

Mr Roger Elkins, Cabinet Member for Highways and Infrastructure	Ref No: HI20 18/19
February 2019	Key Decision: Yes
A29 Realignment Scheme	Part I
Report by Executive Director of Economy, Infrastructure and Environment and Director of Highways and Transport	Electoral Divisions: Fontwell, Barnham, Bersted

Summary

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 the highway infrastructure needed to support the planned strategic development of the area by providing access to land for residential and commercial development. 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.

Coast to Capital Local Enterprise Partnership (C2CLEP) included the A29 Realignment scheme in the 2014 Strategic Economic Plan. In the Coast to Capital Growth Deal, the Government allocated £12.3m 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.

The County Council has since commissioned consultants WSP to develop the preliminary design and produce the Business Case for submission to Coast to Capital LEP. The Business Case sets out that the scheme will be delivered in at least two phases with priority being given to delivering Phase one between A29 Fontwell Ave and B2233 Barnham Rd. Upon approval of the Business Case, the County Council will enter into a Funding Agreement with Coast to Capital LEP for the whole scheme.

The report seeks authority for the project to be submitted for approval by the LEP and for the necessary consultation and procurement steps to be taken once the business case is approved.

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.

Financial Impact

Part of the capital cost associated with this scheme will be provided by central government under the Local Growth Fund arrangement. The remainder provided by the County Council and developer contributions detailed in the business case.

Recommendations

The Cabinet Member for Highways and Infrastructure is recommended to;

- (1) Approve the identified route for the A29 Realignment set out at paragraphs 3.4 and 3.6;
- (2) Approve the A29 Realignment Business Case (Appendix to the report) for submission to Coast to Capital LEP for its approval;
- (3) Delegate authority to the Director for Highways and Transport, in consultation with the Director for Finance, Performance and Procurement, to enter into a Funding Agreement with Coast to Capital LEP for the whole scheme once approved;
- (4) Commence public consultation on the proposed scheme for the A29 Realignment described in section 3 of the report in Feb/March 2019;
- (5) Authorise, subject to business case approval, the commencement of a process to procure and award a 'design and build' contractor for Phase 1 of the A29 Realignment scheme from the approved list of contractors on the Highways and Transportation Framework;
- (6) Delegate authority to the Director for Highways and Transport to award the design and build contract following the outcome of the procurement process; and
- (7) Delegate authority to the Director for Highways and Transport to submit a planning application for Phase 1 of the scheme.

1 Background and Context

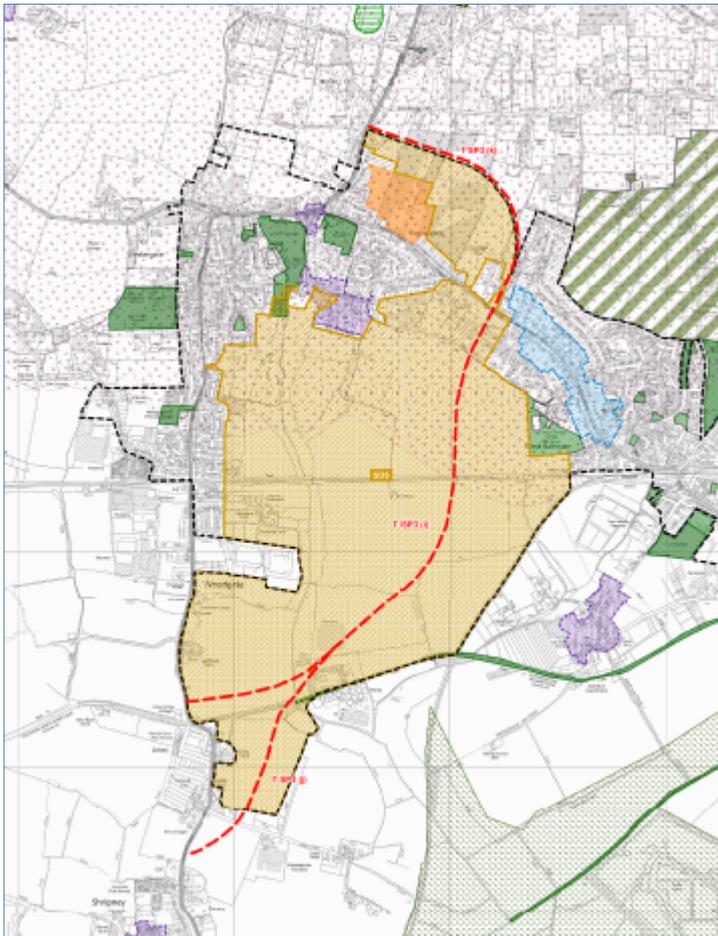
1.1 The A29 Realignment scheme was identified as a priority for investment in the County Council's Strategic Transport Investment Programme (STIP) in June 2014 (HT07 (14-15)). This investment supports the delivery of strategic growth in Arun District which is a priority in the Arun Growth Deal that identifies the A29 road improvements as a key infrastructure project for delivery as early as possible.

