

# Battle of Hastings reaches end game as ministers back link road

## ROADS

by Andrew Forster

THE DfT's lukewarm assessment of East Sussex County Council's controversial Hastings to Bexhill Link Road was revealed this week, just days after the Treasury announced the Government will provide £56m towards the £86m scheme.

The future of the 5.6km single carriageway project had hung in the balance since December when the Department deferred a decision on the scheme, one of 45 development pool projects. The DfT said it wanted to be sure the road offered the best approach for regenerating the area and to consider whether further environmental mitigation measures could be deployed.

Environmental pressure groups, including the Campaign for Better Transport and the Hastings Alliance, have made the road a test case of the Government's 'green' credentials (*LTT* 16 Mar), citing in particular its detrimental impact on the Combe Haven valley.

But in last week's Budget the Treasury announced the go-ahead for the scheme, saying that it would "facilitate economic regeneration in a deprived area of the South East". In a follow-up letter sent to East Sussex County Council, transport secretary Justine Greening said she had concluded that the road "provides the best approach for regenerating the Bexhill-Hastings area".

Welcoming the decision, East

Sussex's council leader Peter Jones, said: "The link road is absolutely crucial to the regeneration of Hastings and Bexhill. We believe the link road will facilitate construction of 1,200-2,000 new homes and business park space of 50,000 square metres, which will create at least 3,000 new jobs."

The county council has pledged to provide £29.7m to deliver the scheme. It hopes construction can begin next January with the road opening at the end of 2014.

Derek Coffee of the Campaign for Better Transport East Sussex, who has fought the road plan for more than a decade, told *LTT*: "To us it looks as if the DfT didn't like it, didn't really fancy giving the county council the money for it, but someone came in and said: 'Sorry mate, give them the money'."

The DfT's assessment of East Sussex's business case, seen this week by *LTT*, said an alternative, more modest road-based solution had been suggested but had not been assessed to the same detail as the link road. "There remains some uncertainty about whether there is a viable alternative... that will meet the regeneration and transport needs of the area," the DfT said.

The Department said the road represented "low/medium" value for money and that "the risk of the scheme achieving low value for money is significant [a benefit:cost ratio below 1.5]".

East Sussex calculated a

benefit:cost ratio (BCR) of 2.6:1 for the road. But the DfT adjusted this down to 1.5:1, largely because of the road's detrimental landscape impact.

"The route would pass through an area of tranquil and locally valued countryside, passing around two SSSIs and close to an Area of Outstanding Natural Beauty," the DfT noted. "If it were decided that the countryside affected is particularly special in terms of beauty, amenity value, tranquillity, cultural heritage and biodiversity then a 'low' value for money conclusion would be merited regardless of the view on other issues (particularly if the view is that the adverse impacts can't be mitigated)".

The DfT's assessment noted that the scheme was supported by the Department of Business, Innovation and Skills (BIS). BIS said the road would deliver "significant impact, given the benefits that may accrue in an area of high deprivation, even if some of the jobs may be delivered over the longer term, and possibly more slowly than envisaged given the current economic climate."

The DfT was cautious about East Sussex's claims that the road will create up to 3,000 jobs by opening up a large development site in north-east Bexhill.

"Employment benchmarks published by BIS would suggest that site would create circa 1,650 net additional jobs assuming 100% occupancy although we think there are downside risks

given that tenants haven't been identified," said the DfT. "A previous review of the scheme suggested that 900 jobs (net) could be created and we think this is a reasonable starting point for considering the regeneration benefits."

It added: "Based on historical benchmarks, inclusion of regeneration benefits assuming 1,000 additional jobs could increase the BCR to 1.9 if the adjustment for landscape is left unchanged."

The Department also raised "significant concerns" with the traffic modelling of the scheme. "These include concerns about how the model is specified and the high level of benefits during the off-peak and weekends. A reasonable case could be made for reducing the central case benefits by 10-20% to reflect these uncertainties although we don't have the evidence to show that this would provide a more accurate assessment of the scheme than the promoter's assessment."

"Such an adjustment would only capture those uncertainties we can quantify, which are on the downside," said the DfT. "Other uncertainties have scope to increase benefits."

Greening this week specified a number of conditions for the DfT funding, including further environmental measures and a commitment from the council to fund junction improvements and public transport measures.

Hochtief/Vinci has the Early Contractor Involvement contract to deliver the road.

## Manchester pioneers new funding model

### FUNDING

THE GOVERNMENT will provide the Greater Manchester conurbation authorities with up to £30m a year of tax revenues if current transport and other infrastructure investment programmes deliver economic growth.

The 'Earn Back Model' is the first of its kind in the UK and is a key feature of the 'City Deal' agreed by the conurbation and ministers.



Metrolink: growth driver

## Ringfenced TIF limited to core cities

### FUNDING

ENGLAND'S EIGHT biggest cities outside London will be the only areas invited to bid for ring-fenced Tax Increment Financing to fund transport and other infrastructure, the Treasury has announced.

The Government will invite England's 'core cities' to bid for the right to £150m of so-called 'TIF Type 2' funding. The cities are: Manchester, Birmingham, Liverpool, Newcastle, Bristol, Sheffield,

levy and reset systems that apply to TIF Type 1 schemes (*LTT* 18 Nov 11).

The Department for Communities and Local Government said last week that TIF Type 2 would be used to deliver one or two flagship schemes from 2013/14 onwards.

The funding isn't a cash payment. Instead, it is a means of publicly accounting for borrowing financed by local authorities. "TIF2 schemes come at a cost to government