

Report title: Queensway Gateway Road LGF Project Update	
Report to: Accountability Board	
Report author: Richard Dawson, Head of Service - Economic Development, Skills and Infrastructure, East Sussex County Council and Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 12 January 2024	For: Decision
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SELEP Partner Authority affected: East Sussex	

1. Purpose of report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to receive a further progress update on the delivery of the Queensway Gateway Road Local Growth Fund (LGF) project (the Project).
- 1.2 The Board has been provided with regular updates on the Project, and this update sets out the current position and any known risks to delivery.
- 1.3 The update on project delivery set out in this report (Sections 3 to 8) details the view of East Sussex County Council only.

2. Recommendations

- 2.1 The Board is asked to:
 - 2.1.1 **Note** the latest update position on the delivery of the Project.
 - 2.1.2 **Note** that East Sussex County Council is working with its delivery partner to ascertain the extent to which further resource is required to complete the Project.
 - 2.1.3 **Note** the updated delivery plan, indicative delivery programme, and approach to finalising the total project cost and funding package.
 - 2.1.4 Agree **one** of the following two options with regard to the Queensway Gateway Road project:
 - Option 1
 - 2.1.4.1 **Agree** that, given the importance of the Project to the local area, it should be retained within the LGF programme. Noting that further work is required to confirm the total project cost, full funding package

Queensway Gateway Road LGF Project Update

and construction programme and acknowledging the intention to agree with the Department for Levelling Up, Housing and Communities that they will have ongoing oversight of the Project following the closure of SELEP **OR**

Option 2

2.1.4.2 **Agree** that, as it has not been possible for East Sussex County Council to provide the requested assurances regarding the total project cost and funding package at this meeting, it should be removed from the LGF programme and the full £10m LGF funding allocation returned to Essex County Council (as Accountable Body for SELEP) within 4 weeks of this meeting for reallocation to alternative projects.

3. Background

- 3.1 The Project will deliver a single carriageway road link between A21 Sedlescombe Road North and Queensway in Hastings. 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.
- 3.2 The original Business Case was submitted at the value of £15m in February 2015 and was approved by the SELEP Strategic Board on 20 March 2015; at the time the Business Case indicated that the Project would be completed in November 2016 based on when the funding would be received. Planning permission was granted by Hastings Borough Council in 2015. However, the Project was delayed by a judicial review, which was unsuccessful, and Hastings Borough Council took the application back to their Planning Committee, and approval was awarded in January 2016. Discharge of planning conditions relating to the consent were finally discharged in November 2016.
- 3.3 £9m of the funding from the Project was utilised to accelerate the delivery of other East Sussex Schemes, including the North Bexhill Access Road. At a later stage, £4m of LGF funding was restored to the Project to bring funding up to £10m, with SCS providing £2m investment contingency on top of this – approved by the Board in February 2018.
- 3.4 Since 2018, the £10m LGF funding allocation has been spent in full supporting Project delivery to the end of 2020/21. The remainder of the main carriageway works were completed by July 2019, with the only residual works being the junction improvements with the A21 to allow the connection to open the road to traffic. The first part of the connection on the existing carriageway to the junction of Whitworth Road was completed in January 2021.
- 3.5 Completion of the final section of the Project, which involved the construction of a roundabout with the A21, was impacted by delays that Sea Change Sussex as delivery agent has experienced in securing the land to construct the scheme with extant planning permission approved by Hastings Borough Council. Consequently, Sea Change Sussex developed an alternative connection arrangement that utilises, improves, and signalises the

Queensway Gateway Road LGF Project Update

existing Junction Road junction with the A21, which will allow the road to be completed and opened to traffic. Following discussions with National Highways (NH) and East Sussex County Council as the local highway authorities, the principle of the signalised connection has been accepted. Both parties are working to confirm the overall funding package and contractual position before the final connection to the A21 can commence onsite.