1.2 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.

- 1.3 The adopted Arun Local Plan 2011-2031 (ALP) identifies Bognor Regis as a strategic location where new development is expected to help deliver much needed regeneration during the lifetime of the Plan. The ALP also allocates land at Barnham, Eastergate and Westergate (BEW) for strategic housing and commercial development and associated community infrastructure. The site allocation also includes an indicative route for the A29 Realignment to provide access to the site as part of a strategic infrastructure package to mitigate the cumulative impacts of development over the plan period. There is also potential within the strategic site allocation for further development to be delivered beyond the end of the plan period, subject to all relevant planning decisions. Figure 1 below is an extract of Map 2 from the Arun Local Plan – Barnham, Eastergate and Westergate Strategic Site Allocation.

Figure 1 – Arun Local Plan – Barnham, Eastergate and Westergate Strategic Site Allocation (extract from Map 2)



Chapter 12 - Housing Delivery			
Strategic Housing Allocations:			
	Site Specific		Committed
<hr/>			
	SD3	West of Bersted	
	SD4	Littlehampton - West Bank	
	SD5	BEW	
	SD6	Fontwell	
	SD7	Yapton	
	SD8	Ford	
	SD10	Climping	

2 Background

- 2.1 The existing A29 experiences traffic congestion during the peak periods, notably at the Woodgate level crossing, leading to unreliable journey times and potentially causing poor air quality. The congestion is caused by the Woodgate level crossing barriers being down resulted in delays of approximately 35 minutes in the peak hours.
- 2.2 To the north west of the scheme is the War Memorial junction. This junction is a critical pinch point on the existing highway network, with limited scope for capacity improvements due to the current land constraints surrounding the junction. As such the junction is likely to be a significant constraint on the level of future development.
- 2.3 To the south of the proposed scheme are the Lidsey bends. This is a section along the existing A29 through Lidsey where the alignment requires drivers to negotiate a series of significant bends in the road which have historically been a source of concern from a road safety perspective.
- 2.4 The strategic site allocations identified in the ALP will generate and affect the distribution of traffic in the district. The cumulative impacts of the strategic site allocations are expected to increase demand on the existing A29 and B2233 roads by non-motorised users and motorised vehicles, including public transport. The A29 Realignment will provide access to planned strategic development at Barnham, Eastergate and Westergate (shown in Figure 1) and help to mitigate impacts on the highway network that would otherwise be severe. Additionally there have been recently completed and/or planned commercial developments north of Bognor Regis at a strategic site known as 'Enterprise Bognor Regis' that could potentially benefit from the A29 Realignment scheme.
- 2.5 The ALP is supported by an evidence base that includes the Arun District Local Plan Transport Study 2017 (Local Plan Transport Study). The Local Plan Transport Study identifies a package of strategic infrastructure to mitigate the severe residual cumulative impacts of development that includes the A29 Realignment.

- 2.6 To ensure the scheme supports the objectives of the WSTP and encourages the use of sustainable modes of transport and sustainable travel patterns in the strategic development, the scheme has been designed to cater for non-motorised and motorised users, including public transport. The design also integrates with the existing highway network and new routes proposed as part of the strategic development.

