

To: Secretary of State
Norman Baker MP

From: [Name of official redacted]

Date: 14 March 2012

Bexhill Hastings Link Road

Issue

1. Whether to provide funding for the Bexhill Hastings Link Road or alternative transport measures.

Recommendation

2. That you consider two emerging options:
 - (i) approve DfT funding approval for the Bexhill Hastings Link Road, conditional on the promoter committing to further specific environmental mitigation measures and complementary sustainable transport investments; or
 - (ii) decline funding approval for the Bexhill Hastings Link Road and instead offer support for the development of a package of alternative transport measures of benefit to the area (paras 20-24).
3. We would be happy to discuss these options in more detail at a meeting, including to update you with some outstanding pieces of information expected from East Sussex County Council by the end of this week.

Timing

4. Urgent, to inform potential Budget announcement. Please note that a decision earlier than end of March is not without risks (para 30) but we think this is manageable.

Background

5. Before taking a final decision on this scheme you wanted to be sure that it offers the best approach for regenerating the area and also to consider other transport options to achieve this; as well as considering whether further environmental mitigation measures could be deployed.

Stakeholder Views

6. There is clear and strong support for the Link Road from local MPs, the LEP, local councils (at county and district levels), the regeneration task force (East Sussex Energy, Infrastructure and Development Ltd) and from many local businesses. They contend that the Link Road offers the best transport solution for delivering regeneration and growth to the area.
7. There is equally significant opposition to the scheme from Campaign for Better Transport, the Hastings Alliance and many individual residents. CBT and the Alliance deplore the significant landscape impacts the scheme would have on the Combe Valley; question the benefits and development opportunities offered by the

land in NE Bexhill; and argue that alternative road-based solutions delivered as part of an integrated package of sustainable public transport and smarter choices would deliver growth.

Consideration

Economic regeneration needs

8. The available evidence supports the view that lack of land for business and housing development in the Bexhill-Hastings area is a significant constraint on the growth potential in the area. Furthermore, geographical constraints mean that North East Bexhill seems like the only place where significant development can take place. The promoters, and their local partners, have provided persuasive evidence that North East Bexhill forms a critical part of the overall supply of business land to enable job growth across Bexhill and Hastings. The sites are already allocated as business land in the Local Plan and would provide some 51,900 sqm of business space. The promoter claims that the site has the potential to create at least 3,000 new jobs.
9. The supply of alternative brownfield sites is limited. There is potential to extend existing industrial estates in Hastings but these are generally not comparable in quality or size flexibility when compared to North East Bexhill. Without the Bexhill Hastings Link Road there is currently no land available in Bexhill for office, light manufacturing, general industrial or warehousing development.
10. It is less clear that these development sites will be built out rapidly. This will depend on national and local economic conditions and, potentially, on public support.

Environment

11. Natural England and other statutory environmental bodies removed statutory objections to the Link Road during the planning process. And the promoter (East Sussex County Council) claims to be spending over £21m on mitigation measures as part of the total scheme cost. However, Natural England have suggested that they could go further by upgrading one of the over-bridges to a “green bridge” to aid species movement and address habitat severance (estimated cost £2m - £3m) and by contributing c.£1m to a Heritage Lottery Fund project in the Brede-Hastings area to enhance meadow land and a wet woodland/grassland.

Strategic – HA Schemes

12. It may be possible to accelerate delivery of the A21 Tonbridge to Pembury dualling scheme either late in the SR10 period or early in SR14.
13. Strategic road access, particularly the proposed dualling of A21 Tonbridge-Pembury, is important but addresses a different and complementary transport need for the Bexhill-Hastings area. On their own, strategic improvements to the A21 would not be sufficient to open up development in North East Bexhill.

Rail

14. We have concluded that local rail interventions are not capable of addressing the key local transport challenges in the area. The train service frequency on the Hastings-Bexhill corridor increased from two to three trains per hour in 2005 with the introduction of a new hourly fast service between Ashford and Brighton. The provision of higher frequency rail services on this corridor would require significant expenditure on additional rail infrastructure and rolling stock and has a poor economic case.
15. Proposals exist for new local stations in the area, including at Glyne Gap. The extra time needed to stop trains at such new stations is inconsistent with local aspirations for reduced passenger journey times. The time disbenefits to passengers also mean that the business cases for providing new stations look weak and the proposals are not supported by Network Rail or the local train operator, Southern Railway.
16. Network Rail is currently renewing the signalling equipment between Hastings and Eastbourne. The new signalling could allow a small increase of one or two minutes in the maximum speed of trains in future if the track is upgraded - although there are currently no plans for this under the franchise. Small journey time savings could be possible.

Local transport solutions

17. Public transport and smarter choices on their own are unlikely to adequately deal with development at NE Bexhill. But they could complement any road-based solution. The promoter has pledged to providing complementary measures, if the Link Road proceeds but there is no firm commitment. This includes improvements to roundabouts on the local road network; provision of bus lanes; and a new bus service which would use the Link Road (although there is no firm commitment from the local bus operator to provide such a service).
18. The promoter has submitted a separate bid to the Department under the Local Sustainable Transport Fund for a package of measures in the East Sussex coastal towns for better travel to work and education. This includes measures that would complement the Link Road (real time passenger information on bus services; walking and cycling measures). But these would be largely separate from the measures referred to in para 17.
19. Route management of A259: There is very limited scope for making on-line improvements to the A259 – the key coastal link road in Bexhill–Hastings which experiences heavy congestion (particularly at Glyne Gap), poor reliability and poor air quality. Widening the A259 would involve the demolition of a significant number of houses and other buildings.
20. Alternative road based solutions: CBT and the Hastings Alliance have suggested an alternative to the Link Road. This comprises:
 - a Spur Road to NE Bexhill from the A259;
 - a Country Avenue from the development to Bulverhythe, skirting the north east of Bexhill; and
 - a Sea Avenue between Glyne Gap and Harley Shute Road.

