Economic Case

4. Benefit Cost Ratio – assessment of the value for money

4.1 Context

This section outlines the history of, and explains the procedures used in, the economic assessment of the Queensway Gateway Road scheme and summarises the results obtained from the analysis, providing reference points to more detailed reports where this is relevant.

The existing local road network comprises a complex system of roads and junctions set out in a relatively compact area with steep north- and south-facing inclines across a prominent east-west ridge. The speed limit varies from 30mph on the B2093 The Ridge (East), 40mph on the A21 Sedlescombe Road North and National Speed Limit on the B2092 Queensway. In addition to providing site access, the proposed Queensway Gateway Road (QGR) will also function as a new or re-assignment route for traffic travelling between the Link Road, the A28, the A2100 and the A21.

4.2 Options appraised

The options to address the scheme objectives have developed over a number of years, starting initially in 2000 with the Access to Hastings Multi Modal Study (MMS), through different governance arrangements (including the winding up of the Regional Transport Board following the 2010 General Election), using slightly different appraisal guidance, and under different scheme sponsors.

The case for a new link road between Bexhill and Hastings is driven by the need to support economic growth across East Sussex through opening up access to land for housing, business developments and employment opportunities.

The most recent Position Statement produced for ESCC, most clearly sets out the chronology of option development (also referred to in the Options section of the Strategic Case) and the consultation process undertaken (also referred to in the Consultation section of the Strategic Case) throughout the life of the project [6]. In 2004, the Highways Agency used ESCC's consultation on Link Road route options to display, for public reaction, options for the Baldslow junction improvement. Nearly 80% favoured an improvement, with a variation of the southern route being the most popular. In September 2005, a stakeholder workshop was held which looked at three options – a northern route (1), a southern route with a bridge (2A), and a southern route with an embankment (2B).

From 2005 to 2007, Hyder Consulting UK Ltd, on behalf of the Highways Agency (HA)[7], investigated ways to resolve congestion at the junction of the A21, A28 and the A2100 (The Ridge) in the north of Hastings. The scheme, known as the A21 Baldslow Junction-Queensway Link Road, or Baldslow Link Road (BLR), included a link between the B2092 Queensway and the A21 to facilitate movement of traffic between the BHLR and the A21. This is now referred to as the QGR.

A total of six options were developed and three of them were consulted on with stakeholders. The proposed QGR was to complement the BHLR by accommodating increased traffic flows from the BHLR accessing the town via the B2092 Queensway, the A21, the A28 and the A2100 The Ridge.

[6] Report for East Sussex County Council - Baldslow Improvement Position Statement May 2013 (Paul Adams)
[7] A21 South of Pembury Study – A21 Baldslow Junction Improvements – TAR December 2007 (Hyder)

In September 2007 a second workshop was held. This time, six options were considered:

- Options 1A/1B - two northern variants (the same link with differing junction arrangements);
- Options 2A/2B - two southern variants (2A with a bridge, 2A without);
- Option 3 – a hybrid on-line/off-line route; and
- Option 4 – On-line improvements.

The aim was, from these, to arrive at a Preferred Route to recommend to the Minister to be taken forward to publishing Orders.

A HA Technical Appraisal Report (TAR) was produced in December 2007[2] which brought together the findings of the workshop with other work on environmental assessment, traffic forecasting and modelling, and economic appraisal which had already been carried out. The report concluded that:

- Option 4 did not offer a positive return on investment nor any strategic improvement;
- Option 3 did not offer a positive return on investment and increased travel distance and had some environmental impact;
- Options 2A and 2B offered positive returns with BCRs of 2.33 and 2.73 respectively. They offered strategic improvements but had environmental impact on the Hollington Valley especially the embankment option (2B) (Each rated adverse for land-use policy and moderately adverse biodiversity; bridge: slight adverse and embankment moderate adverse for landscape); and
- Options 1A and 1B offered best returns of 5.12 and 4.22 BCR respectively. They provided the best strategic improvement but were the only options with significant encroachment into the AONB (rated adverse for land-use policy and moderately adverse for landscape and biodiversity).