Route Option Generation and Selection

- 2.7 Three previous feasibility studies have considered the potential route options for the A29 Realignment. These studies considered the traffic, safety, environmental and deliverability issues associated with the route options.

- **A29 Woodgate Study, 2012**

In 2012 the County Council, working on behalf of Arun District Council, commissioned Parsons Brinkerhoff to undertake the A29 Woodgate Study. The Study examined the feasibility of providing a bypass to the existing Woodgate level crossing, with four routes identified. One of the options identified in the Study was published for consultation in the Draft Arun Local Plan in 2012.

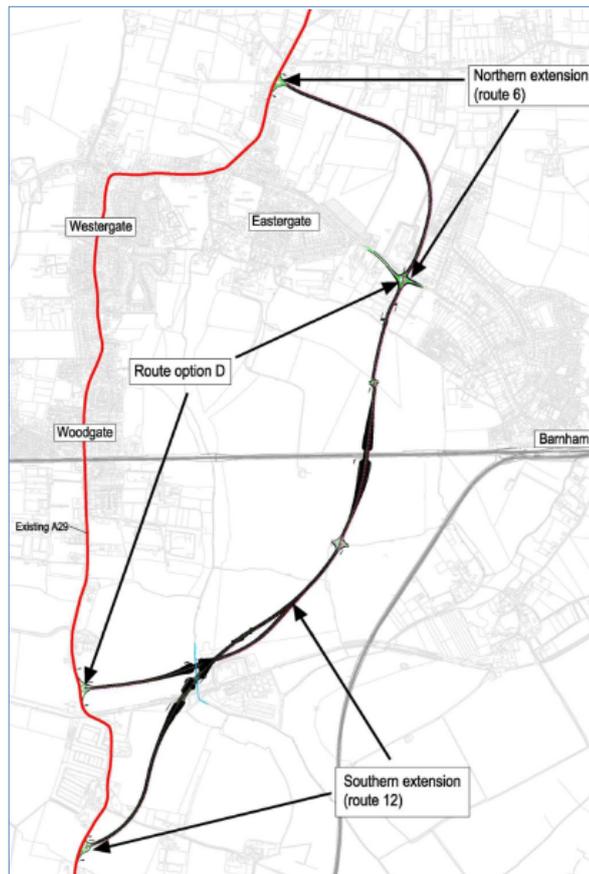
- **A29 Realignment Viability Study, 2013**

Commissioned by Arun District Council, the study looked to identify a viable route for the A29 Realignment. Building upon the A29 Woodgate Study (2012), the Study identified a number of potential route options each with different connections to the existing highway network. A high level assessment was carried out for each route option and ranked based upon environmental impact, deliverability, traffic benefits, road safety and scheme costs. The identified route was east of the existing A29 with the other options considered unviable.

- **A29 Realignment Feasibility Study, 2014**

During 2014, in preparation for the Arun Draft Local Plan, Arun District Council commissioned Systra to undertake the A29 Realignment Feasibility Study. The Study identified and developed an indicative route which took into account the findings of the A29 Realignment Viability Study (2013) and also considered additional northern and southern tie-in extensions. The plan of the route is given in Figure 2 below.

Figure 2 – A29 Realignment Feasibility Study (2014) Indicative Route



2.8 In 2014 through approval of the Strategic Outline Business Case (SOBC) for the A29 Realignment Scheme, the Government allocated £12.3m of the Local Growth Fund (LGF), 'in-principle' as part of the Coast to Capital Growth Deal as a contribution. However the LGF contribution can only be secured through submission and approval of a Business Case confirming value for money and deliverability of the scheme.