21. This alternative was first proposed in 2000 when the Hastings by-passes were still under active consideration. A map showing this option is attached at Annex A.
22. The promoter claims that, although it would provide access to NE Bexhill, it would do nothing to increase the capacity on the A259; it would divert additional traffic from NE Bexhill on to unsuitable alternative local roads; it wouldn't help potential employees from Hastings to access jobs in NE Bexhill; and it would impact on the local environment and an existing recreation ground. Analysis produced by the promoter indicates that this option would make traffic conditions worse (it has a negative BCR).
23. In the time available we have had little opportunity to review this alternative (papers from the Council were received last week). East Sussex County Council's negative assessment is in large part due to the assumed closure of the existing road to general traffic and the opening of a parallel single carriageway route which does not provide any additional capacity. It is possible that the performance of this alternative could be improved (e.g. keeping the existing route open to general traffic) but this could be a substantial task involving detailed engineering studies and stakeholder engagement. The additional route at Glyne Gap would also cut across a recreation ground; raise flooding issues; involve land take from a caravan site; and impact on the amenity of existing residential areas in the Gap. Furthermore, there is no guarantee that further work would identify an option that meets the strategic objectives of the scheme, particularly given the issues identified in paragraph 22.
24. We invited stakeholders to comment on it and it is clear that, while it receives the support of opponents to the Link Road, it is strongly opposed by the two district-level authorities (Rother DC and Hastings BC).
25. Bexhill Hastings Link Road: We are awaiting further information from the promoter which will allow us to update the Value for Money assessment of the scheme. Therefore, our current assessment of the scheme remains unchanged from that reported to you in December (attached as Annex B). The VfM conclusion is particularly sensitive to the weight attached to the local environmental impacts of the scheme and the value of the regeneration benefits from associated developments in Bexhill. Estimates of the value of these impacts are not as robust as other parts of the appraisal and subject to a high level of uncertainty. Given the size of these impacts the range of plausible VfM conclusions is high – e.g. you can construct a reasonable argument that the scheme represents either low or high VfM.
26. We have prepared a document setting out how the scheme supports the local economy and the environmental impact. This is attached at Annex C and is still "work in progress".
27. The promoter's September 2011 bid for the Link Road was for a DfT contribution of £56m with a total scheme cost of £85.9m. The bid was based on 100% DfT spend in the SR10 period. The Council is contributing £29.7m and £0.2m has already been provided by the South East England Development Agency.

Emerging options

28. Realistically there are only two emerging options:

Option 1: You could approve Bexhill Hastings Link Road on the basis that it is the only appraised scheme that meets the transport and regeneration needs of the area. But you could attach conditions on further environmental mitigation along the lines set out in para 10 (subject to these not materially impacting on the existing planning consent) and provision by the promoter of complementary sustainable transport measures (which would need to be costed). Decisions would then be made on Statutory Orders (a separate process) before scheme gets to full approval.

Option 2: You do not approve the Link Road on the basis that possible, alternative road-based solutions have not been fully worked through and tested. You could give a commitment to funding being available for an alternative package of transport measures which might include developing road-based alternatives, sustainable transport, and possible acceleration of future funding of the A21 Tonbridge-Pembury scheme (late in SR10 or early SR14). We cannot be sure, however, that the road-based alternatives are either credible or deliverable without substantially more work.

Given time to develop alternative local road-based schemes and devolving decisions on majors from 2015, as well as the timing of the A21 improvements, option 2 would effectively be seen locally as a cancellation, especially as the proposals on the A21 may not been seen as directly linked to development of NE Bexhill.

Timing

29. Our analysis is not quite complete. We are awaiting responses from the promoter to a number of clarification questions which should help us refine our assessment of the core benefits of the scheme (e.g. journey time reductions) and provide greater confidence in the modelling approach. We are also in the process of reviewing new information on the economic impacts of the scheme (jobs and economic growth) including the material presented to you by the promoter earlier this week. This will provide a more refined understanding of the trade-off between supporting the local economy and the environmental impact of the scheme to help inform your final decision. Subject to this extra information and analysis, you could be ready to announce this in the Budget if you went for option 1.

30. There are risks in making an early announcement. Your December statement set out a timetable until the end of March for discussions on solutions to take place. There would be a risk of challenge if stakeholders felt that evidence gathering and other discussions were still in progress and would be prematurely curtailed by an early announcement. Officials are meeting the Hastings Alliance on 15 March to further discuss their views. The main gap in our evidence gathering relates to the road based alternatives but it is very unlikely that we would learn much more about it between now and the end of March or be able to come to a better assessment which might influence your decision. So we believe the risk to be manageable. The alternative is to stick to the publicly announced timetable but you may then wish to consider the timing of any A21 announcement beyond the Budget, depending on the decisions taken on the Link Road.

[Name of official redacted]