Soon after this, the HA's original consultants, Hyder, were replaced by Mott MacDonald. They were asked to review work carried out by Hyder (engineering design, cost estimates and new on line options) and among other things concluded some additional environmental assessment work in January 2009[8] which concluded that the Option 2 routes scored the most strongly and remained the preferred option due to them having the least impact for the majority of the specialist environmental topics.

Even with the Southern Routes (2A/B) performing best consistently through the number of assessments completed, it was concluded they would only be worth pursuing if a way could be found to deliver it at substantially less than previous estimates have indicated (c £20m). The stated priority (in the 2013 Position Statement) was to look for a solution which can be implemented within a realistic timetable taking into account deliverability and affordability.

4.2 Base Model Development

Full detail of the appraisal process is incorporated in the Hyder 2007 TAR, including a number of supporting documents produced by Hyder:

- Traffic Forecasting Report – GD00496/RT/100/Rev B1
- Local Model Validation Report – GD00496/RT/098/Rev A2
- Economic Appraisal Report – GD00496/RT/101/Rev D
- Scheme Cost Estimate Report – GD00496/RT/088/Rev D

[8] A21 Bal dslow Link Road – HA Commission 2007-2009 Technical Information – 2009 (Mott Macdonald)

The base year traffic model was developed using a combination of two existing models:

- The East Sussex County Council Model (developed to assess the impact of opening the Bexhill – Hastings Link Road); and
- The A21 South of Pembury Model developed for the Highways Agency

The A21 model and the ESCC model were both developed using SATURN 10.3, which was compatible with the current version (at the time of model development) of 10.6.14. SATURN (version 10.6.14) has been used for the scheme model development as it was a well-established package widely used for this type of study.

The matrices from the two source models also had to be merged. As the matrices from these models had already been established with the traffic flows calibrated and validated, it meant having to update them with the latest survey data after their merger.

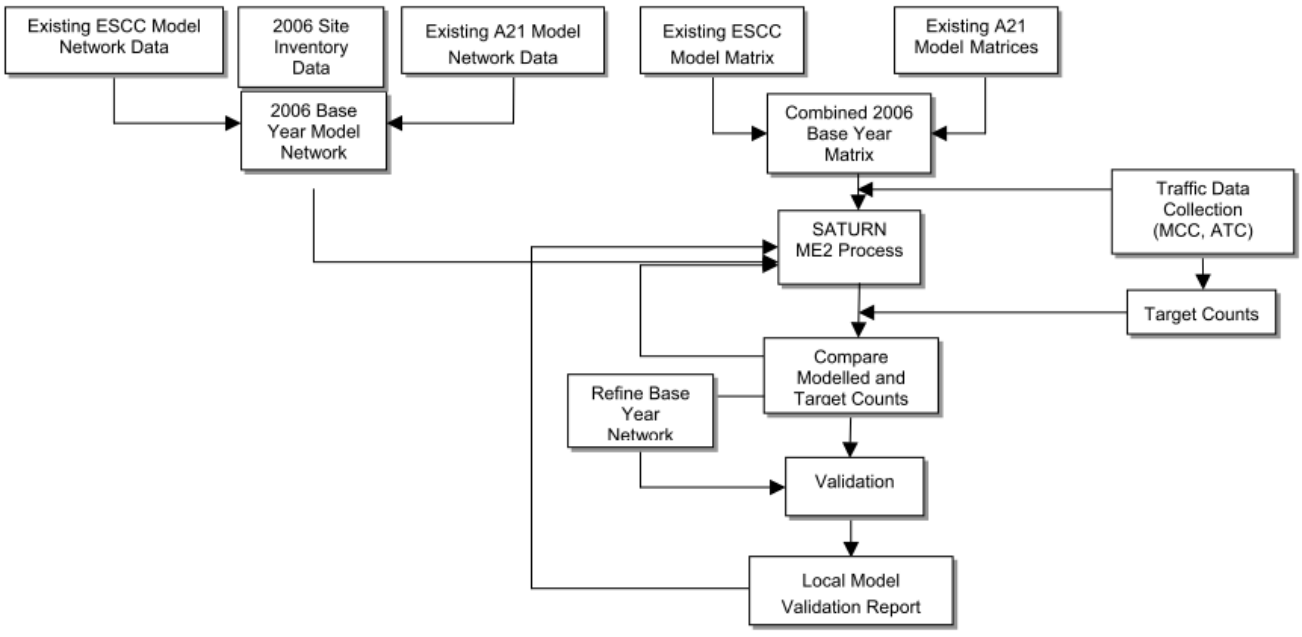
The validation for the model for 2006 traffic flows is described in detail in the LMVR identified above. Traffic data used to form the base year model included:

- Automatic Traffic Counts during 2005 and 2006 at six sites relevant to the scheme;
- Journey Time Surveys over 8 key journey sections; and
- Manual Classified Counts for all turning movements over a 12 hour period (07:00 until 19:00) by vehicle class, at three junctions on the A21 and A2100.

The base year model was developed to provide a traffic forecasting model, with forecast years of 2012 and 2027, incorporating developments expected to be brought forward during those periods. Development trips have been distributed using a gravity model to estimate their likely impact on the A21 Baldslow schemes in the forecast years.

A variable demand approach was taken using DIADEM (Version 2.1), which alters demand response according to varying levels of congestion on the network in accordance with WebTAG 3.10.1. This is due primarily to the opening the Bexhill Hastings Link Road and new development of up to 6,000 dwellings impacting significantly on levels of demand and resultant travel costs.

Figure 5 – Model Structure and Overall Approach



The detailed comparisons of modelled and observed flows for the AM, Inter and PM Peak hours are shown in Tables A.1, A.2 and A.3 within the LMVR. They show that the modelled results for AM, Inter and PM Peak hours satisfy the DMRB criteria and are acceptable. Table 1 below summarises the validation results and shows that for all three time periods, more than the minimum 85% of links satisfy the flow criteria as well as the GEH criteria.

Table 1 – Summary of GEH Statistics

	% of target counts passing test	
Time Period	**GEH**	**Flows**
AM peak	93	93
Inter Peak	100	100
PM peak	93	93

Hyder demonstrated in the LMVR that the validation results for the three time periods showed a statistically good correlation between observed and modelled link flows, turning flows and journey times, meeting the requirements set out in DMRB Volume 12. The validated model was therefore regarded as sufficiently robust to forecast the future traffic growth and evaluate the traffic impacts of proposed improvement schemes.

4.3 Future Forecasting

The impacts of the proposed A21 Baldslow Junction Improvements scheme have been assessed for both Do-Minimum and Do-Something networks. The forecast assignments were carried out on the basis of a planned scheme opening of 2012 and a design year 15 years after the scheme opening in 2027.

Do-Minimum networks were also used in the analysis based on the following improvement assumptions that were valid at the time:

- Do-Minimum 2012 – Includes the propose Bexhill to Hastings Link Road to relieve congestion on the A259
- Do-Minimum 2027 – As Do-Min 2012 plus the inclusion of an off line dual carriageway from Kipping's Cross to Lamberhurst and improvements to the A21 between Flimwell and Robertsbridge. (These schemes were both subsequently dropped in the 2010 Comprehensive Spending Review).

The new signalised junctions were initially optimised within SATURN. Following the demand modelling and assignment process, the signal settings were optimised using LINSIG and incorporated in the network coding for the final demand modelling and assignment process.

A total of 108 assignment runs were undertaken, corresponding to the various combinations of forecast years, Time Periods, traffic growth assumptions, and network scenarios. The forecast models were produced in accordance with DMRB Volume 12a and WebTAG Guidance Unit 3.10 valid at the time of model production.