4 Scheme delivery - Outline Delivery Plan (ODP)

- 4.1 The long delays experienced with the delivery of this scheme have fundamentally been down to land issues and the junction termination to the A21. The revised proposal from Sea Change Sussex for a signalised junction provides a clear pathway to the delivery, completion of the scheme and final adoption of the road.
- 4.2 The outlined delivery plan detailed in this report (Appendix A) has been set with an indicative timeline and the delivery phases. The programme sets out the best endeavours for completion under 4 phases:
- 4.2.1 **Phase 1 – Design:** New proposed A21 signalised scheme & scheme costing.
 - 4.2.2 **Phase 2 – Planning in 2 parts:** Part 1 - New A21 signalised scheme; Part 2 – QGR full adoption.
 - 4.2.3 **Phase 3 – Construction:** Junction works, site acceptance test, Traffic Regulation Orders (TRO's).
 - 4.2.4 **Phase 4 – Adoption & Opening:** Inspections, commissioning certification, & proposed s.38 process.
- 4.3 **Phase 1 – Design:** New proposed A21 signalised scheme & scheme costing
- 4.3.1 There are technical requirements with the outcome of Stages 1 and 2 of the Road Safety Audit highlighting the need for a 'Traffic Regulation Order' for the prohibition of parking in areas of Whitworth Road and the design of the cycleway. In August 2022, NH issued an addendum to the Road Safety Audit requesting there be a review of the cycleway detail. This is an additional process required to satisfy the requirements of the Audit and must be carried out before all parties can enter into a highway agreement. Sea Change Sussex designers submitted an amended drawing about the Stage 2 Road Safety Audit in May 2023, and the designer's response has received the necessary sign-off.
 - 4.3.2 NH have introduced an additional requirement for street lighting and traffic signals at the design stage. This recent national policy change requires Sea Change Sussex to apply the Approved In Principle (AIP) process usually applied to bridges and structures, now applied to the street lighting columns. This additional requirement will be undertaken to finalise the construction package and will not impact the programme delivery.
 - 4.3.3 Final technical approval is expected imminently and a verbal update will be provided at the meeting. Once the final construction costs have been confirmed

Queensway Gateway Road LGF Project Update

and a traffic management plan for road space possession developed, the final Highways Agreements will be produced to satisfy NH and East Sussex County Council.

- 4.3.4 The following TRO's will be made and implemented before the completed scheme is open to through/live traffic:
 - 4.3.4.1 Junction Road Prohibition of Driving (requires re-advertising as the previously made TRO has expired)
 - 4.3.4.2 Whitworth Road Speed Limit
 - 4.3.4.3 Whitworth Road Waiting Restrictions to prevent on-street parking.
- 4.3.5 Both the Whitworth Road TROs will be progressed for formal consultation and public advertisement by the East Sussex County Council Parking team once the work start date is confirmed. It is envisaged that the Junction Road TRO will be re-advertised simultaneously.
- 4.3.6 Once East Sussex County Council and NH have reviewed the complete set of plans and drawings, including the signage package, and the Highways Agreement is in place, the road space for undertaking the works will need to be booked with both East Sussex County Council and NH. Recently, NH has approved a Temporary Traffic Regulation Order (TTRO) to permit the access arrangements for construction to their A21 trunk road network, effective from 1st November 2023, for a period of 18 months.
- 4.3.7 Once final approval of the traffic signs package and final scheme delivery costs have been confirmed, East Sussex County Council will reapply for a TTRO to permit access arrangements for the construction access to the county highway road network. The previous TTRO has lapsed due to the passage of time, the process to put the order in place is a statutory 12-weeks. This period has been built into the final delivery plan.

4.4 **Phase 2 – Planning in 2 parts:** Part 1 - A21 signalised scheme; Part 2 – QGR full adoption

Part 1 - A21 signalised scheme

- 4.4.1 The Project Manager (PM) will be finalising this planning phase and will be responsible for coordinating and ensuring the safe delivery of the construction; they will also be responsible for producing and managing a Scheme Communication Plan to inform key stakeholders.
- 4.4.2 The final delivery plan will be produced once the construction costings have been received and the scheme funding secured. The Traffic Management Plan will then be implemented, and road access permits will be secured from East Sussex County Council under the Temporary TRO. At this point, the scheme

Queensway Gateway Road LGF Project Update

construction details will be advertised in the local papers as part of the road possession process. Local councillors and key stakeholders will be updated.

- 4.4.3 Confirmation of the scheme construction costs will allow the final Highway Agreements with both Sea Change Sussex and NH to be put in place along with the appropriate Scheme Surety Bond (SSB) (guarantee level based on the scheme cost) to ensure the construction is delivered. The SSB is requested to ensure that should the contractor be unable to complete the construction to the satisfaction of the terms of the contract or specification, the SSB monies can be used to engage an alternative contractor to complete the work.

Part 2 - QGR full road adoption

- 4.4.4 During the earlier construction phases of the Project, East Sussex County Council has supported the Sea Change Sussex construction with regular Design Check Inspections. This ongoing involvement has allowed for quality checks and issues to be identified so that any remedial work requirements can be planned for as part of the final adoption.
- 4.4.5 The PM will work with East Sussex County Council to identify the process, key steps and timelines for the final road adoption and certification on completion of the A21 junction work to ensure that any remedial works are delivered in parallel with the junction scheme to reduce further delay in opening the whole road.

