



## Appendix A: Project information

### 1. Purpose

- 1.1. This appendix provides details of the two projects seeking approval for Local Growth Fund (LGF) spend beyond the 30 September 2021 at this meeting of the Board, and details of the seven high-risk LGF projects.
- 1.2. **The Board is asked to approve the spend of LGF beyond 30 September 2021 for two projects. An update on those two projects are set out in section 2.**
  - 1.2.1. Grays South, Thurrock
  - 1.2.2. Colchester Grow-on Space
- 1.3. **For any project which has a high-risk score of 5 (on a 1-5 scale) an individual update is set out in section 3 below.** These projects include:
  - 1.3.1. Bexhill Enterprise Park North (£1.9m LGF)
  - 1.3.2. Queensway Gateway Road (£10.0m LGF)
  - 1.3.3. Beaulieu Park Railway Station (£12.0m LGF)
  - 1.3.4. A28 Sturry Link Road (£5.9m LGF)
  - 1.3.5. Maidstone Integrated Transport Package (£8.9m)
  - 1.3.6. A28 Chart Road (£2.8m LGF)
  - 1.3.7. M2 Junction 5 (£1.6m LGF)

### 2. LGF spend beyond 30 September 2021

Project: <b>Grays South</b>	LGF award: £10.840m	Risk Rating:	4
Status: Option assessment taken place. Design Approval in Principal (AiP) to be complete in Feb 2021.	Forecast LGF spend beyond 31 March 2021: £5.8m Expected completion date: June 2024		
Is Board approval required for LGF spend beyond 30 September 2021: Yes			
<u>Project description:</u>  The creation of an underpass to replace the existing level crossing and for the creation of a public square at each end, designed to provide active urban spaces suited to a wide range of events, markets and similar activities			
<u>Project benefits:</u>  The Project seeks to achieve the following objectives:  <ul style="list-style-type: none"><li>- To improve public safety at the site of the level crossing by 2024, measured by Network Rail no longer allocating an All Level Crossing Risk Model (ALCRM) rating due to improved safety and the removal of the level crossing;</li></ul>			



- To create an equalities act compliant, unimpeded route across the railway line from one side of Grays high street to the other by 2023;
- To deliver and create a high-quality public realm at Grays by 2024;
- To improve connectivity between different modes of transport around Grays station by 2024; and
- To enable delivery of 84 homes and 1,279 sqm of retail floorspace to compete the Urban Realm at Grays by 2025
- To support commercial development in Grays by creating a more attractive town centre and higher quality commercial space.
- Redevelopment of 1,279 sqm of commercial/mixed use floorspace by 2025
- Improved quality of the commercial/mixed use experience in Grays obtained in a Grays public perception survey
- Improved score relating to the attractiveness of Grays as a place to do business obtained in a Grays survey of local businesses

Risks/cause of project delay:

- 1) Delays to the completion of work by Network Rail (NR) has affected the overall delivery programme
- 2) Land acquisition delayed but underway (relates to a large portion of LGF funding). This is due to two factors. Firstly, the reclassification of NR within Control Period 5 to a central government body in the public sector created delay on acquisitions from NR. Secondly, it was not considered appropriate to start land assembly negotiations with small businesses at the height of the pandemic when they were dealing with much larger issues. The ongoing impact of COVID-19 is thought to be responsible for low levels of business engagement with approaches to them relating to acquisition.
- 3) COVID-19. Since March 2020 the overall impact of the pandemic and inability to meet NR physically has hampered project progress slightly and programme has slipped as a consequence.

Mitigation/action required:

- 1) Progressing through the dispute and escalation procedure within the contract (DSA) with Network Rail. A positive way forward has been identified which can be included within future contracting strategies to improve cost and time efficiencies within GRIP stages going forward. Scope of the project has been better understood by Network Rail's sub-contractors over the past 18 months. Option C: The Plaza now reflects the requirements of both Network Rail and Thurrock Council.
- 2) Land acquisition process underway with positive engagement from Network Rail, ongoing emphasis on promoting engagement with other freeholders.
- 3) COVID-19. All organisations now adapted to working in a remote environment and no further mitigation required.

