

Queensway Gateway Road Project Update

Report title: Queensway Gateway Road Project Update	
Report to Accountability Board on 20th November 2020	
Report author: Richard Dawson, Head of Service - Economic Development, Skills and Infrastructure, East Sussex County Council and Helen Dyer, SELEP Capital Programme Officer	
Date: 15 th October 2020	For: Information
Enquiries to: Helen Dyer, Helen.dyer@southeastlep.com	
SELEP Partner Authority affected: East Sussex	
Confidential Appendices	
This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.	

1. Purpose of report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to receive a further update on the delivery of the Queensway Gateway Road (the Project).
- 1.2 The updates set out the current position in relation to the land acquisition issues which are impacting on the delivery of the final section of the new road and which represent a significant risk to delivery.
- 1.3 The Board will be provided with regular updates on the Project whilst work continues to address the ongoing land acquisition delays. Once the programme for the delivery of the permanent solution has been confirmed, further updates will be provided to the Board on an exception basis, should there be any substantial changes to the project programme.

2. Recommendations

- 2.1 The Board is asked to:
 - 2.1.1 **Note** the latest position on the delivery of the Project; and
 - 2.1.2 **Agree** that the Board will be provided with a further update on the Project at its meeting on 12th February 2021.

3. Background

- 3.1 The Project will deliver a single carriageway road link between A21 Sedlescombe Road North and Queensway. Construction of this road link provides access to designated employment development sites within the Bexhill Hastings Growth Corridor which would otherwise not be brought forward. Further information regarding the Project can be found in Appendix A - LGF Project Background Information. The Project has an LGF award of £10m.
- 3.2 In light of the delays encountered with the required acquisition of the land for the final section of the road, a temporary connection to the A21 is being progressed which will enable vehicles to use the road for access to the A21 as an interim solution until the permanent connection can be delivered.
- 3.3 The interim solution is expected to be in place for 18 months and will be funded by Sea Change Sussex, as scheme promoter.
- 3.4 This report provides an update on the delivery of both the temporary connection and the permanent road link.

4. Delivery of the temporary connection with the A21

- 4.1 Sea Change Sussex (SCS) is currently working with Hastings Borough Council, East Sussex County Council and Highways England to progress the necessary approvals for the temporary connection. The plans for the temporary connection have been agreed and an instruction has been issued for a Section 278 agreement, which is required to allow connection to the existing public highway.
- 4.2 A contractor has been appointed to deliver the temporary connection with the A21, with work due to commence onsite on Monday 23rd November 2020. This will follow the completion of the next phase of the permanent connection which is currently being constructed and will provide access to the remaining businesses which have a frontage on Queensway Gateway Road; further information is provided in section 6.2 . It is anticipated that the works on the temporary connection will take four weeks to complete, although the timing of the works is dependent upon when the necessary road space can be booked with Highways England for the works on the A21.
- 4.3 The final element of the temporary traffic solution involves the installation of traffic lights at the junction between the A21 and Junction Road, securing a temporary Traffic Regulation Order (TRO) and a stopping-up order for the section of road between Junction Road and The Ridge. The opening of the temporary link is also contingent upon Sea Change Sussex providing a proposal for implementing a traffic management scheme for the junction of Maplehurst Road and the Ridge. This will also be done through a Temporary TRO. Sea Change Sussex are progressing the necessary temporary TROs with ESCC at present.

It is expected that the temporary connection will be delivered and fully open to traffic by early 2021.

- 4.4 Completion of the temporary connection will allow traffic to use the road as a through route, thereby reducing the volume of traffic currently using the Ridge and helping to address local congestion issues.

5. Update on the land acquisition negotiations

- 5.1 In order to allow the final section of the permanent connection to progress it is essential that the required land acquisitions are completed. Sea Change Sussex have actively engaged with the identified landowners with the aim of progressing these acquisitions.
- 5.2 Whilst East Sussex County Council's preference is that Sea Change Sussex continue to pursue acquiring the necessary land for the permanent connection by negotiation, where it becomes clear that this is not possible, then the Compulsory Purchase Order (CPO) of this land will be progressed; as a last resort.
- 5.3 A detailed update on the land negotiations is set out in confidential appendix B.

6. Delivery of the permanent connection with the A21

- 6.1 Work is continuing to progress towards the construction of the remaining sections of the permanent connection to the A21.
- 6.2 Work on the next phase of the permanent solution, referred to in section 4.2 commenced on 12 October 2020. It is anticipated that the works will take 11 weeks, with completion expected for early 2021. These works will provide access to the remaining businesses which have a frontage on Queensway Gateway Road and will deliver the permanent road to the boundary of the properties which are still to be acquired.
- 6.3 The final section of the permanent connection principally involves the creation of a roundabout junction with the A21. These works can effectively be progressed offline, thereby having minimal impact on the existing road network during the construction programme.

At this stage it is not possible to give a definite timeline for the completion of the final phase of the permanent solution as it is dependent upon the outcome of the ongoing acquisition negotiations. However, the use of the Compulsory Purchase Order (CPO) process may be required to enable work on the final section of the permanent solution to proceed. The construction works to complete the permanent connection are currently scheduled to commence in

Summer 2021. Based on this best-case scenario, the Project could complete in January 2022.