4.5 **Phase 3 – Construction:** Junction works, site acceptance test, TRO's

- 4.5.1 The construction works should not commence until a contract agreement has been entered into and assurances on delivery are sought with the supplier.
- 4.5.2 The required Construction Traffic Management Plan (CTMP) will focus on the need to minimise traffic disruption. Approval of the CTMP will include ensuring that work scheduling, public information notices/update are done to minimise road possession and traffic delays in the surrounding area.
- 4.5.3 The traffic signals will be configured using Microprocessor Optimised Vehicle Actuation (MOVA). This operational method was developed to overcome some problems associated with traditional Vehicle Actuation control. MOVA is more responsive to traffic conditions and will significantly increase capacity at a junction. MOVA is adaptive machine learning based on real-time traffic flows and will take several weeks to settle down and optimise the A21 junction flows.
- 4.5.4 Before the full road can be opened, a secondary and parallel remedial works programme may be required to focus on repairing or completing any minor works on the earlier road construction. These works will fall under the warranty of the previous construction and will be identified using the normal highway adoption inspection process.

Queensway Gateway Road LGF Project Update

4.6 **Phase 4 – Adoption & Opening:** Inspections, commissioning certification, & proposed s.38 process

4.6.1 The adoption of Queensway Gateway Road as public highway will need to be secured through a Section 38 agreement between Sea Change Sussex and East Sussex County Council. To facilitate the road's opening at the earliest and safest, it will be programmed on the issue of the Part 1 certificate.

4.6.2 The Part 1 Certificate will be issued by East Sussex County Council when the A21 junction scheme and any major remedial construction work have been completed and inspected to the East Sussex County Council standards. The SSB will then be reduced at this time to 50%.

4.6.3 East Sussex County Council will issue the Part 2 Certificate once all of the works, traffic orders, stopping-up, etc, have been satisfactorily completed to the East Sussex County Council standards. The SSB will then be reduced at this time to 25%.

4.6.4 East Sussex County Council will issue the Final Certificate at the end of 12 months where no faults are found, or if found, they are satisfactorily repaired. Upon issuing this Final Certificate, responsibility for the road passes entirely to East Sussex County Council, and the remaining SSB is cancelled. The road is then 'Adopted'.

5. **East Sussex County Council position with Sea Change Sussex on progress and funding associated with the Queensway Gateway Road**

5.1 East Sussex County Council and Sea Change Sussex have taken positive steps to progress the scheme. External consultants have been appointed to help facilitate discussions between East Sussex County Council and Sea Change Sussex and identify the steps and processes required to complete the Project.

5.2 An associated outline delivery plan has been produced by the consultants. The timeline set out in the plan aims to provide an indicative illustration based on construction requirements and challenges discussed with both parties (East Sussex County Council and Sea Change Sussex) in late October/early November. All parties continue working together to finalise the delivery programme and bring the Project to a close through the construction of this final connection to the A21.

5.3 Further work took place throughout December, as set out in the Outline Delivery Plan above, to ascertain the extent of the additional funding package, delivery programme, and the legal agreements required to support project delivery. Whilst additional funding will be required, it is anticipated that the Project will be delivered within the amount estimated in the original 2015 Business Plan of £15m. As of mid-December, East Sussex County Council are awaiting final costs from Sea Change Sussex and a verbal update on project funding will be provided at the Board meeting.

6. **Steps taken to bring forward the commercial development**

Queensway Gateway Road LGF Project Update



- 6.1 As stated within the previous update report, the employment sites unlocked by the Project are already accessible from the Queensway end of the Project. The delivery of the final connection with the A21 will maximise the employment benefits already realised through the completed 90% of the road and resolve existing traffic congestion, particularly along The Ridge.
- 6.2 During the last Board meeting in September 2023, a verbal update was provided regarding the (approximately) 17 acres of land owned by ESCC around the project site. This land could potentially deliver some employment benefits in the Project business case. The East Sussex County Council Property Team have prepared an internal options report demonstrating that the preferred option is to see the delivery of the Project completed prior to progressing the commercial development. This approach ensures all available employment land can be unlocked to open opportunities for packaging land owned by East Sussex County Council and Hastings Borough Council to attract investment. The timeline for securing these benefits depends upon the delivery programme for the remaining elements of the Project, which, as stated, is being actively established by East Sussex County Council and Sea Change Sussex.
- 6.3 To date, there have been 36 construction jobs reported by Sea Change Sussex in connection with the delivery of the Project. This compares to 12 FTE construction jobs related to the construction of the road and 30 construction jobs related to the construction of the new employment floorspace as set out in the Business Case.

