

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

August 2023

A259 Bognor Regis to Littlehampton Corridor Enhancement Scheme – Funding Acceleration and Revision to Proposals

Report by Assistant Director (Highways, Transport and Planning)

Electoral divisions: Arundel & Courtwick, Littlehampton Town and Middleton

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 part of a package of transport mitigation measures identified to support the delivery of strategic developments in the Arun Local Plan. It has also been identified as a short term (2022-27) priority for investment in the West Sussex Transport Plan 2022-36 because it is expected to provide strategic transport benefits that will help to deliver the vision and objectives of the West Sussex Transport Plan. The scheme is also one of the top ten priority schemes considered by Transport for the South East for government investment in the South East.

The main aims of the scheme are to support delivery of the Arun Local Plan by enabling the delivery of new homes and jobs, to improve journey times along the A259 and to provide network resilience to the A27 Strategic Road Network. It includes a package of proposals to increase junction capacity, improve road safety and enhance active travel and bus priority provisions at nine locations along the A259 corridor. The scheme has been subject to two public consultations in 2021 and 2023.

The Strategic Outline Business Case was approved by the Department for Transport (DfT) in 2021, and the Outline Business Case is currently being completed and scheduled for submission to the DfT later this year.

The Cabinet Member for Highways and Transport has previously approved the budget allocation for the Outline Business Case development and delegated authority to the Assistant Director for Highways, Transport and Planning to prepare and submit the Outline Business Case to the DfT.

It should be noted that the construction of the A259 Bognor Regis to Littlehampton Corridor enhancement scheme is subject to DfT funding.

Recommendations

That the Cabinet Member for Highways and Transport:

- (1) Approves the revised package of proposals, sets out in paragraphs 2.4 to 2.6, for the A259 Bognor Regis to Littlehampton corridor enhancement scheme for inclusion in the Outline Business Case;
 - (2) Approves the accelerated capital funding allocation of £3.419m to commence development of the Full Business Case, prior to the approval of the Outline Business Case by the DfT; and
 - (3) Delegates authority to the Assistant Director for Highways, Transport and Planning to:
 - a) make all necessary preparations to develop the Full Business Case to the DfT, and to procure the construction contractors for the scheme from the approved list of contractors on the Hampshire County Council's Generation 4 or 5 Frameworks; and
 - b) submit all necessary applications for planning permissions to the County Council's Planning Services for the proposed A259 Bognor Regis to Littlehampton corridor enhancement scheme as set out in paragraphs 2.4 to 2.6.
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Proposal

1 Background and context

- 1.1 A Strategic Outline Business Case (SOBC) for the A259 Bognor Regis to Littlehampton corridor enhancement scheme was approved by the Department for Transport (DfT) in October 2021 and this confirmed the scheme's entry into their Major Road Network (MRN) investment programme. The DfT has made a financial contribution to support the [development of an Outline Business Case \(OBC\)](#).
- 1.2 Following further technical design work as part of the Outline Business Case (OBC) development, the County Council undertook a second public consultation in spring 2023, and the feedback indicated that the preferred package of proposals which forms the proposed scheme, is generally well supported.
- 1.3 However, discussions with the DfT following the public consultation suggests that a lower cost alternative package of proposals that presents value for money may have a greater opportunity in securing MRN grant funding.
- 1.4 The OBC is anticipated to be submitted to the DfT for review in October 2023, and usually the Full Business Case (FBC) development would commence following OBC approval. However, due to DfT's MRN investment programme requirement that the construction must start by no later than March 2025 and the complex nature of the proposed scheme, it is imperative that the FBC development needs to commence without delay.

2 Proposal details

Preferred package of proposals

- 2.1 The preferred package of proposals to enhance ten locations along the A259 (Table 1) was subject to consultation in summer 2021, and following feedback

received the proposal for a major roundabout at the A259/Ferry Road junction (Location 6) was replaced by a minor junction realignment. The A259/Wick roundabout (Location 10) was also removed from the preferred package of proposals following confirmation to proceed with the construction of the A284 Lyminster bypass by the County Council in summer 2022.

Table 1: Original Proposal Locations and Details

No.	Location	Proposal Details
1	Comet Corner	New roundabout with active travel and bus priority measures
2	Public Rights of Way 165 & 166	New pedestrian traffic island
3	Baird's Business Park junction	New left turn lane into business park
4	Oystercatcher	New roundabout with active travel and bus priority measures
5	Church Lane	Additional active travel and bus priority measures to developer's roundabout proposal
6	Ferry Road	New roundabout with active travel measure
7	Public Rights of Way 206	New walking connection
8	Clympwick Bridge	Active travel measure
9	Bridge Road roundabout	New left turn lane on Bridge Road approach and active travel measures
10	Wick roundabout	Removal of one arm of existing roundabout

- 2.2 Following further design development work, a six-week public consultation was undertaken between 13 March and 23 April 2023 on the revised preferred package of proposals (consisting of nine locations). A total of 393 people attended the six public events (a combination of in-person and online) and 217 questionnaires and feedback were received. The feedback indicated that 81% of the respondents were supportive of the package of proposals presented.
- 2.3 When asked about the priority of implementation for each location, the results indicated that Comet Corner (Location 1) is the top priority at 83%, this is closely followed by Oystercatcher (Location 4) at 81% and Public Rights of Way 206 (Location 7) being the least important of the nine locations. Several minor design revisions have been made to the proposals at Comet Corner, Oystercatcher, Church Lane, Ferry Road and Bridge Road following consultation feedback.