Project: <b>Colchester Grow-on Space</b>	LGF award: £3.777m	Risk Rating:	<b>3</b>
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Status: Planning consent has now been confirmed	Forecast LGF spend beyond 31 March 2021: Expected completion date:
Is Board approval required for LGF spend beyond 30 September 2021: Yes	
<p><u>Project description:</u></p> <p>Colchester Borough Council (CBC) seeks SELEP Local Growth Fund (LGF3b) investment to support business growth and creation through the building of a new Grow on Space for the Creative and Digital Sector in the former Queen Street bus garage in Colchester Town Centre. This will deliver 698 sqm (7,513 sq. ft.) net lettable internal area high-quality workspace (601 sqm or 6,469 sq. ft. of which is the Grow-on space); satisfying recognised unmet demand and market failure in Colchester.</p> <p>Aim: To transform a dilapidated town centre former bus garage into high quality grow-on space specifically for the Creative &amp; Digital Sector. Located within the St Botolph's Quarter regeneration area, and adjacent to the successful 37 Queen Street creative business centre, it would increase capacity and opportunities across 3,500 local businesses in the sector (who represent the highest growth rate and number of start-ups in the region).</p>	
<p><u>Project benefits:</u></p> <p>The benefits of the scheme are extensive, both from an economic development and a regeneration perspective. There is an opportunity to provide much needed creative workspace, addressing a different market to the one already inhabiting 37 and 15 Queen Street, yet plugging seamlessly into the creative clusters and networks that have been created in the St Botolph's Cultural Quarter, and the wider tech sector emerging in Colchester as a whole.</p> <p>The project benefits include:</p> <ul style="list-style-type: none"><li>• More successful businesses;</li><li>• More jobs;</li><li>• Cleaner, safer environment with less anti-social behaviour (ASB) issues, significantly enhancing the amenity of the adjacent development scheme;</li><li>• Enhanced reputation as a creative and digital hub leading to further growth;</li><li>• A significant boost to the creative and digital sector, and a short-term boost to the construction sector and its supply chain as part of the economic recovery following Covid-19.</li></ul>	
<p><u>Risks/cause of project delay:</u></p> <p>LGF to support the delivery of the project only became available at the end of 2020. The business case has been approved by the Accountability Board but as construction works are not due to commence until July 2021 and complete in July 2022, LGF spend will be incurred in 2022/23.</p> <p>The approval of the £3.777m LGF contribution to the project was subject to planning consent being confirmed for the project by 4 March 2021 and the Strategic Board agreeing the spend of LGF beyond the Growth Deal period.</p> <p><u>Mitigation/action required:</u></p>	

Planning consent has now been confirmed for the project and approval for LGF spend beyond the Growth Deal is recommended for approval at this meeting of the Board.

### 3. High- risk projects

Project: <b>Bexhill Enterprise Park North, East Sussex</b>	LGF award: £1.94m	Risk Rating:	5
Status: LGF approved but the project is currently on hold, until the outcome of the planning appeal has been determined.	Forecast LGF spend beyond 31 March 2021: £1.5m Expected completion date: May 2021		
Is LGF being spent beyond 30 September 2021: No			
<u>Project description:</u>  The LGF funding will be used to deliver the site and servicing infrastructure required to provide full access to the individual development plots within the business park from the North Bexhill Access Road. These works will directly enable development of the business park and will facilitate private sector investment in the site to bring forward 8,000 sqm of light industrial units and up to 8,000 sqm of manufacturing space.			
<u>Project benefits:</u>  Bexhill Enterprise Park North is a key element in a package of measures to address the ongoing socio-economic challenges facing the Bexhill area. Bexhill Enterprise Park North gained outline planning approval in May 2018 for 33,500 sqm (net internal area) of employment floorspace. The Bexhill Enterprise Park North site unlocked by this project will deliver the first light industrial units essential to address the jobs deficit in the local area.			
<u>Risks:</u>  In October 2018, an application for approval of reserved matters following outline planning approval was submitted to the District Council. After a lengthy period of engagement and consultation, the District Council planning committee considered the application on 10th October 2019 and resolved to refuse the application.			
<u>Mitigation/action required:</u>  On 24th December 2019, an appeal was lodged with the Planning Inspectorate in respect of the refusal of the reserved matters application. The planning appeal was heard on the 19 January 2021 but the outcome has not yet been confirmed.  The project remains on hold until the planning appeal has been determined and, if successful, planning consent has been granted. If the planning appeal is unsuccessful the LGF funding will be reallocated away from the project.			