3.0 Proposal Details

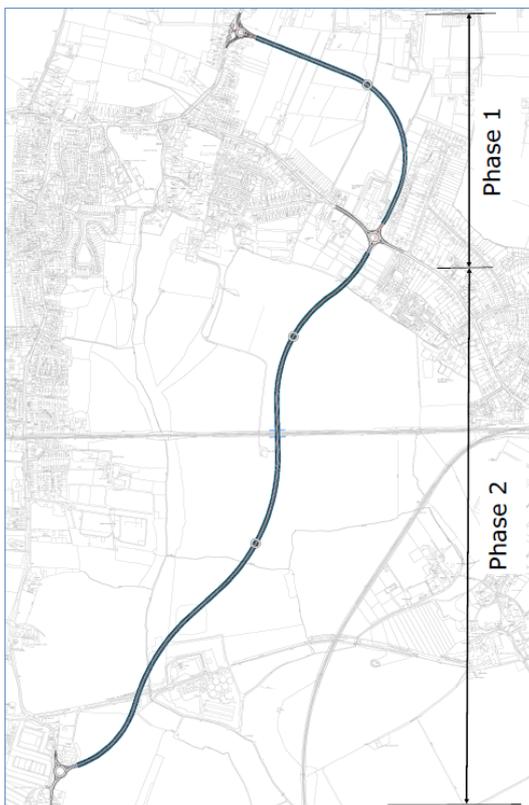
3.1 In March 2018, the County Council commissioned consultants WSP to review the three previous studies and identify the advantages and disadvantages of the A29 Realignment Feasibility Study (2014) indicative route options. The purpose was to confirm understanding of the indicative route options presented in the report and to assist in the selection of an 'identified route' for preliminary design.

3.2 As part of this process, the County Council met with statutory stakeholders including Network Rail, Highways England, Historic England, Sussex Police Natural England, Arun District Council (ADC), Chichester District Council and the Environment Agency to discuss the scheme risks and opportunities. An

Option Summary Table was then prepared focusing on the advantages and disadvantages of the indicative route options.

- 3.3 A high level Appraisal Summary Table (AST) was completed for each of the three indicative route options. The purpose of the ASTs was to summarise key impacts in the form of a qualitative assessment, summarise the findings from the three previous studies and use feedback from the stakeholder options review and risk workshop. The three route options and ASTs are provided in the background papers.
- 3.4 The review of indicative route options concluded that Option 2 – Route 6, part D and 12, should be the identified route, given in Figure 3 below. This is principally because this route avoids introducing traffic north of Lidsey bends, where there are road safety concerns and avoids the need of an additional crossing over the watercourse. It also provides access to land in the southern section of the strategic site allocation that has potential for development.
- 3.5 The ASTs concluded that that the identified route demonstrated;
- Economy - likely be beneficial to the economy.
 - Environment - the environmental impact will likely be neutral. The exception is air quality, which is likely to be beneficial.
 - Social – will likely be beneficial in terms of social impacts.

Figure 3 – A29 Realignment Identified Route



- 3.6 It is recommended that the route shown in Figure 3 is identified as the preferred route for the A29 Realignment. To ensure that this alignment is protected from other developments that could compromise its future delivery, the County Council seeks to protect this alignment from alternative forms of development through its responses to land charge advice requests.

4. Business Case

- 4.1 The following paragraphs summarise the reasoning and evidence included in the Business Case to be submitted to the C2C LEP.

Strategic Case

The A29 Realignment scheme is an important part of the County Council's strategy to support growth and development. It will enable the local road network to operate more efficiently by reducing congestion, improving the predictability of journey times and providing more capacity for growth. This has been previously detailed in Section 2, 'Background' above.

Economic Case

The Economic Case identifies and assesses all the impacts of the proposed scheme to determine its overall value for money. It takes account of the costs of developing, building, operating and maintaining the proposed scheme, and a full range of its impacts, including those impacts which can't be monetised.

The assessments of the benefits are calculated by forecasting the future levels of traffic demand and impacts the scheme will have on travel time and number of accidents.

To enable the comparison with costs, travel time and accident savings they are given a monetary value based on Department of Transport's Guidance (DfT) to provide a Benefit Cost Ratio (BCR). The Business Case for the whole scheme demonstrated a BCR of 1.8:1.

This means that, over a 60 year appraisal period, the value of monetised benefits from journey time savings outweighs the cost of the scheme by a factor of 1.8 to 1.0. According to the DfT Value for Money categories, this BCR value is considered to be medium. The DfT generally expects major transport schemes seeking investment to offer at least medium value for money.