Detailed forecast results for the scenarios are included in section 4.3.1 of the 2007 Hyder Report. Journey times were analysed on the routes between the A21 and Queensway, along the A21, along the A28-A21 at Focus Junction and The Ridge. The analysis indicated that journey times on the routes increases appreciably between the base year and do-minimum adding to the congestion experienced

in the base year.

With the schemes, the journey times drop substantially for routes between the ridge and A21, whilst they increase marginally on the A21 and The Ridge. The increase in journey times is primarily due to the increase in flow drawn in by the scheme as well as signalising junctions on the A21 that cause inherent delays.

4.4 Main Assumptions

The main assumptions are:

- Modelled time periods for the forecast are an AM Peak Hour (08:00 to 09:00), an average Inter-Peak Hour and a PM Peak Hour (17:00-18:00);
- Future year networks were prepared for each of these assessment years:
  - A planned scheme opening year of 2012; and
  - A design year 15 years after the scheme opening year, i.e. 2027
- TEMPRO (version 5.3) was used as the source for the calculation of forecast traffic growth factors for cars;
- The central growth rates from TEMPRO were used to account for the factors of income growth and fuel cost change in the traffic forecasting process;
- New developments were modelled separately but controlled to total trips determined by TEMPRO forecast rates;
- The most likely development scenario, as agreed by ESCC Planning on 6th September 2006, was used as the basis for comparing the development schedule for the forecast model; and
- Goods vehicle forecasts were developed from the National Road Traffic Forecasts (NRTF 1997).

The checks undertaken by Hyder demonstrate the model displays a high degree of convergence, in conformance with DMRB requirements, for over 95% of the runs carried out. This indicates that differences between the Do-Minimum and Do-Something scenarios have not been distorted by oscillations in the model.

4.5 Scheme Parameters

The Scheme parameters are largely determined by the parameters used in the forecasting model, i.e.

- First Year 2012 (scheme opening year)
- Horizon Year 2071 (60-year appraisal period)
- Modelled Years 2012 (scheme opening year); and 2027 (design year)
- Current year 2007 (for appraisal purposes)
- Traffic growth has been accounted for within TUBA up to the year 2027 by automatic interpolation between modelled years. After 2027, no further traffic growth is assumed, and the economic results are based on constant annual traffic figures from this year.

4.6 Sensitivity Tests

Sensitivity tests were carried out on the model with improved convergence parameters to assess the impact on link flows around the scheme area. A comparison in link flows between the models for 2027 AM and PM indicate insignificant variation in flows in both the AM and PM models demonstrating the model is robust in its results; and varying the convergence parameters does not alter the assignment results around the scheme.

It was therefore concluded that the forecast model provided a suitable basis to undertake environmental, economic and operational assessments.

5. Economic Appraisal

5.1 Introduction

The appraisal of schemes set out in the Forecasting Report was undertaken in line with guidance set out in WebTAG 3, following the principles of the New Approach to Appraisal (NATA) in place at the time of assessment, incorporating a conventional cost-benefit analysis.

Transport Economic Efficiency Analysis was undertaken using the latest version of TUBA (which was version 1.7a at the time). TUBA does not calculate benefits due to changes in accident savings and this element of scheme benefits and costs has been assessed separately, using COBA software.

The trip matrices, along with the corresponding time and distance skim matrices (comprising the weighted averages of times and distances for each route used for trips between origin and destination pairs) are used as traffic data inputs to TUBA. The matrices were output from the traffic models using the software functions designed for this purpose.

The TUBA Standard Economics File was used in the analysis, without alteration. A copy is included in Appendix B of the Hyder EAR[9] for reference. The benefits/dis-benefits calculated by TUBA are converted into an estimate of annual benefits/dis-benefits using annualisation factors.