Project: <b>Queensway Gateway Road, East Sussex</b>	LGF award: £10m	Risk Rating:	5
Status: LGF approved and delivery ongoing	Forecast LGF spend beyond 31 March 2021: £0m Expected completion date: TBC		
Is LGF being spent beyond 30 September 2021: No			
<u>Project description:</u>  Queensway Gateway Road forms a key infrastructure investment in the Hastings – Bexhill Growth Corridor. It comprises a single carriageway road link between the A21 Sedlescombe Road North and Queensway. The road will connect with Queensway running south of its junction with the Ridge West, crossing the Hollington Stream valley on an embankment and then running south of Whitworth Road to join the A21 at a new junction north of the existing Sainsbury’s store. It includes roundabout junctions at either end and a roundabout junction with Whitworth Road facilitating access to employment sites to the north and south.			
<u>Project benefits:</u>  The road serves a strategic purpose in linking Bexhill in the west and the A21 to the east of the Growth Corridor by relieving congestion and improving traffic flows onto the A21. Critically, Queensway Gateway Road connects Combe Valley Way (formerly known as the Bexhill Hastings Link Road) to the A21, redistributing traffic from Combe Valley Way and The Ridge heading towards the A21.  By relieving congestion, the Queensway Gateway Road will improve strategic connectivity in the Growth Corridor, improving employment development potential in Queensway and employment and housing growth potential in North Bexhill. Importantly, the Queensway Gateway Road provides access to designated employment development sites within the Bexhill Hastings Growth Corridor which would otherwise not be brought forward. Specifically, the road opens up the development potential of key sites south of The Ridge, with capacity for up to 12,000 sqm of employment floorspace.			
<u>Risks:</u>  The western section of the road was opened to traffic in March 2019 for access to local businesses only. The final section of the road, to connect the completed section with the A21, requires the acquisition of land to complete the project. As an interim measure, whilst land acquisitions continue, a temporary connection will be implemented which will allow traffic to use the road as a through route.  The completion of the project has been delayed by approximately 70 months relative to the original project programme set out in the business case.			
<u>Mitigation/action required:</u>  The next steps for the project are to i) complete work on the next phase of the permanent connection to the A21, which will facilitate completion of the temporary connection; and ii) progress the acquisition of the land to complete the permanent solution through negotiations or use of a compulsory purchase order if required.			



Project: <b>Beaulieu Park Railway Station, Essex</b>	LGF award: £12m	Risk Rating:	5
Status: Project is currently at GRIP Stage 4 (Single Option Development) of project development through Network Rail processes.	Forecast LGF spend beyond 31 March 2021: £12m Expected project completion: Q4 2024/25		
Is LGF being spent beyond 30 September 2021: Yes			
<u>Project description:</u> The delivery of a new railway station to support the delivery of 3,600 new homes in North East Chelmsford.			
<u>Project benefits:</u> Chelmsford’s transport network is acting as a constraint to growth in Chelmsford. There is neither the desire nor the space to expand the City Centre’s road network, which is widely reported to be at 96% capacity at peak periods. City Centre car parks and Chelmsford station itself are unable to cater for significant growth in demand.  The Project is being brought forward to support the growth of North Chelmsford, tackle congestion issues within Chelmsford Town Centre, and improve rail access and capacity.			
<u>Risk:</u> The project is a large-scale infrastructure project, estimated to cost between £154m and £157m. The project has been awarded an allocation from the Housing Infrastructure Fund (HIF) but the funding agreement has not yet been signed with Central Government to secure this funding.  The delivery of the project extends beyond the Growth Deal, as construction works are not due to commence until 2023/24 and the project is due to complete in 2024/25. This creates a reputational risk to SELEP as the LGF is due to be spent by the end of 2020/21.  <u>Mitigation/action required:</u> The Accountability Board has agreed to transfer the £12m LGF to Essex County Council on the condition that if agreement cannot be reached with Central Government in relation to the HIF, the LGF must be returned in full for reinvestment by SELEP Ltd.			