The main contributor to the benefits is the average travel time savings resulting from the A29 realignment and the avoidance of Woodgate level crossing and War Memorial Junction. This provides drivers with improved journey times and a more direct route. There are also potential accident savings, notably the Lidsey bends. This exceeds the cost of constructing the

scheme and its ongoing maintenance. However the wider impacts on the social and environmental aspects have also been considered and are contained in more detail in the Business Case.

Commercial Case

In line with the adopted approach by the construction industry, it is recommended that the work to develop the scheme will be procured using New Engineering Contract (NEC) 3 and a target price contract. The contract will be procured through the County Council's Highways and Transport Frameworks.

The scheme will be delivered in two phases. The first phase of the scheme to be delivered by WSCC is the northern section from the A29 south of Eastergate Lane to a new junction with Barnham Road. The second phase of the scheme will be the southern section from Barnham Road to a new junction on the A29 south of Lidsey bends. It is the intention that construction of Phase 2 will follow on from Phase 1 and delivery opportunities and developer contributions will be further discussed with developers through the planning application process.

Once appointed, the contractor will undertake the detailed design to commence as soon as practicable delivering Phase 1.

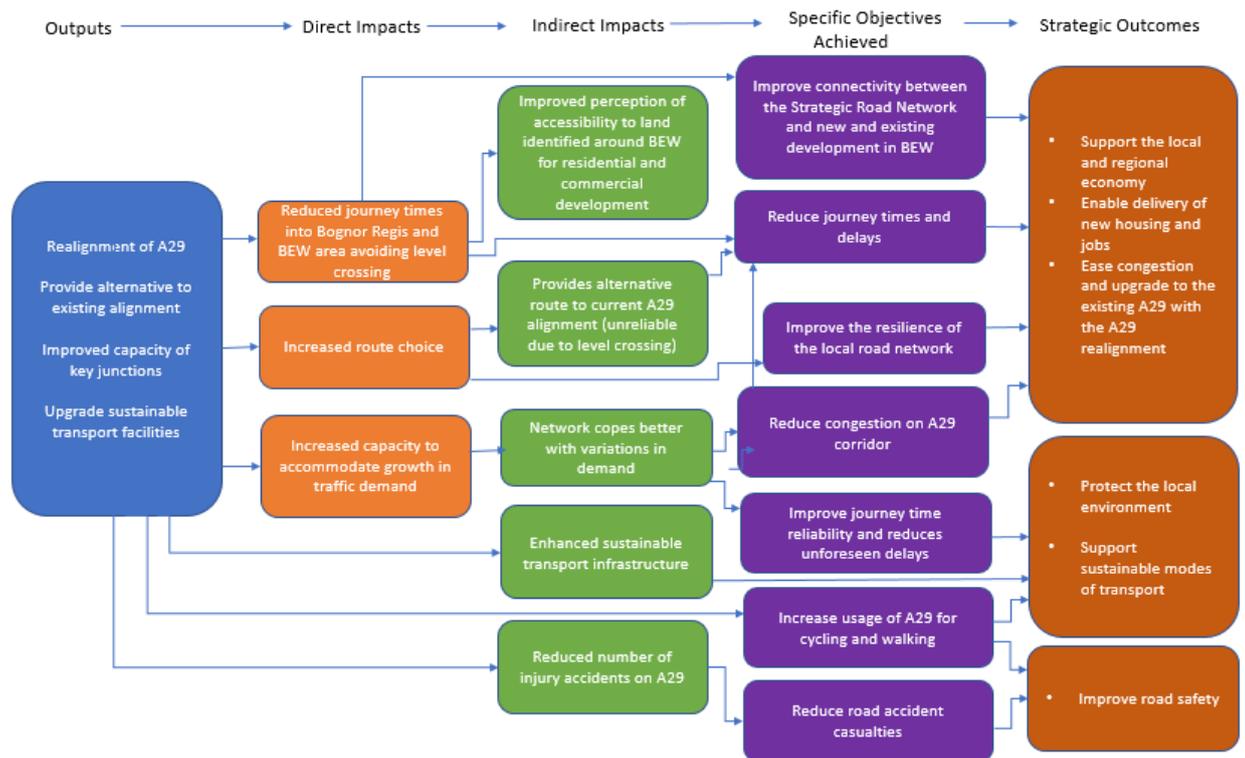
Management Case

An appropriate governance structure is essential to the delivery of the proposed scheme, and the County Council has established a Project Board and a Project Delivery Team aligned with best practice guidance on project management. The Project Board's primary function is decision-making and review. The Project Delivery Team deals with the day to day planning and delivery of the scheme.

An outline delivery programme has been developed setting out all the key project tasks and their duration, interdependencies, key milestones and gateway reviews.

A strategy has been developed to establish how the performance of the scheme against objectives for project success will be monitored and assessed, to demonstrate the value for money for the funding of the scheme. These objectives, desired outputs and outcomes are given in Figure 4 below;

Figure 4 - Scheme objectives, desired outputs and outcomes



Financial Case

Detailed financial and resource implications are discussed in more detail in the Business Case and in Section 6 below.

- 4.2 Due to the complexity of the scheme, programme constraints and the C2C LEP funding window that concludes on 31 March 2021, it is proposed to deliver the A29 realignment in phases although the Business Case will reflect the entirety of the scheme. This will primarily align delivery of the scheme with the associated strategic housing development but also to manage key programme, funding, design and delivery risks. The first phase of the scheme to be delivered by WSCC is the northern section from the A29 south of Eastergate Lane to a new junction with Barnham Road. The second phase of the scheme will be the southern section from Barnham Road to a new junction on the A29 south of Lidsey bends.
