3 **Do Nothing** – this is rejected due to the predicted pressure on the A259 corridor due to the planned development in the Arun Local Plan.

## **4 Consultation, engagement and advice**

- 4.1 A formal online public consultation regarding the proposed scheme ran for a period of eight weeks between 21 June 2021 and 15 August 2021. Consultation materials including details of the proposed scheme were posted on the County Council's Your Voice Engagement Hub and hard copies were provided at local libraries and available upon request. More than 14,500 copies of letters were

delivered to local businesses and residents advising them of the public consultation.

- 4.2 A total of 564 responses were received and analysed. The support for the proposed scheme varied from location to location, the least supported proposal received 56% support and the most supported 79%. A summary of the full consultation report is included as Appendix A.
- 4.3 It is proposed that further engagement and public consultation with key stakeholders and the community will be held as the scheme design continues to be developed.

## 5 Finance

- 5.1 The scheme has an approved budget of £0.325m in the Capital Programme. The DfT has agreed to provide £0.849m towards the development of an OBC and an additional £1.006m corporate funding is required to complete this. Therefore £2.180m is required to develop the OBC and the total proposed increase to the scheme budget is £1.855m.

	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
<b>Current Budget</b>				
Corporate Funding	0.325	0.000	0.000	0.325
<b>Change From Proposal</b>				
Corporate Funding	-0.325	0.586	0.745	1.006
DfT MRN Funding	0.420	0.429	0.000	0.849
<b>Revised Budget</b>				
Corporate Funding	0.000	0.586	0.745	1.331
DfT MRN Funding	0.420	0.429	0.000	0.849
<b>Total</b>	<b>0.420</b>	<b>1.015</b>	<b>0.745</b>	<b>2.180</b>

- 5.2 It should be noted (albeit does not form part of this proposal) that following the approval of the OBC by the DfT, a Full Business Case (FBC) will need to be developed and approved before the remaining DfT funding is secured for delivery. It is estimated that the FBC will take a further two years and £2.040m to develop following the OBC and is expected to require further £0.402m corporate funding and £1.638m DfT funding (unsecured). The estimated total cost to deliver the scheme is £29.575m as reported in the SOBC submitted to the DfT in December 2020 and it is anticipated DfT's MRN funding will contribute £24.87m (or 84%) to the total scheme cost. However, any allocations above the £0.849m secured are subject to the County Council's request and approval by the DfT.

## 6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Stakeholders withdraw support for the scheme	Ensure a programme of continual engagement with key stakeholders and that public consultation with the community is developed and undertaken at suitable intervals during the OBC development process.
DfT rejects OBC submission and all grant	Ensure regular liaison with DfT officers is maintained and the OBC is developed in compliance with the Transport Appraisal Guidance

Risk	Mitigating Action (in place or planned)
spent may have to be repaid in full	(WebTAG). Costs incurred in this event would have to be met from corporate borrowing.
Evolving guidance from the DfT in scheme appraisal techniques and approaches to business case development	Ensure regular liaison with DfT officers is maintained and the OBC is developed in accordance with the latest guidance. Additional costs incurred in addressing this event, particularly with increasing emphasis for carbon management plan may have to be met from corporate borrowing.

## 7 Policy alignment and compliance

- 7.1 Our Council Plan (2021-2025) – this proposal will contribute towards the delivery of Priority 2: A sustainable and prosperous economy.
- 7.2 Legal – the procurement of a consultant to develop the OBC will be in accordance with the County Council’s standing orders as well as Public Contracts Regulations 2015.
- 7.3 Equality Duty and Human Rights Assessment – an Equality Impact assessment has not been prepared for this decision because it relates to scheme budget allocation and OBC development. However, an assessment will be prepared following the next public consultation.
- 7.4 Climate Change – this proposal will contribute towards CO<sub>2</sub> reduction through a less congested road network, provision of active travel and bus priority measures.
- 7.5 Crime and Disorder, Public Health and Social Value – there are no identifiable crime and disorder, public health or social value implications associated with this proposal.

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## Appendices

A – Public Consultation 2021 Summary Report