

**Report to:** Lead Cabinet Member for Strategic Management and Economic Development

**Date:** 29 June 2015

**By:** Director of Communities, Economy and Transport

**Title:** Queensway Gateway Road, Hastings: Funding Agreement with Seachange Sussex

**Purpose:** To seek approval for the County Council to enter into a legal agreement to transfer the Local Growth Fund monies equivalent to the amount approved by the South East Local Enterprise Partnership to Seachange Sussex to deliver the Queensway Gateway Road

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**RECOMMENDATIONS:** The Lead Member is recommended to:

- (1) Approve grant funding to the value of £10m in 2015/16 and £5m in 2016/17 to Seachange Sussex to fund the delivery of the Queensway Gateway Road; and**
  - (2) Delegate authority to the Director of Communities, Economy and Transport to approve the terms of any agreements and to take all other necessary actions in respect of recommendation 1 above.**
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## **1 Background Information**

1.1 In March 2014, the South East Local Enterprise Partnership (SELEP), which comprises businesses, local authorities and education leaders across East Sussex, Essex, Kent, Medway, Southend and Thurrock, submitted their proposals to Government for a Growth Deal to drive economic expansion in the area over the next 6 years up to 2021. Within this was a specific growth plan for East Sussex focussed around its three growth corridors – Newhaven, A22/A27 Eastbourne/South Wealden and the A21/A259 Bexhill/Hastings Growth Corridor.

1.2 The SELEP's initial Growth Deal was agreed in July 2014 with a further Growth Deal agreed in February 2015. Within East Sussex, over £71m has been secured to date towards infrastructure projects, with a particular focus on transport schemes that will bring forward new jobs and homes.

1.3 One of the East Sussex schemes identified as integral to the growth plans in the A21/A259 Bexhill/Hastings Growth Corridor is the Queensway Gateway Road. The Growth Deal allocates £15m of funding for the scheme over two financial years - £10m in 2015/16 and £5m in 2016/17.

1.4 The Queensway Gateway Road, as shown at Appendix A, comprises a single carriageway road between the A21 Sedlescombe Road North and Queensway. The road will connect via a new roundabout with Queensway south of its junction with the Ridge West, crossing the Hollington Stream valley on an embankment and then utilising the existing alignment of Whitworth Road to join the A21 at a new roundabout north of the existing Sainsbury's store; Junction Road will be closed to traffic as part of the scheme. The Gateway Road includes a central roundabout to facilitate access to the employment sites allocated in the adopted Hastings Local Plan Planning Strategy to the north and south of the road. The road will facilitate approximately 12,000sqm of employment space on these sites, creating around 900 jobs.

1.5 Seachange Sussex, as the promoter of the scheme, submitted a planning application to Hastings Borough Council for the road in October 2014; the Borough Council granted planning permission on 4 February 2015. Initial site clearance was undertaken in mid / late March and, following assessment by an Independent Technical Evaluator to ensure the scheme represented good value for money, the business case for the project was approved by the South East LEP's

Board on 20 March 2015. Main construction of the road is expected to start in July 2015 and is programmed for completion in September 2016.

## **2 Supporting Information**

2.1 Seachange Sussex is a company limited by guarantee and is a key delivery partner for the County Council. Hastings Borough Council, Rother District Council and the County Council together hold 19.9% of the company, University of Brighton 30.1% and local businesses the remaining 50%. The County Council has appointed the Lead Cabinet Member for Economy as a Director of the Company. Seachange Sussex is a not-for-profit economic development and regeneration company, working to expand the area's economy and business community by working with the County Council and other key partners.

2.2 The Council has a well established and successful relationship with Seachange Sussex in implementing economic development projects and Seachange Sussex has a noteworthy record of project delivery in the county. Such projects include the creation of the Innovation Centre, the Creative Media Centre, the Sussex Exchange and Lacuna Place in Hastings. Seachange Sussex are currently delivering a number of other projects using Growing Places funding secured by the County Council through SELEP - the Bexhill Innovation Mall (Glovers House) and North East Bexhill Gateway Road are being constructed on the southern section of the employment land that is being unlocked by the Bexhill Hastings Link Road, and the Sovereign Harbour Innovation Mall (Pacific House) in Eastbourne.

2.3 The £15m grant to Seachange Sussex is part of the Local Growth Deal allocation for East Sussex agreed between the South East Local Enterprise Partnership and Central Government in July 2014. The grant would be awarded to Seachange Sussex, as the promoter of the scheme, to fund pre-construction works, including design, site clearance, site investigation and land acquisition, and the construction of the Queensway Gateway Road. The terms of the grant agreement will be in accordance with those between Essex County Council, as SELEP's accountable body, and the County Council, as the 'local' accountable body for the delivery of the scheme; SELEP's accountability framework was considered by the Lead Member at his decision making meeting on 2 June 2015. The County Council will be using its general power of competence under the Localism Act 2011, and all other enabling powers, to make the grant to Seachange Sussex.

## **3 Conclusion and Reasons for Recommendations**

3.1 The Queensway Gateway Road is the first of the Local Growth Deal schemes to come forward in East Sussex and its delivery will help unlock employment space and create jobs in the A21/A259 Bexhill/Hastings growth corridor.

3.2 Seachange Sussex is a key delivery partner for the County Council in achieving its ambitions for driving economic growth in the county. The awarding of the grant of £15m, £10m in 2015/16 and £5m in 2016/17, will enable Seachange Sussex to deliver the Queensway Gateway Road. The Lead Member is therefore recommended to approve the awarding of this grant funding to Seachange Sussex and delegate authority to the Director of Communities, Economy and Transport to agree the terms of the legal agreement between the County Council and Seachange Sussex, and take all other necessary actions.

### **RUPERT CLUBB**

#### **Director of Communities, Economy and Transport**

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### **LOCAL MEMBERS**

Councillor Pragnell

### **BACKGROUND DOCUMENTS**

South East Local Enterprise Partnership - Strategic Economic Plan, March 2014

<http://southeastlep.com/our-local-growth-deal-and-strategic-economic-plan>

South East Local Enterprise Partnership - Growth Deal, July 2014 <http://southeastlep.com/growth-deal>

## Appendix 1 – Queensway Gateway Road



QUEENSWAY GATEWAY- LANDSCAPE MASTERPLAN