- 4.3 It is recommended that the Business Case be submitted to Coast to Capital LEP for consideration and approval in January 2019. Once approved, it is recommended that the Director for Highways and Transport has delegated authority to enter into a funding agreement with Coast to Capital LEP for the whole scheme.

- 4.4 It is recommended that a public and stakeholder consultation is commenced in February/March 2019 to seek views on the design of the whole scheme. Once analysed, these views will be taken into account and used to inform the detailed design during the next phase of work.
- 4.5 It is recommended to commence the process to procure a contractor for the design and build phase of Phase 1 of the scheme. The procurement will be conducted using the Highways and Transport Construction Framework, Lot 2. Once appointed, the contractor will undertake the detailed design to commence as soon as practicable. It is proposed that the Cabinet Member for Highways and Infrastructure delegates authority for the decision to appoint a selected contractor (from the Lot 2 list) to the Director of Highways and Transport (which will be the subject of a future Officer Key Decision). It is the intention that Phase 2 will follow on from Phase 1.
- 4.6 Table 1 below shows the outline delivery programme with key milestones of Phase 1 only.

Table 1 - Outline Delivery Programme with Key Milestones of Phase 1

Key Phase 1 Milestones	Estimated Start Date	Estimated Completion Date
Transport Business Case	January 2018	January 2019
Public Consultation	February 2019	March 2019
Land Assembly and Planning Process	January 2019	September 2019
Procurement of Design & Build Contractor	January 2019	November 2019
Detailed Design and Pre-Construction Activities	November 2019	August 2020
Construction	November 2020	December 2021

5 Consultation

- 5.1 The option review process of the studies to date detailed in Section 3 involved a major stakeholder workshop with key stakeholders. The feedback key themes are presented in the background papers.
- 5.2 The option review report findings were presented to the Barnham, Eastergate and Westergate northern and southern developer consortiums and major landowners to review risks and opportunities in the design of the A29 realignment scheme.
- 5.3 Consultation has previously taken place on the Arun Local Plan at various stages during its development, resulting in the BEW site being allocated for strategic development and an indicative alignment for the A29 Realignment

being included in the adopted Arun Local Plan. It is recognised that some local stakeholders were critical of the consultation that took place; however, opportunities have been given for the public and other local stakeholders to submit comment on the emerging proposals. Furthermore, a Government-appointed Planning Inspector has concluded that consultation was legally compliant.