- 6.4 Delivery of the permanent connection will ensure that the required infrastructure is in place to allow the employment sites to be brought forward for development, whilst also permanently addressing congestion issues in the area.
- 6.5 If it is not possible to deliver the final section of the permanent connection, which will enable the full realisation of the benefits set out within the Project Business Case, steps may be taken by the Board and Accountable Body to recover the £10m LGF allocation to the Project from East Sussex County Council under the terms of the Grant Agreement that the Council has in place with the Accountable Body.

7. Project budget

- 7.1 The Project was considered by the Strategic Board in March 2015, and the award of £15m LGF funding was approved. Subsequent to this decision, East Sussex County Council identified a need to amend their LGF allocations to a number of their projects to facilitate successful delivery. This was achieved by reallocating funding between the projects. As a result, the LGF allocation to the Project was reduced to £10m.
- 7.2 The funding package available to enable delivery of the Project totals £12m. In addition to the £10m LGF allocation, Sea Change Sussex are contributing £2m towards Project delivery. This contribution is fully committed by Sea Change Sussex and the funding has been ring-fenced for the sole purpose of delivering the Project within their accounts.
- 7.3 Spend on the Project to the end of September 2020 totals £9.496m and has been fully funded through the £10m LGF allocation.
- 7.4 In recent months the construction industry has been impacted by the COVID-19 pandemic and the associated lockdown and social distancing measures introduced by Government. At this stage, the full impacts of the COVID-19 pandemic on the construction industry are still unknown, however, a number of potential impacts have been identified including availability of materials and extended delivery programmes, which have the potential to increase project costs.
- 7.5 Despite the potential impacts of the COVID-19 pandemic on the construction industry and the delays encountered in delivering the Project, Sea Change Sussex remain confident that the Project can be delivered within the available budget. Costs have now been identified for the majority of the outstanding works including the construction of the next phase of the permanent connection and the remainder of the temporary solution, professional and management fees for the completion of the Project and CPO indemnity costs including land compensation payments. Assurances have been provided that,

after consideration of these identified costs, sufficient funding remains within the funding package to deliver the final phase of the permanent connection.

7.6 If any cost increases are identified over the £12m budget currently available, these costs will be met by Sea Change Sussex.

7.7 The updated Project spend profile is set out in Table 1 below.

Table 1 Queensway Gateway Road spend profile

Queensway Gateway Road	Spend to end of	Forecast spend in	Forecast spend in	Total
Forecast Project Spend	FY 2019-20	FY 2020-21	FY 2021-22	
	£	£	£	£
SELEP LGF Grant	9,496,372	503,628	0	10,000,000
Sea Change Sussex	0	352,588	1,647,412	2,000,000
Total	9,496,372	856,216	1,647,412	12,000,000

8. Next steps

8.1 The next steps, in terms of Project delivery, are:

8.1.1 to commence work on the next phase of the permanent connection to the A21. Completion of these works will facilitate completion of the temporary connection, which will allow traffic to use the road as a through route whilst work continues to progress the final section of the permanent connection;

8.1.2 to continue progressing the land acquisition negotiations, which would facilitate acquisition of the remaining properties on the route allowing works to complete on the permanent connection;

8.1.3 provision of the required evidence to allow East Sussex County Council to progress making the CPO, which will release the land required for delivery of the final section of the permanent connection.

8.2 The Board will continue to receive regular updates on the Project until satisfied that the deliverability risk has been fully addressed and has reduced to an acceptable level.

8.3 The next update report will be provided at the February 2021 Board meeting and will include a full update on the delivery of the permanent connection and the outputs/outcomes stated in the original business case. It is expected that the update will include consideration of progress on the required land acquisitions, the delivery programme and the Project budget.

9. Financial Implications (Accountable Body Comments)

- 9.1 There remain a number of challenges to the completion of this project, albeit that the majority of the LGF has been spent to date; this presents risks on assuring delivery of the expected outcomes, especially given the lack of certainty on the timelines for completion of the permanent solution and the risks associated with that.
- 9.2 All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the decisions of the Board.
- 9.3 Should it not be possible to deliver the final section of the permanent connection, which will enable the full realisation of the benefits set out within the Project Business Case, there is a risk that the Project may no longer meet the conditions of the Funding Agreement. In these circumstances, the Board may consider recovering some or all of the £10m LGF allocated to the Project.
- 9.4 It is noted that the remaining LGF allocated to the Project is intended to be spent in 2020/21, with the remaining costs of the Project to be met by SCS. However, due to the risks highlighted to delivery means that progress on this Project should continue to be considered by the Board.
- 9.5 As part of the LGF programme review to Central Government in June 2020, the Accountable Body and SELEP reported spend in full of the LGF programme by 31 March 2021, either through deliverability of the projects or using the Option 4 mechanism. Spend of the remaining LGF in 2020/21 on this Project will support this approach; any further delay will increase the risk to meeting this requirement.

10. Legal Implications (Accountable Body Comments)

- 10.1 There are no substantive legal implications arising out of this decision.

11. Equality and Diversity implications (Accountable Body Comments)

- 11.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

- 11.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 11.3 In the course of the development of the project business case, the delivery of the Project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Appendices

12.1 Appendix A - LGF Project Background Information

12.2 Appendix B – Confidential information

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
<p>Accountable Body sign off</p> <p>Peter Shakespear</p> <p>(On behalf of Nicole Wood, S151 Officer, Essex County Council)</p>	<p>12/11/2020</p>