Revised package of proposals

- 2.4 The preferred package of proposals is estimated to cost significantly more than the original estimate in the SOBC due to inflation and rising costs as a result of recent world events. The increase in scheme cost was discussed with the DfT in June 2023 and it was concluded that it would be prudent for the County Council to consider a lower cost revised package of proposals. This is because the scheme consists of proposals at individual locations and therefore possible to de-scope without significantly impacting the overall objectives when compared with a linear scheme, for example, the dualling of the A2300 in Burgess Hill.
- 2.5 With the deferral of the A27 Arundel bypass scheme by central government, it is even more important for the County Council to implement a scheme with proposals that ensures vehicular traffic movement along the A259 corridor is maintained, as well as having public support. It is therefore proposed that a revised package consisting of proposals at five locations (Table 2) that:
- a) meets the MRN/scheme objectives
 - b) has good level of benefits
 - c) has high stakeholder/community support
 - d) is closer to the estimated cost indicated in the SOBC
- is put forward.
- 2.6 On this basis, the revised package of proposals retains Comet Corner (Location 1), Oystercatcher (Location 4), Church Lane (Location 5) enhancement, Ferry Road (Location 6) and Bridge Road (Location 9). In addition, the active travel connections between Oystercatcher and Church Lane will be improved and speed limits along the A259 corridor will be changed to provide a more consistent speed limit that aligns with the latest County Council's speed limit policy. Subsequently, the remaining four locations will not form part of this package to be submitted as part of the OBC.
- 2.7 It is worth noting that a senior officer from Arun District Council regularly attends the project board meetings and is supportive of the County Council's approach in mitigating the cost increases of the scheme.

Table 2: Revised Proposal Locations and Details

No.	Location	Proposal Details
1	Comet Corner	New roundabout with active travel and bus priority measures
4	Oystercatcher	New roundabout with active travel and bus priority measures
5	Church Lane	Additional active travel and bus priority measures to developer's roundabout proposal
6	Ferry Road	New active travel measures

9	Bridge Road roundabout	New left turn lane on Bridge Road approach and active travel measures
11	Between Oystercatcher and Church Lane	New active travel measures
12	The A259 Corridor between Flansham Lane and Bridge Road Roundabouts	New speed limits

FBC development

- 2.8 The FBC development would normally commence after the OBC is approved. However, due to the DfT's programme requirement and the need to have planning permissions to implement the proposals at Comet Corner and Oystercatcher secured before FBC submission, it is essential to start the FBC development with immediate effect.
- 2.9 It is estimated that the FBC will take twenty-two months to develop, and this includes undertaking ground investigations to inform the technical design process, securing planning permissions (planning applications will be submitted by the Assistant Director for Highways, Transport and Planning) and the procurement of a principal contractor for the construction. The planning applications will be submitted to the County Council's Planning Services and be determined by the County Council's Planning and Rights of Way Committee.
- 2.10 The anticipated timeline for the FBC development is as follows:
- a) Detailed design and FBC development – September 2023 to November 2024
 - b) FBC submission to DfT – November 2024
 - c) Planning process (including preparation, submission, determination and discharge of planning conditions) – September 2023 to June 2025
 - d) FBC approval by DfT – March 2025
 - e) Construction contract award – March 2025
 - f) Construction mobilisation – April to June 2025
 - g) Construction starts – July 2025

3 Other options considered (and reasons for not proposing)

- 3.1 The options not to proceed with the recommendations have been discounted because:
- a) retaining all proposals that were included in the SOBC submission would result in:
 - the County Council having to demonstrate to the DfT why it has not taken the opportunity to review and descope the scheme
 - a higher scheme cost leading to the scheme having a lower Benefit to Cost Ratio (BCR)

- greater funding contribution required from the County Council
- less opportunity in securing DfT's approval to the OBC

b) not accelerating the capital funding allocation would result in:

- a significant delay to the delivery programme, which may risk the County Council in not meeting the DfT's programme requirement and thus failing to secure the required MRN funding for the revised scheme
- the County Council potentially failing to deliver a well-supported scheme as demonstrated by the outcome of the two public consultations
- the County Council incurring a substantial amount of costs in developing a scheme that is aborted at this stage

4 Consultation, engagement and advice

- 4.1 Two formal public consultations regarding the proposed scheme were undertaken in 2021 and 2023 and the outcome is detailed in Section 2.
- 4.2 Regular updates have been provided to the County Council's local member for Middleton (Councillor Jacky Pendleton), Yapton/Ford/Climping Advisory Group, North Littlehampton Members Steering Group and the DfT.
- 4.3 The key stakeholders will continue to be engaged as the revised scheme continues to be developed.
- 4.4 The Capital and Assets Board (internal governance) has considered and supports the proposal and no material changes have since been made to the proposal or the recommendations.