7 Risk Assessment Reporting



- 7.1 Since September 2023, East Sussex County Council have reviewed the key risks impacting on project delivery and the mitigation measures which are being employed to manage these risks – please see Table 1 below for further information.

Queensway Gateway Road LGF Project Update

Table 1: High-Level Key Risks as of January 2024

Risk	RAG rating (September 2023)	Change since the last Board meeting	Current RAG rating (January 2024)	Progress & Actions
<p>Programme</p> <ul style="list-style-type: none"> ▪ Delays in receiving information to review and assess the delivery programme and indicative timelines. ▪ Delays in technical approvals by National Highways ▪ Objections received as part of formal TRO advertisement ▪ Procurement for the final stage of construction is not progressing 	Red		Amber	<ul style="list-style-type: none"> ▪ East Sussex County Council to monitor in line with SELEP reporting requirements and evaluate any impacts and delays to the programme. ▪ Delivery programme and indicative timelines to deliver scheme agreed between East Sussex County Council, Sea Change Sussex and National Highways. Facilitated work undertaken by consultants with the intention to meet the January 2024 deadline, along with relevant approvals sought. ▪ Ongoing communication with National Highways and Sea Change Sussex regarding technical approvals. All technical information has been provided to the highway's authorities – with the exception of the Lamppost AIP (max 4 posts) package requested by National Highways in October 2023. ▪ TRO objections are to be considered at the Planning Committee as required. ▪ Procurement route and tendering to be agreed between East Sussex County Council and Sea Change Sussex. ▪ Road space for undertaking the works will need to be booked with both East Sussex County Council and National Highways
<p>Benefits Realisation</p> <ul style="list-style-type: none"> ▪ Inability to attract third-party private sector investment for follow-on development due to market uncertainty because of the impact of external factors such as: Brexit; Covid-19 pandemic; Supply chain/labour shortages and cost 	Red		Red	<ul style="list-style-type: none"> ▪ East Sussex County Council to monitor in line with SELEP reporting requirements and evaluate any impacts and delays to the timeline for benefits realisation. ▪ The East Sussex County Council Property team have produced a review looking at the options for marketing the employment site, which sits within their ownership. The outcomes of the review are shared within this report.

Queensway Gateway Road LGF Project Update

<p>price inflation; Ukraine war and energy price inflation; Cost of living crisis</p>				
<p>Design Updates</p> <ul style="list-style-type: none"> ▪ Delays to Road Safety Audit Stage 2 Addendum Report approvals due to the extent of the auditor's comments. ▪ Procurement cannot be finalised and is subject to variations until National Highways' additional approval process has been completed. 	Amber		Amber	<ul style="list-style-type: none"> ▪ Continue to monitor outstanding actions and communicate with National Highways and Sea Change Sussex for updates.
<p>Project Budget/Cost</p> <ul style="list-style-type: none"> ▪ Potential for long lead-in times and material delays/cost increases ▪ Overall budget to be confirmed 	Red		Red	<ul style="list-style-type: none"> ▪ Final estimate of Construction Costs to be confirmed by Sea Change Sussex. ▪ Budget confirmation and approach will be confirmed on the provision of cost modelling. ▪ Undertake the final procurement stage at the earliest opportunity to mitigate the potential for further tender cost rises. ▪ Required traffic signals already procured to reduce the risk of extended lead-in times impacting the delivery programme. ▪ Ongoing budget to deliver scheme to be agreed between East Sussex County Council and Sea Change Sussex.

Queensway Gateway Road LGF Project Update

8. Next steps

- 8.1 East Sussex County Council will work with its delivery partner on the areas in the report and ascertain the extent of the resource requirement and approach to complete the Project and road adoption.
- 8.2 This report has set out the Outline Delivery Plan (Appendix A), its phases and the indicative timelines estimated with each timeline.
- 8.3 An important step has been made with the appointment of consultants to facilitate discussions between East Sussex County Council and Sea Change Sussex to develop the action plan by the end of January 2024. The intended outcome of a jointly agreed action plan will enable East Sussex County Council to be clear on the overall project cost and funding package required to deliver the Project.