5.2 Scheme Costs

[redacted]

[redacted]

[redacted]

[9] Hyder Economic Appraisal Report – GD00496/RT/101/Rev D
[10] Hyder Scheme Cost Estimate Report – GD00496/RT/088/Rev D

[redacted]

5.3 TUBA Results and Analysis

A summary of the economic performance of the preferred A21 scheme options in the 'Most Likely' traffic growth scenario is presented in Tables 3-5 below

The TEE table (Table 3) shows the user benefits/dis-benefits expected as a result of constructing the preferred scheme option compared to retaining existing A21 and other associated roads at Baldslow. The total of the items shown in this table constitute the Present Value of Benefits (PVB) of the scheme.

Table 3 – Transport Economic Efficiency (TEE) Table (Most Likely Traffic Growth Scenario)

Consumers	**ALL MODES**
User benefits	**TOTAL**
Travel time	£33,900
Vehicle operating costs	£494
User charges	£0
During Construction & Maintenance	£0
NET CONSUMER BENEFITS	£34,394
Business	
User benefits	
Travel time	£30,241
Vehicle operating costs	£1,900
User charges	£0
During Construction & Maintenance	£0
Subtotal	£32,141
Private sector provider impacts	
Revenue	£0
Operating costs	£0
Investments costs	£0
Grant/subsidy	£0
Subtotal	£0
Other business impact	
Developer contributions	£0
NET BUSINESS IMPACT	£32,141
TOTAL	
Present Value of Transport Economic Efficiency Benefits (PVB)	£65,535

The detail of how monetised benefits are calculated are set out in the Hyder EAR[11] as follows:

- Section 2 – User Benefits;
- Section 3 – Accident Benefits;
- Section 4 – Impacts of Construction; and
- Section 5 – Noise Assessment.

Public sector costs and revenues, split between local and central government, are presented in the Public Accounts (Table 4). The total of the items shown in this table constitute the Present Value of Cost (PVC).

The TEE and Public Accounts tables are brought together in the Analysis of Monetised Costs and Benefits (AMCB) table. Other monetised costs and benefits included are those of accident savings, monetised value of carbon emissions analysis, and the result of the noise assessment.

Table 4 – Public Accounts (PA) Table (Most Likely Traffic Growth Scenario)

	ALL MODES TOTAL
Local Government Funding	
Revenue	£0
Operating costs	£0
Investment costs	£0
Developer and Other Contributions	£0
Grant/Subsidy Payments	£0
NET IMPACT	£0
Central Government Funding	
Revenue	£0
Operating costs	£0
Investment costs	£25,689
Developer and Other Contributions	£0
Grant/Subsidy Payments	£0
Indirect Tax Revenues	£287
NET IMPACT	£25,976
TOTAL Present Value of Cost	£25,976

The AMCB table (Table 5) presents the results of the calculations of Net Present Value (NPV) and Benefit-Cost Ratio (BCR) for the improvement scheme

[11] Hyder Economic Appraisal Report – GD00496/RT/101/Rev D

Table 5 – Analysis of Monetised Costs (AMCB) and Benefits (Most Likely Traffic Growth Scenario)

Non-Exchequer Impacts	
Consumer User Benefits	£34,394
Business User Benefits	£32,141
Private Sector Provider Impacts	£0
Other Business Impacts	£0
Accident Benefits	£3,801
Carbon Benefits	£25
Noise Benefits	£315
Net Present Value of Benefits (PVB)	£70,361
Local Government Funding	£0
Central Government Funding	£25,976
Net Present Value of Costs (PVC)	£25,976
OVERALL IMPACTS	
Net Present Value (NPV)	£44,385
Indicative Benefits to Cost Ratio	**2.70**
Appraisal Period	**2012 to 2071**

5.4 Other TAG Sub Objectives

Reliability

Travellers on highway networks are expected to be aware of the average journey time for their chosen journey, which includes variations such as different traffic conditions at different times of the day. However, it is not always feasible to derive a monetised benefit value for road schemes where the network reliability suffers high level of day to day unpredictability, as in the case of this study, rather than incident occurrence.

