

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

**Date:** 16 September 2016

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

**Title:** Deed of Indemnity – North Bexhill Access Road

**Purpose:** To seek approval for East Sussex County Council to act as guarantor to a deed of indemnity between Sea Change Sussex and Rother District Council.

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

- (1) Approve that East Sussex County Council act as guarantor for a value not exceeding £0.77m to a deed of indemnity between Sea Change Sussex and Rother District Council in relation to the compulsory purchase of land relating to the North Bexhill Access Road for the reasons in the report together with information contained in a later agenda item; 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 (SE LEP), which comprises businesses, local authorities and education leaders across East Sussex, Essex, Kent, Medway, Southend and Thurrock, submitted their proposals to Government for a Local Growth Fund (LGF) 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 North Bexhill Access Road (NBAR), comprises a 2.4km single carriageway road link between the A269 and the Bexhill Hastings Link Road (BHLR) with a roundabout at each end and two further roundabouts along the road's alignment. The road will unlock planned employment growth in North Bexhill identified under Policy BX3 of the 2006 Rother Local Plan with capacity for circa 38,000sqm of employment generating floorspace. The NBAR also provides the road infrastructure to unlock the proposed urban extension in North East Bexhill with potential to directly unlock land for up to approximately 780 new homes.

1.3 Sea Change Sussex (SCS), as the promoter of the scheme, submitted a planning application to Rother District Council (RDC) for the road in September 2015; RDC granted planning permission for the scheme on 11 February 2016. Following assessment by the SE LEP's Independent Technical Evaluator (ITE) to ensure the scheme represented good value for money, the business case for the project was approved by the South East LEP's Accountability Board on 13 November 2015.

## **2 Supporting Information**

2.1 East Sussex Energy Infrastructure and Development Limited (trading as Sea Change Sussex) is a company limited by guarantee and is a key delivery partner for the County Council. Hastings Borough Council, RDC 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. SCS 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 County Council has a well established and successful relationship with SCS in implementing economic development projects and SCS has a noteworthy record of project delivery in the county. Such

projects include the North East Bexhill Gateway Road on the southern section of the employment land that is being unlocked by the Bexhill Hastings Link Road, the Queensway Gateway Road and the Strategic Site Infrastructure Project.

2.3 Following the development of the detailed LGF project business case for NBAR with its technical redesign and extension to ensure the connection to the main A269 to support the now adopted Rother Local Plan in unlocking additional housing and commercial space, the total cost of the scheme is £16.6m in total, profiled over three years with a spend of £6.41m in 2015/16, £6.19m in 2016/17 and £4m in 2017/18.

2.4 2016/17 monies for existing approved LGF schemes were drawn down from Essex County Council (ECC), as the lead accountable body for the SE LEP, at the beginning of the financial year. East Sussex County Council is termed as the local accountable body within the federated model of the SE LEP, responsible for distributing LGF monies to approved schemes within the authorities area.

2.5 On 4 July 2016, RDC Cabinet approved 'in principle' that work should begin on the making of a compulsory purchase order (CPO) for as yet unacquired lands related to the NBAR. This action was taken under section 226 (1)(a) of the Town and Country Planning Act 1990. This order is to be made on condition of agreement of a 'deed of indemnity' being entered into with SCS.

2.6 The cost for the compulsory purchase and other associated project costs will be met by the LGF monies currently held by the County Council as the local accountable body for the SE LEP. On 5 September 2016, RDC Cabinet further approved that a recommendation be made to a full council meeting on 26 September 2016 conditional on the County Council being a party to the deed of indemnity as guarantor for SCS. The deed of indemnity to which the County Council is asked to cover is the compensation costs for all parcels of land included in the CPO, as well as all additional costs incurred by RDC related to the issuing of the CPO. A cap for the indemnity has been agreed and set at £0.77m.

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

3.1 SCS is a key delivery partner for the County Council in achieving its ambitions for driving economic growth in the county. The NBAR is one of the LGF schemes to come forward in East Sussex and its delivery will help unlock significant employment space and create jobs in the A21/A259 Bexhill/Hastings Growth Corridor.

3.2 The Lead Member is therefore recommended to approve the County Council to act as guarantor in the compulsory purchase of land relating to the NBAR and delegate authority to the Director of Communities, Economy and Transport to agree the terms of the legal agreements between the County Council, SCS and RDC, and take all other necessary actions.

RUPERT CLUBB

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#### LOCAL MEMBERS

Councillors Clarke, Earl, Ensor & Phillips

#### BACKGROUND DOCUMENTS

None