5.4 A full public consultation is recommended to commence in February 2019.

5.5 To date, engagement has taken place with the following stakeholders:

Members

The BEW Advisory Group meets approximately every 3 months; this includes District and Parish Council members and the local County Councillor.

The Option Review Report was discussed at the BEW Advisory Group.

The Group provides an opportunity for local timely input into the phasing and design of the road and development.

External

External major stakeholders identified in section 5.1 have been consulted.

Along with the BEW Advisory Group, Arun District Council is a Senior User on the A29 Realignment Project Board.

Public

As mentioned in 5.3 above, consultation, which was held by a planning inspector to be legally compliant, has taken place on the Arun Local Plan leading to an indicative alignment for the A29 Realignment being included in the adopted Arun Local Plan.

Internal

WSCC and ADC internal technical teams have provided technical input to ensure the scheme compliance and quality during the development of the A29 Realignment preliminary design and development of the Business Case.

6 Financial and Resource Implications

Spending to date

6.1 The option review and development of the preliminary design and business case has been funded by the WSCC Corporate Feasibility Fund allocation of £150,000 2017/18 and £530,000 in 2018/19. These are revenue costs and thus do not feature in the capital scheme estimates.

Cost estimate

6.2 The A29 Realignment (Phase 1 and 2) was shown as a £35.1m pipeline scheme in the WSCC Capital Programme 2018/19 – 2022/23 approved by Full Council in December 2017.

6.3 These costs are based on the high-level viability study carried out by Systra in 2014. More recent technical work carried out for the Preliminary Design and Business Case submission has significantly revised the cost estimate for structures and inflation for the entire scheme to £55.5m. This covers both phases of the scheme and includes spending which falls beyond the end of the existing capital programme period. This revised estimate has been included in the draft capital programme for 2019/20–2023/24 which has been recommended by Cabinet for approval by the full County Council on 15 February 2019. The cost estimate for Phase 1 is £11.7m and £42.5m for Phase 2.

6.4 The revised costs and funding for the scheme, based on the new estimates, are:

	2019/20	2020/21	2021/22	2022/23	2023/24	Subsequent	Total
	£m	£m	£m	£m	£m	£m	£m
WSCC Contribution		1.4	0.0	2.2	2.4	5.9	11.9
Local Growth Fund *	1.1	2.7				0.0	3.8
WSCC contribution vired from A284				8.5		0.0	8.5
S106 Developer Contributions *				6.0	8.7	16.6	31.3
Total Capital Budget	1.1	4.1	0.0	16.7	11.1	22.5	55.5
Change From Proposal							0.0
Remaining Budget	1.1	4.1	0.0	16.7	11.1	22.5	55.5

* unsecured

6.5 There are several differences to the funding agreed in the pipeline. The major assumption is that developer contributions will increase significantly to £31.3m; however, given the size of the proposed development this still represents a reasonable and achievable assumption per unit.

6.6 The other major change is the proposal, if agreed by the LEP, to transfer £8.5m of Local Growth Fund to the A284 Lyminster Bypass scheme. This allows the LGF to be spent by the deadline of March 2021 on a scheme which is further advanced in delivery. The corporate borrowing which would otherwise have been used to support the A284 will instead be used to support the A29 scheme from 2021/22. This does not affect the cost of either scheme or the County Council's aggregate borrowing, while maximising the chances of the LGF being spent in line with the grant conditions.

6.7 As the C2C LEP requires match funding, it is anticipated that WSCC will need to demonstrate its commitment to delivering Phase 2 of the scheme in order to secure the Local Growth Funding contribution. This is likely to mean delivery of Phase 2 of the scheme by 2025 (as this is understood to be a Government requirement). Therefore, it is proposed that in order to secure a Funding Agreement with C2C LEP, WSCC commit to underwrite the cost of Phase 2 of the scheme, subject to future budget approval decisions.