In accordance with WebTAG Unit 3.5.7[12], a measure of such (un)reliability is thus indicated by the "stress" on links, or link saturations (volume/capacity), when reliability of journey times is considered to decline with flows approaching capacity

The assessment was conducted on the A21 south of The Ridge as old route and the new route as provided by the scheme options in the 'Most Likely' traffic growth scenario, for year 2012. The overall assessment results show there is a marginally positive effect on reliability from Option 2B. However, the values are very small and the effect on reliability should be considered neutral.

[12] TAG Unit 3.5.7: The Reliability Sub-Objective, DfT, June 2003

5.5 Sensitivity Testing

Low/High Traffic Growth - Sensitivity Tests have been carried out for the six scheme options using Low and High traffic growth rates. The key figures summarising the economic performance of the six scheme options in the Low traffic growth scenario are presented in the Hyder EAR[7] at Tables 2.11 and 2.12. As the schemes themselves are unchanged in each of the growth sensitivity tests, as could be expected, the corresponding benefits/disbenefits are either lower in the low growth or higher in the high growth scenario. A change in the Present Value of Costs (PVC) is experienced due to the change in indirect taxation revenue (i.e. not a change in scheme cost).

In essence, the impact on the indicative BCR in each of the sensitivity tests is shown below in Table 6. For ease of comparison this displays the non-adjusted BCR (i.e. without wider benefits such as noise and accidents). It demonstrates that should higher levels of traffic growth occur the benefits would improve, providing a higher BCR.

Table 6 – High and Low Growth Sensitivity Tests (Impact on indicative BCR)

	PVB	**PVC**	**NPV**	**Non Adjusted Indicative BCR**
Low Growth Scenario	42,775	25,970	16,805	1.65
Likely Growth Scenario	65,535	25,976	39,559	2.52
High Growth Scenario	75,585	25,990	49,595	2.91

Closure of Maplehurst Road - Maplehurst Road is currently used as an alternative route to access The Ridge from A21 avoiding Junction Road. To avoid 'rat running' on Maplehurst Road, all proposed 'Do Something' options have Maplehurst Road closed to through traffic. Therefore, for road users who are using Maplehurst Road in the 'Do Minimum' scenario will experience dis-benefits if the road is closed.

Sensitivity tests have been undertaken, using the Most Likely traffic growth scenario, on Option 2B to assess the impact of closing Maplehurst Road. This was done by comparing Option 2B with a revised 'Do Minimum' model where Maplehurst Road is closed to through traffic. The analysis[13] showed that if Maplehurst Road were to be closed in the Do Minimum scenario, the Present Value of TEE Benefits for Option 2B would increase to £114.7m from £66.5m.

5.6 User Benefit Profiles

The user benefits, which are summed up in the TEE Tables, are derived throughout the 60 year economic appraisal period. The benefit stream begins with the completion of the A21 improvement in the opening year and continues through to 2071 (in the current appraisal period). The profile of the user benefits for the preferred option is shown in Figure 6.