9 SELEP Comments

- 9.1 As the Board will recall, it has previously been reported that 90% of the Project was delivered by January 2021. However, progress on delivering the final 10% and the key connection with the A21 has been significantly slower than anticipated. Consequently, the Board has been receiving regular updates on the Project for an extended period of time.
- 9.2 The update provided at the last Board meeting indicated that there continued to be a lack of clarity with regard to the total project cost, the funding package and the delivery programme which raised concerns regarding the deliverability of the final section of the road and the full scope of the approved LGF Business Case. East Sussex County Council indicated that an external consultant had been appointed to help facilitate discussions between themselves and Sea Change Sussex. In addition, the consultant was to identify the steps and processes required to complete the Project.
- 9.3 The appointment of the consultant was considered to be a positive step and one which would allow a much clearer position with regard to the delivery of the remaining elements of the Project to be established, allowing East Sussex County Council to provide the Board with more assurance regarding ongoing delivery of the Project. Consequently, the Board agreed that a clear delivery plan, including an indicative delivery programme, total project cost and funding package should be provided at this meeting.
- 9.4 It is apparent that efforts have been made in this report to provide greater clarity as to the remaining steps which need to be taken to secure project completion and an indicative timeline has been given for completion of the first two phases of activity. However, it is noted that, based on the information set out in this report, the indicative timescales have not been met. It is expected that East Sussex County Council will be able to provide a verbal update on the expected timescales for these activities during the Board meeting.
- 9.5 Whilst an indicative timeline has been given for the first two phases of activity, no timeline has been given for the construction phase of the Project. It is acknowledged that there is an indication that construction is expected to take 16 weeks but, at this stage, East Sussex County Council have been unable to confirm when the period of construction will

Queensway Gateway Road LGF Project Update

commence. Therefore, whilst there is now greater clarity as to the activities which need to be completed, there is no further certainty as to when project completion will be achieved.

- 9.6 One of the primary risks to project delivery which has been highlighted at recent Board meetings is the ongoing uncertainty with regard to the updated total project cost and the make-up of the funding package. The LGF funding has been spent in full supporting delivery of the Project to date and Sea Change Sussex have made a financial contribution to the Project. However, there is no further funding confirmed to support delivery of the remaining elements of the Project.
- 9.7 The report does indicate that it is expected that the Project can be delivered within the amount estimated in the original Business Case of £15m but East Sussex County Council have been unable to give any further clarity on the exact cost at this time.
- 9.8 The ongoing uncertainty as to the cost of the Project and the make-up of the funding package continues to raise concerns regarding the likelihood of the remaining elements of the Project being delivered. However, it is noted that there continues to be engagement between East Sussex County Council and Sea Change Sussex with regard to the Project and there appears to be an ongoing commitment from both parties to complete delivery of the Project.
- 9.9 In summary, the update provided by East Sussex County Council in this report, serves to provide greater clarity as to the steps which need to be taken to complete the Project. However, there continues to be a lack of certainty around the total project cost and the funding package which, if not resolved, could further delay or prevent delivery of the Project in line with the agreed Business Case.
- 9.10 It should be noted that the majority of the expected project benefits are dependent upon completion of the Project. The transport benefits (reduced congestion on The Ridge and improved traffic flows on the A21) will not be realised until the full length of the new road is open for public use and East Sussex County Council have indicated that their preferred option would be for the unlocked employment land to be brought forward for development after project completion as this will increase the attractiveness of the sites. If it is not possible to complete delivery of the final section of the Project, the majority of the benefits outlined in the Business Case (with the exception of some reported construction jobs) will not be realised.
- 9.11 In light of the update provided in this report, there are two options for the Board to consider.
- 9.11.1 Option 1: **Agree** that, given the importance of the Project to the local area, it should be retained within the LGF programme. Noting that further work is required to confirm the total project cost, full funding package and construction programme and acknowledging the intention to agree with the Department for Levelling Up, Housing and Communities that they will have ongoing oversight of the Project following the closure of SELEP.
- 9.11.2 Option 2: **Agree** that, as it has not been possible for East Sussex County Council to provide the requested assurance regarding the total project cost and funding

Queensway Gateway Road LGF Project Update

package at this meeting, it should be removed from the LGF programme and the full £10m LGF funding allocation returned to Essex County Council (as Accountable Body for SELEP) within 4 weeks of this meeting for reallocation to alternative projects.

