

Meeting:	Coast to Capital Investment Committee Meeting
Date:	13 th September 2019
Report Title:	A29 Realignment
Report by:	Cali Gasson
Item No:	5

Recommendation:

- 1- To **approve** the award of £9.9million of Local Growth Funding for the delivery of phase 1 of the A29 Realignment Business Case.
 - 2- To **agree** that Phase 2 of the A29 Business Case would have an earmarked allocation for the remaining £2.4million should any future funding become available from Government. This would be subject to conditions/funding criteria set by Government, and also from further scrutiny/appraisal of a detailed submission of Phase 2, to ensure delivery, total project funding is in place, and that a development partner is on board.
 - 3- To **determine** the revised risk rating of this project upon the decision taken on recommendation 1.
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1. Background

- 1.1. The A29 Realignment scheme was part of the original 2014 Strategic Economic Plan (SEP) and has an earmarked Local Growth Funding allocation of £12.3million to help deliver;

Bognor Regis A29 re-alignment between the new Bognor Regis Relief Road and the A27 which will bridge the West Coastway railway line, avoiding congestions points and current delay points at a level crossing, and will include 4 to 5 new junctions and cycle and pedestrian facilities. The realignment will allow new development of business and employment opportunities in Bognor Regis.

- 1.2. Funding was conditional on the preparation and submission of a Full Business Case (FBC), which was formally presented to the June 2019 Investment Committee.

- 1.3. It was noted that there was desire to 'vire' funding from the A29 scheme to other 'capital' projects as the A29 scheme is unable to fully draw-down the LGF funding allocation by March 2021. Government have confirmed that the LEP can use our 'flexibilities' but funding cannot be carried forward past March 2021.
- 1.4. This Investment Committee also reviewed independent appraisal work that had been undertaken by both a transport expert, and Local Partnerships. This highlighted the in-ability to fully spend the earmarked funds, but also that the FBC was robust, with outputs with good value for money.
- 1.5. Committee members scrutinised the FBC through a series of Q+A, and raised a number of uncertainties around the deliverability of the scheme, specifically around Phase 2.
- 1.6. Further clarification was sought following this meeting, and the Delivery Body formally answered the Committee's questions as seen in [Annex A](#).

2. Recommendation

- 2.1. Following the submission of [Annex A](#), the Investment Committee now need to determine whether or not to approve the A29 Full Business Case and determine the funding award of up to £12.3million for a funding agreement (using our flexibilities to enable WSCC to undertake capital swaps with other schemes within their programme).
- 2.2. The A29 re-alignment scheme is of high strategic importance, and will deliver a large quantity of regional housing numbers, and therefore it should be noted that there could be large reputational implications if the LEP withdraw the full LGF funding from the scheme.
- 2.3. Phase 1 is deliverable within the LEP timescales and it should be noted that WSCC are progressing with the delivery of this phase at risk whilst waiting for a decision to be made by Coast to Capital.
- 2.4. WSCC have confirmed that they require £9.9million of LGF to deliver Phase 1, with around £2million that can be spent by March 2021, and £7.9million that would be spent through 'capital swaps'. This funding would enable the construction of the road and would deliver the first 600 homes.
- 2.5. Phase 2 along with the remaining £2.4million of LGF carries a larger portion of risk, as there are still areas of project delivery for this phase that need to be finalised to include S106 and developer funding contributions, which are expected to be secured by December 2020.
- 2.6. For this reason, the Investment Committee are recommended to only **approve** and award £9.9million of Local Growth Funding for the Delivery of Phase 1.

2.7. The Committee are also recommended to **agree** that Phase 2 of the A29 Business Case would have an earmarked allocation for the remaining £2.4million should any future funding become available from Government. This would be subject to conditions/funding criteria set by Government, and also from further scrutiny/appraisal of a detailed submission of Phase 2, to ensure delivery, total project funding is in place, and that a development partner is on board.

3.0. Diversity Statement

There are no diversity implications for consideration.

4.0. Legal Statement

No legal position has been sought on anything covered by this paper