Project: <b>A28 Sturry Link Road</b>	LGF award: £5.9m	Risk Rating:	5
Status: LGF approved but project on hold, whilst planning consent is secured	Forecast LGF spend beyond 31 March 2021: £4.1m Expected completion date: Q3 2023/24		
Is LGF being spent beyond 30 September 2021: Yes			
<u>Project description:</u>  The Project is for the delivery of the new link road between the A291 and A28, to the south west of Sturry, Canterbury, Kent. The LGF is due to contribute to the cost of constructing a bridge over a railway line and the Great Stour River, to enable traffic to avoid the Sturry level crossing and the congested road network in the area.			

Project benefits:

The overall objective of the Project is to tackle the existing congestion problem which currently exists at the Sturry level crossing and at the A28/A291 junction. Queuing traffic affects adjacent junctions and can extend 1km in peak periods. The A28 road currently carries 20,000 vehicles per day, but with 6 trains passing per hour, the level crossing is closed for up to 20 minutes/hour during peak times, causing severe congestion to trips along the A28. This level of congestion is a major constraint on development to the north east of Canterbury.

Through tackling this congestion pinch point and increasing the capacity of this part of the network, the Project is expected to unlock new development sites to the North East of Canterbury, delivering 4,220 new homes and 1,700 jobs.

Risk:

The developers/landowners for the residential and commercial development sites which will be unlocked through the delivery of the Project are due to provide sizable funding contributions towards the delivery of the Project. The funding contributions have not yet been confirmed for the residential development sites due to financially contribute to the delivery of the project. In advance of the developer contributions becoming available, KCC has agreed a forward funding model and has provided written confirmation to SELEP of this funding model.

Mitigation/action required:

The planning applications for the main two development sites due to financially contribute to the project were approved by Canterbury City Council in February 2021. Planning consent for the delivery of the Project is due to be considered by Kent County Council on the 9<sup>th</sup> March 2021.

At the next Accountability Board meeting in March 2021, the latest position of the project will be considered. The Accountability Board will be asked to agree whether the remaining LGF should be transferred to Kent County Council for the delivery of the project or for the reallocation of funding if there remain substantial delivery risks.

Project: <b>Maidstone Integrated Transport Package</b>	LGF award: <b>£8.9m</b>	Risk Rating:	<b>5</b>
Status: Three separate projects at various phases of delivery	Forecast LGF spend beyond 31 March 2021: <b>£2.37m</b> Expected completion date: <b>Q4 2022/23</b>		
Is LGF being spent beyond 30 September 2021: Yes			
<u>Project description:</u>  The project consists of a package of transport interventions aimed at reducing congestion and easing traffic movements at pinch point locations within Maidstone. The project consists of three phases:  <b>Phase 1 – A20 Ashford Road/A274 Sutton Road/Willington Street</b> The junctions at each end of Willington Street are currently operating with significant delay for traffic on the A20, A274 and on Willington Street. The aim of the scheme is to ease congestion at these junctions, reducing delays and improving journey time reliability and the overall efficiency of the network.			





Improvements to the junctions of Willington Street with the A20 and A274 will be crucial to accommodate additional demand arising from new homes. The scheme will improve the existing signalised junctions of Willington Street with the A20 and the A274 in order to maximise the efficiency of the network and reduce queueing and delays.

#### **Phase 2 – M20 Junction 5, Coldharbour roundabout**

The Coldharbour roundabout is the junction between the A20 and the link road to the M20 at junction 5. Coldharbour roundabout is a signalised roundabout which is a key pinch point due to traffic movements on the A20 between Maidstone and Malling (Ditton) built-up areas, and movements from each of the built-up areas to and from the motorway.

Improvements to Coldharbour roundabout are required due to the considerable growth in the local area, with a recently approved planning application having an increased impact on the existing congestion at the junction. Phase 2 of the project will transform the existing signalised Coldharbour roundabout into an enlarged, non-signalised roundabout, providing additional entry lanes allowing lane designations that better align with traffic volume. It is anticipated that these improvements will both reduce congestion and unlock housing sites. In addition, the new roundabout design will remove a road traffic collision conflict point which exists on the current road layout.