- 9.12 Option 1 provides the opportunity for the Board to continue to support the Project and to agree that it should be retained within the LGF programme. The inclusion of this option reflects the importance of the Project to the local area. It is acknowledged that it hasn't been possible for East Sussex County Council to provide all the information requested by the Board and that there continues to be uncertainty with regard to the delivery programme, total project cost and funding package. Consequently, this report does not provide the level of assurance regarding ongoing project delivery that would have given the Board confidence of successful project completion at this stage.
- 9.13 Given that SELEP is due to close on 31 March 2024, it is likely that there is insufficient time remaining for East Sussex County Council to provide confirmation regarding the funding package and construction programme. Therefore, to mitigate the risk this presents, it is proposed that agreement is sought from the Department for Levelling Up, Housing and Communities that they will have ongoing oversight of the Project following the closure of SELEP. This will provide additional assurance that the Project will continue to be delivered in accordance with the approved LGF Business Case and will be supported by the ongoing requirement to provide the necessary reporting to Government throughout 2024/25 when these considerations are likely to be confirmed by East Sussex County Council.
- 9.14 Option 2 provides for the removal of the Project from the LGF programme on the basis that there are ongoing uncertainties regarding the delivery programme, total project cost and funding package for the Project, and therefore the assurances sought by the Board regarding delivery of the remaining works have not been fully provided. This option is available to the Board if they are not prepared to accept the level of uncertainty which remains with regard to delivery of the Project. Under this option, the Project would be removed from the LGF programme and the full £10m LGF allocation would need to be returned to Essex County Council (as Accountable Body for SELEP) within 4 weeks of this meeting for reallocation to alternative projects at the February 2024 Board meeting.
- 9.15 A verbal update on the Project will be provided by East Sussex County Council during the Board meeting which may provide greater assurance regarding delivery of the remaining elements of the Project.

10. Financial Implications (Accountable Body Comments)

- 10.1 Essex County Council, as the Accountable Body, is responsible for ensuring that the funding awarded by Government is utilised in accordance with the conditions set for use of the Grant. LGF is a capital grant awarded by Government and is subject to the following condition:

The grant may be used only for the purposes that a capital receipt may be used for, in accordance with regulations made under section 11 of the Local Government Act 2003.

Queensway Gateway Road LGF Project Update

- 10.2 This condition requires that the grant is used to fund Capital expenditure; no end date for use of the grant is included within the conditions, however, it was the expectation of Government that it was used to fund the LGF projects and that it would be defrayed in full by the end of March 2020. This Project was originally planned to have been completed by November 2016, but has been subject to a number of delays, as set out in the report.
- 10.3 With the LGF allocated to each project having been transferred in advance to the Local Authorities, there is a requirement for the Board to continue to effectively monitor the progress of the LGF projects in order to provide assurance of delivery in line with the agreed business case; for this Project, full assurance in this respect has not yet been provided.
- 10.4 There continue to be a number of challenges to completion of the Project, albeit that the full £10m LGF allocation has already been spent supporting delivery; this presents risks to the Board on assuring delivery and realisation of the expected outcomes, particularly given the delay in completion experienced to date.
- 10.5 There continues to be uncertainty with respect to the delivery plan, timeline and the costs for completing the Project, which increases the overall risk to delivery.
- 10.6 Further risks continue to remain with respect to the funding required to complete the Project; previous updates to the Board have indicated a lack of clarity with regard to how the final section of the road is to be funded, with references to contributions from Sea Change Sussex as temporary funding. It is noted, however, that whilst East Sussex County Council have still not been able to provide assurance to the Board of a solution in this respect, the update indicates that there continue to be constructive discussions with the Delivery Partner, Sea Change Sussex, to progress towards resolving these issues.
- 10.7 The Board were advised at the September 2023 meeting that should East Sussex County Council be unable to provide the requested information by the January 2024 meeting of the Board, then options for the way forward would be presented for consideration at this meeting, which could include recovery of some or all of the £10m LGF investment made on the road.
- 10.8 All LGF was transferred to East Sussex County Council, as the Project's Lead Authority, under the terms of a Service Level Agreement (SLA) which makes clear that funding can only be used in line with the agreed terms. It is also clear that ensuring sufficient funding is secured to support delivery of the Project is the responsibility of East Sussex County Council. The Agreements also set out 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.
- 10.9 It is of concern to SELEP and the Board to ensure that the final section of the road is delivered to enable the realisation of the benefits set out within the Project Business Case; if completion of the road continues to be delayed or the completion cannot be assured then there is a risk that the Project may no longer meet the conditions of the SLA. In these circumstances, the Board can consider recovering some, or all, of the £10m LGF allocated to the Project, which is set out in Option 2 of the recommendations.