5 Finance

- 5.1 The scheme has an approved budget of £2.233m in the Capital Programme to develop the OBC. It is funded by £0.849m DfT grant funding, £1.331m corporate funding and £0.053 other external funding.
- 5.2 It is estimated that a further £3.419m of capital funding will be required to develop the FBC and Table 3 shows a breakdown of the estimated development costs between 2023/24 and 2025/26.

Table 3: Breakdown of the Estimated FBC Development Costs

Description	23/24 (£m)	24/25 (£m)	25/26 (£m)	Total Costs (£m)
Surveys and Site Investigations	0.524	0.500	0.000	1.024
Technical Design and FBC	0.480	1.164	0.000	1.644
Contractors Procurement and Management	0.038	0.090	0.023	0.151

Contractors Support to Technical Design	0.000	0.150	0.000	0.150
Client Management and Planning	0.000	0.250	0.050	0.300
Risk Allowance	0.050	0.100	0.000	0.150
Total	1.092	2.254	0.073	3.419

- 5.3 Of the additional budget ask of £3.419m, it is anticipated £1.092m will be required in 2023/24 and this includes £0.165m developer contributions (secured) and £0.927m corporate funding from the Capital Improvements Programme which has a budget remaining of £22.116m. It is estimated that £2.254m will be required in 2024/25 and £0.073m in 2025/26 and the assumption is that the full amount for these years will be met by DfT grant funding, subject to approval from DfT. If the grant funding is not available this will need to be underwritten from the Capital Improvements Programme.
- 5.4 The additional funding will increase the total scheme budget to £5.652m. Table 4 shows the proposed expenditure.

Table 4: Proposed Expenditure

	21/22 (£m)	22/23 (£m)	23/24 (£m)	24/25 (£m)	25/26 (£m)	Total (£m)
Profiled Cost	0.396	0.762	2.167	2.254	0.073	5.652
Funded by:						
Corporate Funding/Borrowing	0.325	0.072	1.861	0.000	0.000	2.258
Arun District Council	0.000	0.053	0.000	0.000	0.000	0.053
S106	0.000	0.000	0.165	0.000	0.000	0.165
DfT's Grant Funding (1)	0.071	0.637	0.141	2.254	0.073	3.176
Total	0.396	0.762	2.167	2.254	0.073	5.652

Note (1) assumes early draw down of DfT's MRN funding for full business case development.

- 5.5 The current estimated total cost to deliver the revised scheme is £35.685m and it is anticipated the DfT will contribute £30.332m (or 85%), the remaining £5.353m (15%) will be funded by a combination of developer contributions and corporate funding.
- 5.6 It should be noted that the £0.849m DfT's contribution for OBC development is part of the £30.332m anticipated DfT's contribution and the remainder is subject to DfT approval.

- 5.7 All FBC development work will be stopped immediately should DfT reject the OBC submission, and the costs incurred in developing the FBC would have to be met by the County Council.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Stakeholders withdraw support for the revised package of proposals	Ensure continual engagement with key stakeholders throughout the scheme development process.
DfT rejects OBC submission	Ensure OBC is developed in compliance with the Transport Appraisal Guidance and maintain regular liaison with DfT officers, particularly to gain an understanding of funding constraints. All FBC development work will be stopped immediately should DfT reject the OBC.
DfT rejects FBC submission	Ensure FBC is developed in compliance with the Transport Appraisal Guidance and maintain regular liaison with DfT officers.

7 Policy alignment and compliance

- 7.1 Our Council Plan (2021-2025) – this proposal will contribute toward the delivery of Priority 2: A sustainable and prosperous economy.
- 7.2 Legal Implications – the procurement of a contractor to support the development of the FBC 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 been prepared for the development of the scheme. Several short-term/temporary negative impacts have been highlighted during the construction of the scheme. A Construction Traffic Management Plan will be produced to minimise the disruption to all road users, including walkers, cyclists and horse riders.
- 7.4 Climate Change – this proposal will contribute toward CO₂ reduction through a less congested road network, improved facilities for walking, cycling and bus travel.
- 7.5 Crime and Disorder – there are no identifiable crime and disorder implications associated with this proposal.
- 7.6 Public Health – this proposal will contribute toward a healthier lifestyle through provision of active travel and bus priority measures.
- 7.7 Social Value – this proposal will assist the County Council to achieve the aims of its climate change strategy through a less congested road network, improved facilities for walking, cycling and bus travel.

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Appendices – none

Background papers - none