#### **Phase 3 – A229 Loose Road corridor and A20 London Road/Hall Road/Mills Road junction**

Phase 3 of the project will also deliver improvements to the A20 London Road/Hall Road/Mills Road junction. This junction is to the north west of Maidstone and links the Quarry Wood Retail Park with the A20 London Road and is currently traffic signal controlled. The junction currently suffers from poor journey times during peak periods, poor air quality and significant queues in the weekday AM and PM peak periods.

#### **Project benefits:**

These improvements are expected to deliver the following benefits:

- Journey time savings;
- Improved journey time reliability;
- Reduced rat-running on unsuitable routes; and
- Enabling planned housing and employment growth.

It is expected that these improvements will deliver travel time improvements, air quality improvements, impacts on accidents and safety and will support the delivery of 3,900 houses which are to be built in the area adjacent to the junction.

#### **Risks/cause of project delay:**

The three phases of the project are at different stages of delivery. Covid-19 has led to delays in securing planning consent, completing public consultation events and tendering for construction contracts. Planning consent is also required to enable the delivery of phases 1 and 3.

#### **Mitigation/action required:**

The Accountability Board have agreed that planning consent must be in place by 1 September 2021 to demonstrate progress towards the delivery of the project.





Project: <b>A28 Chart Road</b>	LGF award: £2.756m	Risk Rating:	<b>5</b>
Status: On hold	Forecast LGF spend beyond 31 March 2021: £0m Expected completion date: TBC		
Is LGF being spent beyond 30 September 2021: No			
<u>Project description:</u>  The Project scope includes the dualling of the existing A28 Chart Road carriageway with two lanes being provided in both directions between Matalan (Brookfield Road) and Tank (Templer Way) roundabouts, separated by a central island. A new bridge over the railway line is proposed to take the southbound carriageway with the existing bridge carrying the northbound carriageway. The existing carriageway between Matalan and Tank is single carriageway with limited capacity.			
<u>Project benefits:</u>  The Project is linked to the Chilmington Green development, with the Project needing to be completed in order to unlock this area for development including 5,750 dwellings.			
<u>Risk:</u>  The project has been placed on hold, as the local funding contributions were not forthcoming within the timescales required to enable the project to proceed. The unspent portion of the £10.2m LGF award was reallocated but there remains a risk that the £2.756m LGF spent to date will become an abortive cost if the project is unable to proceed through delivery by the private sector.			
<u>Mitigation/action required:</u>  Project to be kept under review.			

Project: <b>M2 Junction 5</b>	LGF award: £1.6m	Risk Rating:	5
Status: Awaiting approval to proceed	Forecast LGF spend beyond 31 March 2021: £1.6m		
Is LGF being spent beyond 30 September 2021: No			
<u>Project description:</u>  The M2 Junction 5 project will deliver major improvements to the junction between the M2 and the A249. The project itself will be delivered by Highways England, with a total estimated cost of £94.5m.			
<u>Project benefits:</u>  The improvements at the junction tackle existing congestion issues at the intersect of the M2 and A249 which are expected to worsen as a result of the New Lower Thames Crossing (LGF) changing travel patterns. Upon opening of the new LTC, traffic to/from the Port of Dover and Channel Tunnel will use the junction for access between the M2/A2 and M20/A20 corridors to the LTC. Whilst Highways England withdrew their DCO application for the LTC in November 2020, a revised application is expected.			



The Kent and Medway Growth and Infrastructure Framework (GIF) forecasts that between 2011 and 2031 the authorities of Swale, Maidstone, Medway and Canterbury will collectively deliver an increase of 65,800 homes and 59,000 jobs. Improvements to this junction are essential to enable delivery of this growth.

Risk:

The award of LGF to the project was made subject to confirmation being provided that the full funding package is in place and the project had been approved by the Secretary of State for Transport.

At the point of the funding decision being made by the Board it was expected that a Public Enquiry would take place in March 2020, with the outcome being confirmed by July 2020. As a result of delays due to COVID-19, the inquiry was not held until 9 November 2020. The Secretary of State for Transport has not yet approved the delivery of the project.

Mitigation/action required:

The Accountability Board have agreed to transfer the £1.6m LGF to Kent County Council before the 31 March 2021. If the project is not approved by the Secretary of State, the £1.6m LGF will need to be returned to SELEP for alternative investment.