Queensway Gateway Road LGF Project Update

- 10.10 A further risk of concern with respect to the benefits update which indicates that progress towards realising the wider benefits of commercial development in the land adjacent to the road is unlikely to be progressed until the road is fully completed and open to use; this issue similarly supports the imperative of an agreed way forward between East Sussex County Council and Sea Change Sussex to secure the completion of the road.
- 10.11 Should the Board agree to Option 1 which will enable retention of the LGF against the Project, it should be noted that due to the on-going challenges in the economic climate that there will likely continue to be risks to the delivery of the full plan and by association, the anticipated benefits set out in the Business Case, if sufficient funding is not secured or appropriate cost mitigation measures not implemented.
- 10.12 Due to the anticipated closure of SELEP, the approach that expects on-going monitoring and reporting to DLUHC with respect to Project delivery in line with the agreed Business Case is considered appropriate should the Board agree to option 1 in the report. Government have confirmed, their intention to continue monitoring delivery of LGF projects, which provides some assurance with respect to on-going oversight of delivery. If Option 1 is agreed, East Sussex County Council will be expected to report any risks with delivery of the Project and by association future assurance with respect to realising the benefits of the LGF investment, to Government – work is on-going between SELEP, Partner Authorities and the Accountable Body to ensure that future assurance arrangements are appropriately implemented following the closure of SELEP.
- 10.13 Should the Board choose to agree Option 2, there are provisions with the SLA in place with East Sussex County Council to enable recovery of LGF funding where this determined by the Board; Essex County Council, as the Accountable Body, will work with East Sussex County Council to secure recovery of any agreed funding.

11. Legal Implications (Accountable Body Comments)

- 11.1 If the Project is not completed, the provisions set out within the SLA will be activated, and Essex County Council, as the Accountable Body, will expect East Sussex County Council to repay funding as required due to the conditions of the SLA no longer being met.

12. Equality and Diversity implications (Accountable Body Comments)

- 12.1 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:
- 12.1.1 Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - 12.1.2 Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - 12.1.3 Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 12.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

Queensway Gateway Road LGF Project Update

12.3 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.

13. List of Appendices

13.1 Appendix A – Outline Delivery Plan

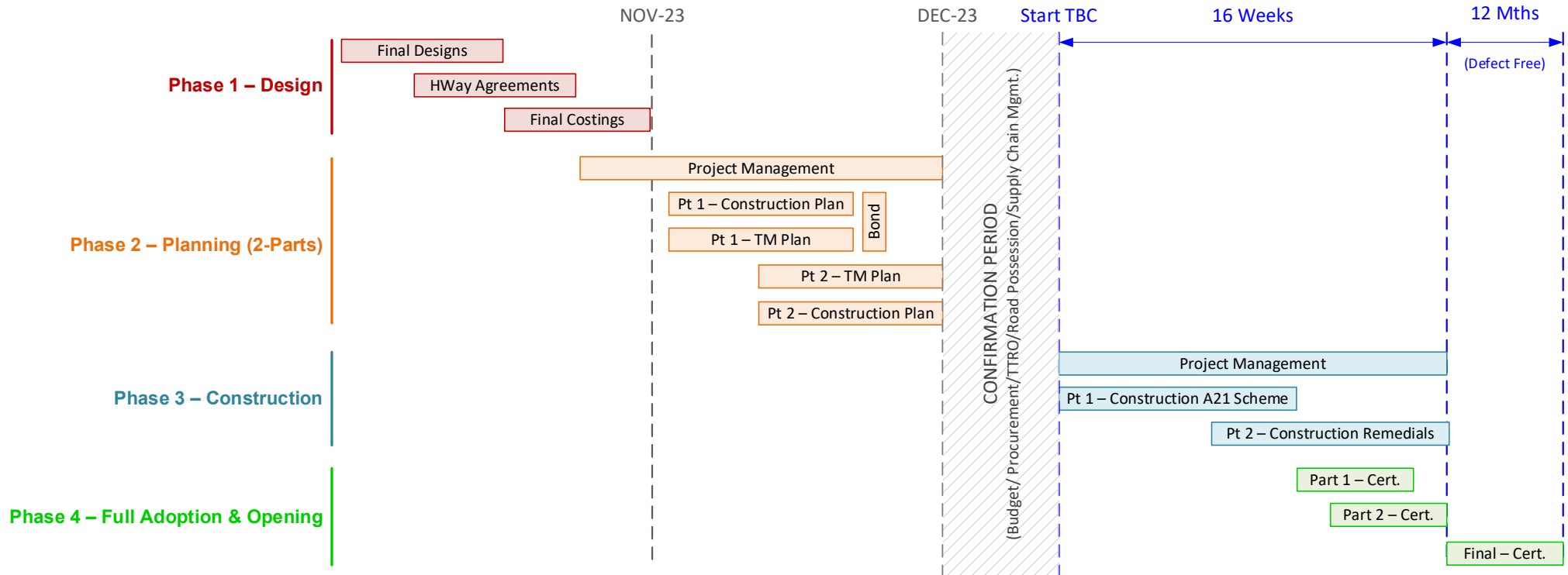
13.2 Appendix B - LGF Project Background Information