7 Legal Implications

7.1 The legal implications at this stage of the scheme are;

7.1.1 Any funding awarded through the submission of the business case would require the County Council to enter into a funding agreement; the council will therefore be committed to delivery of the scheme and potentially face penalties by the LEP in the event of not delivering the scheme.

7.1.2 The procurement and subsequent award of the scheme to a design and build contractor from the WSCC framework forms a contractual arrangement.

7.1.3 Once the route is approved it will be protected from other developments that could compromise its future delivery. This will be achieved by providing information of the route of the scheme in response to land charge requests. There is potential for statutory blight claims from land owners who are directly affected by the scheme.

8 Risk Management Implications

8.1 The potential risks of the scheme are discussed in Table 3 below.

Table 3 - Potential Risks

Risk Ref.	Risk Description	Likelihood	Mitigation
1	<i>Delay in Strategic Site Development</i> Delay/slippage by developers in submitting planning application/s for these sites will have an impact on final project funding.	Medium	Work with Arun District Council, LEP, Homes England and developers to ensure timely submission and explore funding opportunities.

2	<i>Planning Application Delay</i> Road planning application not approved at the appropriate stage may delay scheme delivery.	Medium	Early scoping opinion obtained and ongoing liaison with Planning Teams, ensuring an appropriate allocation for the planning process is within the programme.
3	<i>Scheme Funding</i> LEP funding cannot be drawn down beyond the March 2021 funding window.	Low	Continue dialogue with LEP to agree the funding profile in principle before Business Case submission. Virement of funding to A284 will help to reduce this risk.
4	<i>Design Issues</i> The flood model and ground water issues, along with insufficient/lack of ground investigations will impact on the design quality and scheme delivery.	Medium	Early investigation of the risks identified in the full scheme risk register may require further technical work.
5	<i>Consultation</i> Both the formal and statutory consultation outcomes can have unforeseen outcomes and could have considerable impact on the scheme programme delivery and costs.	High	Allow flexibility within the scheme to accommodate the consultation outcomes.
6	Not having the services of a Design and Build Contractor at the appropriate time of the overall delivery programme.	Medium	Ensure that the County Council starts the process of tender and procurement as soon as it is appropriate.
7	Developer contributions are not secured, are less than expected or take longer than anticipated to be repaid due to market conditions.	Medium	Seek commitment from ADC that they will use best endeavours to secure developers' contributions towards the scheme through statutory planning process.
8	Non delivery of scheme results in LGF returned.	Low	Partial virement of LGF to A284 scheme which has

			more certainty of spend within funding window.
9	Lack of land dedication by developers for the road footprint leading to possible delays in programme.	High	Seek developer commitment through the BEW Technical Group meetings and early engagement with landowners.

9 Other Options Considered

9.1 The option not to proceed with the recommendations would result in the County Council:

- a) not having the opportunity to receive comments/feedback from the LEP to ensure that the Business Case is being prepared in the correct format and therefore missing the current LGF spending window
- b) not having the opportunity of receiving feedback from the public engagement and major stakeholders, therefore not considering local views of the scheme
- c) having to continue to provide corporate funding to progress the scheme as an opportunity to secure up to £12.3m LGF as a contribution towards the cost of scheme development would have been missed,
- d) there will be 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
- e) failing to deliver the A29 Realignment would mean that the impact of development on the transport network may not be consistent with the National Planning Policy Framework.

10 Equality and Human Rights Assessment

10.1 An Equality Impact Report (EIR) will be prepared following the public consultation that is recommended for February 2019.

10.2 There are no identifiable Human Rights Act implications.

11 Social Value and Sustainability Assessment

11.1 The scheme will provide improvements to sustainable transport infrastructure. 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.

12 Crime and Disorder Reduction Assessment

12.1 There are no identifiable Crime and Disorder implications.

Lee Harris

Executive Director of Economy,
Infrastructure and Environment

Matt Davey

Director of Highways &
Transport

Contact: Elaine Martin, Project Manager, 0330 22 24105

Appendix

A29 Realignment Scheme Transport Business Case (**Exempt* – not for publication.** Will be published following LEP review). A copy is available to WSCC members on request.

*This document is exempt from publication because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).