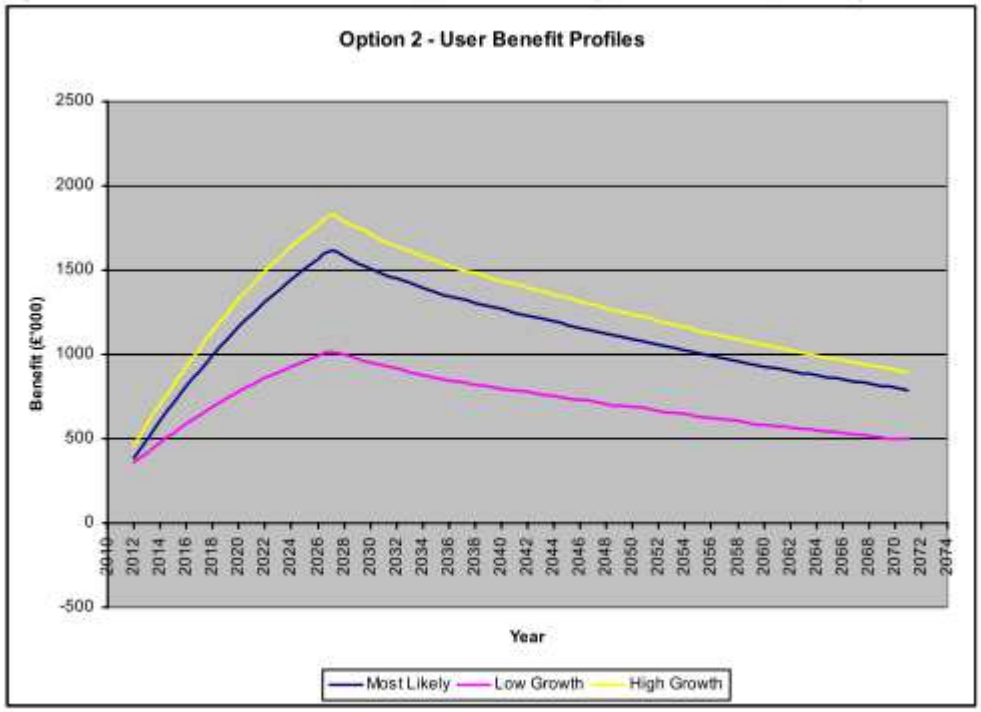
The profiles show that benefits rise after opening until the final modelled year of 2027. From 2027 onwards the analysis assumes constant traffic levels. The decline in benefit being solely due to the

[13] Section 2.5.5: Hyder Economic Appraisal Report – GD00496/RT/101/Rev D

effect of discounting, the effect of which reduces the NPV of the benefits the further into the future that these are assessed. The percentage of benefits arising in the modelled period (2012 to 2027) is around 30%.

The traffic growth after 2027 is assumed to be zero and therefore any benefits (and disbenefits) arising from further growth cannot be captured in this analysis. This would imply an underestimate of benefits for the scheme that shows a positive benefit profile.

Figure 6 – User benefit Profiles (Scheme Option 2B)



6. Value for Money / Recommended option

6.1 Introduction

The proposed scheme has been selected as the preferred option on the basis of delivery and value for money considerations. Options to the north of The Ridge were rejected on grounds of impact on the AONB while on line improvement options were considered to sub-optimal in terms of transport performance benefits and inability to unlock the employment sites. The BCR in terms of transport benefits was confirmed in the Hyder / Mott Macdonald studies as a ratio of **2.7:1** based on the most likely traffic forecasts.

In 2013 Seachange Sussex reviewed the previous Hyder and Mott MacDonald designs and costs for the Baldslow scheme and believed that a southern route, which would open up the 'North Queensway' employment sites, could be constructed at much lower cost than the previous estimates.

Over the last 18 months, Seachange Sussex has re-examined the previous designs for the Baldslow southern route options in order to develop an alignment for the Queensway Gateway Road which would open up these allocated employment sites but, in doing so, minimised the cost and reduced the impact on the landscape.

In rationalising the design for the Queensway Gateway Road and seeking to deliver a cost effective and affordable solution, the previous option 2A design was seen as an unnecessarily expensive way of crossing the valley as its alignment ran against the contours rather than with them – necessitating a very expensive viaduct.

Therefore, by refining the previously developed Option 2B design (which put the road on embankment) to provide a more sweeping alignment from Queensway which uses the contours of the land (as Queensway itself begins to climb steeply towards The Ridge) removed the need for a viaduct and minimised the amount of embankment works required .

6.2 Recommended Option

As identified in section 2.4, a refined version of Hyder's/Mott MacDonald's Option 2B for the former Baldslow scheme is the recommended option. This refined design for the now known Queensway Gateway Road was the subject of a planning permission (HS/14/0832) given by Hastings Borough Council on 4 February 2015. With reduced capital costs for the scheme at £15m and with the prospects for higher traffic growth following the opening of the BHLR, this BCR (which the Hyder / Mott MacDonald studies identified as 2.7:1 based on most likely traffic forecasts and a higher scheme cost) will improve significantly. **This suggests that the scheme offers the potential for good value for money in transport terms alone**.