(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
Accountable Body sign off	
Michael Neumann	05/01/2024
(On behalf of Nicole Wood, S151 Officer, Essex County Council)	


Queensway Gateway Road LGF Project Update

APPENDIX A – Outline Delivery Plan (ODP) as of November 2023



Queensway Gateway Road LGF Project Update

Appendix B – LGF Project Background Information

Name of Project	Queensway Gateway Road, Hastings East Sussex County Council
Local Growth Fund (LGF) allocation	£10,000,000 – initial award March 2015
Description of what Project delivers	<p>The Queensway Gateway Road scheme compromises a single carriageway road link between 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, as shown below. The road will facilitate access to employment sites to the north and south.</p>  <p>The map shows the proposed Queensway Gateway Road route in red. It starts at the A21 (Sedlescombe Road North) and runs south, crossing the Hollington Stream valley on an embankment. The route then runs south of Whitworth Road to join the A21 at a new junction north of the existing Sainsbury's store. Other roads shown include The Ridge West, Combe Valley Way, and various residential streets like Riding Stables, Beauport Park Hotel, and Govt Offices.</p> <p>The road will connect the Combe Valley Way (formerly known as the Bexhill Hastings Link Road) via Queensway to the A21, redistributing traffic from Combe Valley Way and The Ridge heading towards the A21. The opening of the Combe Valley Way changed the balance of traffic movements in the Hastings and Bexhill area, and has resulted in increased traffic volumes along</p>

	<p>the Ridge and Queensway. By relieving congestion, the Queensway Gateway Road will improve strategic connectivity in the Bexhill Hastings Growth Corridor, improving employment development potential in Queensway and employment and housing growth potential in North Bexhill.</p> <p>The key objectives of the project are:</p> <ul style="list-style-type: none"> • to support the development and employment potential of the Bexhill Hastings Growth Corridor; • to improve strategic access between the A21 and Queensway/Combe Valley Way and thereby strategic access to employment and housing sites in North Bexhill and Hastings; and • to alleviate congestion at junctions to the A21 enabling Combe Valley Way to perform to its full potential as a driver of economic growth.
<p>Project benefits</p>	<p>The Queensway Gateway Road provides access to designated employment development sites within the Bexhill Hastings Growth Corridor which would otherwise not be brought forward.</p> <p>The new road allows land to be released for employment development, as set out within Hastings Local Plan 2004 and Hastings Planning Strategy. Specifically, the road opens up the development potential of key sites south of The Ridge, with capacity for up to 12,000sqm of employment floorspace.</p> <p>It is expected that the Project will lead to the creation of 900 new jobs. In addition, the development of Queensway Gateway Road and Combe Valley Way are expected to directly contribute to the delivery of at least 60,000 sqm of new employment workspace and construction of 3,100 new homes in North Bexhill by 2028 as a result of improved connectivity.</p>
<p>Project constraints</p>	<p>The Project is being delivered in phases with the first phase having started early in 2017. In March 2019, the western section of road was completed and was opened for access to local businesses only.</p> <p>The final section of the road as originally planned, to connect the already completed sections with the A21 via a roundabout, requires the purchase of remaining properties on the route. There is currently no clear timeline as to when the acquisitions could be completed either through negotiation or potentially through a Compulsory Purchase Order. This issue has delayed the completion of the Project and is identified as a significant risk to delivery.</p>

	<p>An alternative signalised connection with the A21 is being progressed to allow use of the new road as a through route. This connection may replace the originally planned roundabout on a permanent basis but is subject to further review to determine whether it achieves the forecast project benefits as per the approved Business Case.</p>
<p>Link to Project page on the website with full Business Case and links to any previous decisions by Accountability Board and/or Strategic Board</p>	<p>https://www.southeastlep.com/project/queensway-gateway-road/</p> <p>Funding decision (note: original LGF allocation to the project was £15m): https://www.southeastlep.com/app/uploads/2018/06/Minutes-SELEP-Board-20th-March-2015-V3.pdf</p> <p>Project changes: https://www.southeastlep.com/app/uploads/2020/08/Accountability-Board-Summary-of-Decisions-23.02.18.pdf</p>