

## Queensway Gateway Road Project Update

<b>Report title:</b> Queensway Gateway Road Project Update	
<b>Report to Accountability Board on 18<sup>th</sup> September 2020</b>	
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<b>Date:</b> 26 <sup>th</sup> August 2020	<b>For:</b> Information
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<b>SELEP Partner Authority affected:</b> East Sussex	

### 1. Purpose of report

- 1.1 Updates on the delivery of the Queensway Gateway Road project (the Project) were provided to the Accountability Board (the Board) in February and July 2020. 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. It was noted that the Board will be provided with regular updates on the Project whilst work continues to address the ongoing land acquisition delays.
- 1.2 The purpose of this report, therefore, is for the Board to receive a further update on the delivery of the Project.

### 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 20<sup>th</sup> November 2020. This report will provide a full update on the delivery of the permanent connection, including consideration of progress on the required land acquisitions, the delivery programme and the Project budget.

### 3. Background

- 3.1 The Project was approved by the Strategic Board on 20<sup>th</sup> March 2015, prior to the establishment of the Accountability Board. The Project has an LGF allocation of £10m.
- 3.2 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.

- 3.3 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.
- 3.4 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, as scheme promoter, 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 23<sup>rd</sup> November 2020 following completion of the next phase of the permanent connection. It is anticipated that the works 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 and securing a temporary traffic regulation order and a stopping-up order for the section of road between Junction Road and The Ridge.
- 4.4 It is expected that the temporary connection will be delivered and fully open to traffic by the end of 2020.
- 4.5 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 acquisitions are completed. Sea Change Sussex have actively engaged with the identified landowners with the aim of progressing these acquisitions.
- 5.2 Sea Change Sussex have acquired the freehold for one of the sites, which is subject to acquisition negotiation, and negotiations regarding the under leases

of the site have been ongoing since 2014/15. These negotiations have included efforts to assist the relocation of the business to alternative new build sites. Whilst these suggested sites are no longer being pursued by the current leaseholder, negotiations remain ongoing.

- 5.3 Discussions with the other affected parties have identified that a Compulsory Purchase Order (CPO) would be the most effective way of progressing the required land acquisition. As a result, Sea Change Sussex are working closely with East Sussex County Council who have agreed in principle to promote a Compulsory Purchase Order for the remainder of the required land, subject to Sea Change Sussex providing the necessary evidence in order for East Sussex County Council to progress making the CPO. The CPO will also include the site which is subject to ongoing negotiations.
- 5.4 Sea Change Sussex's solicitors have provided a draft statement of reasons for the CPO to East Sussex County Council. In addition, Sea Change Sussex's Board has agreed an indemnity for the costs of promoting the CPO, including land compensation payments. East Sussex County Council will now consider the information provided and, assuming it is accepted, will seek the necessary approvals over the coming months to make the CPO.
- 5.5 Sea Change Sussex are committed to completing the required acquisitions as soon as possible in order to minimise any further delay in the delivery of the permanent connection with the A21.

## **6. Delivery of the permanent connection with the A21**

- 6.1 Work is continuing to progress the construction of the remaining sections of the permanent connection to the A21.
- 6.2 Work on the next phase of the permanent solution is scheduled to commence on 7<sup>th</sup> September 2020, subject to all required legal agreements with East Sussex County Council being in place. It is anticipated that the works will take 11 weeks, with completion expected on 20<sup>th</sup> November 2020. 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.
- 6.4 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 process should ensure that the Project is completed within the 2021/22 financial year, with work on the final section of the permanent solution currently scheduled to commence in Summer 2021.

- 6.5 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.
- 6.6 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.

## **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 June 2020 totals £9.631m 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 The updated Project spend profile is set out in Table 1 below.

Table 1: Updated Project spend profile

Spend to end 2019/20	2020/21	2021/22	Total
£9,532,898	£1,652,814	£814,288	£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. The next update report will be provided at the November Board meeting and will include a full update on the delivery of the permanent connection, including consideration of progress on the required land acquisitions, the delivery programme and the Project budget.

## 9. Financial Implications (Accountable Body Comments)

- 9.1 The full £10m LGF allocation to this Project has been transferred to ESCC, of which, it is noted, £9.496m has been spent to 2019/20, with the remaining £0.504m to be spent in 2020/21. SeaChange Sussex have confirmed the forecast total Project spend profile in table 1 as part of this update and are confident that the project will be delivered within the total project cost of £12m.
- 9.2 Should the Project not be delivered within the available budget, this will reduce the overall value for money of the Project; this should be reported to the Board. It should be noted that the full benefits of this Project that supported the value for money assessments and funding decisions of the Board, are dependent on successful delivery across all phases of the Project.
- 9.3 Should there be continued delays in the delivery of the final phase of this Project, there are increased risks associated with the overall Project

completion within the Growth Deal period.

- 9.4 To mitigate the risk of slippage, the Board is advised to keep under review the delivery progress of this project. The next update to the Board in November 2020 should include confirmation of the total Project cost expenditure profile and confirmed updated timescale for delivery of full project outcomes which would include the permanent solution. Any significant risks to the overall value for money assessment and Project benefits should also be updated to 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 2020, either through deliverability of the projects or using the Option 4 mechanism. There is a risk that SELEP and the Accountable Body will be unable to evidence project spend by the end of the Growth Deal, if project slippage occurs. The Project will be considered as part of an overall LGF programme review at the October 2020 meeting of the Strategic Board, in which they will be asked to consider LGF projects deemed high risk. These projects will need to seek continued endorsement from the Board as to the viability of their delivery.

## **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

**(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
<b>Accountable Body sign off</b>  Peter Shakespear  (On behalf of Nicole Wood, S151 Officer, Essex County Council)	  09/09/20