The preferred option is forecast to bring savings in journey times and vehicle operating costs. In transport economic terms, the proposed scheme would contribute benefits in excess of their costs, and hence provide positive impact to the economic efficiency sub-objectives.

The preferred scheme option is anticipated to deliver net accident savings over the 60-year evaluation period. The preferred scheme option is forecast to generate positive impact on the environmental noise objective.

In conclusion, the transport analysis suggests that the **preferred option would successfully achieve the Government's Economic and Safety objectives**.

6.3 Economic growth & regeneration benefits

Given that a key objective of the scheme is to contribute to the Growth Corridor, significant weight should be given to the wider economic impacts associated with the indirect jobs generated on the identified employment sites – these benefits would not be realised without the road on the currently proposed alignment and thus the delivery of the Growth Corridor as part of the SEP would be compromised. While accepting that these indirect employment benefits are dependent on private sector investment coming forward to develop the sites and take up occupation of completed floorspace, it is nevertheless a critical benefit of the scheme and should be factored into the BCR / VfM assessment.

Queensway Gateway Road will provide access into sites allocated for employment development in the Hastings Local Plan Development Management Plan. In combination these sites have an identified capacity for up to 12,000sqm of employment floorspace to be delivered by private investment. Potential employment effects from the road arise in terms of direct construction jobs during the construction contract period, and indirect employment arising from the construction of employment floorspace and the business occupancy of that floorspace delivered through future private sector investment in the identified employment sites.

Based on published BIS statistics for turnover per employee in the construction sector, **the road construction cost of £15m could support an estimated 12 FTE construction jobs** (based on 120 job years and 10 job years per FTE).

The indirect levered private sector investment in the construction of new employment floorspace, based on an estimate of **£40m of construction expenditure, could support a further 30 FTE construction jobs.**

The indirect jobs arising from occupation of the new 12,000sqm of employment floorspace is estimated on the basis of established floorspace per job benchmarks (Homes & Communities Agency, 2010) for the proposed floorspace use class. Based on 12,000sqm of B1a office floorspace, **the estimated employment capacity of the sites unlocked by the Queensway Gateway Road is 860 gross jobs. Allowing for adjustments for leakage, displacement and multiplier effects, the estimated net additional employment effects are 900 jobs**.

The monetisation of the employment benefits has been modelled based on estimates of GVA per job (derived from ONS national GVA estimates) profiled over an assumed floorspace build-out and occupation profile by the private sector. A prudent build-out profile has been assumed, from 2018/19 – 2024/25. This profile reflects market expectations for private sector investment into the sites following public sector investment in the Queensway Gateway Road. It is anticipated that this delivery profile could be accelerated but is adopted for the jobs and GVA impact model at this stage to present a robust assessment of likely economic benefits.

GVA benefits of the estimated 900 net additional job impacts are measured on the basis of a 10 year job persistence factor and discounted to net present value at the Treasury discount rate of 3.5%. This methodology has been applied in a wide range of recent business case submissions and was accepted by DfT in submissions supporting the case for the BHLR. Based on this methodology, the **net present value of GVA generated by the employment benefits unlocked by the Queensway Gateway Road has been estimated at £296m**. Set against a capital cost for the project of £15m, the BCR from an economic development perspective would be **20:1**.

6.4 Strategic Added Value

This project will deliver a critical piece of infrastructure for the Hastings-Bexhill Link Road contributing directly to the delivery of a key objective of the SELEP Strategic Economic Plan. The Strategic Added Value of the project relates to the significant impact of the project in unlocking employment generating development potential in the Growth Corridor at identified sites north of Hastings as well as employment and housing growth sites in North Bexhill. The project is critical to enabling the BHLR to perform its intended function in relieving congestion and improving connectivity across the Growth Corridor to the A21 and thus enabling the intended growth outcomes from the BHLR to be delivered.