

HASTINGS AND ROTHER EMPLOYMENT STRATEGY AND LAND REVIEW



Jointly prepared by Hastings Borough Council and Rother District Council



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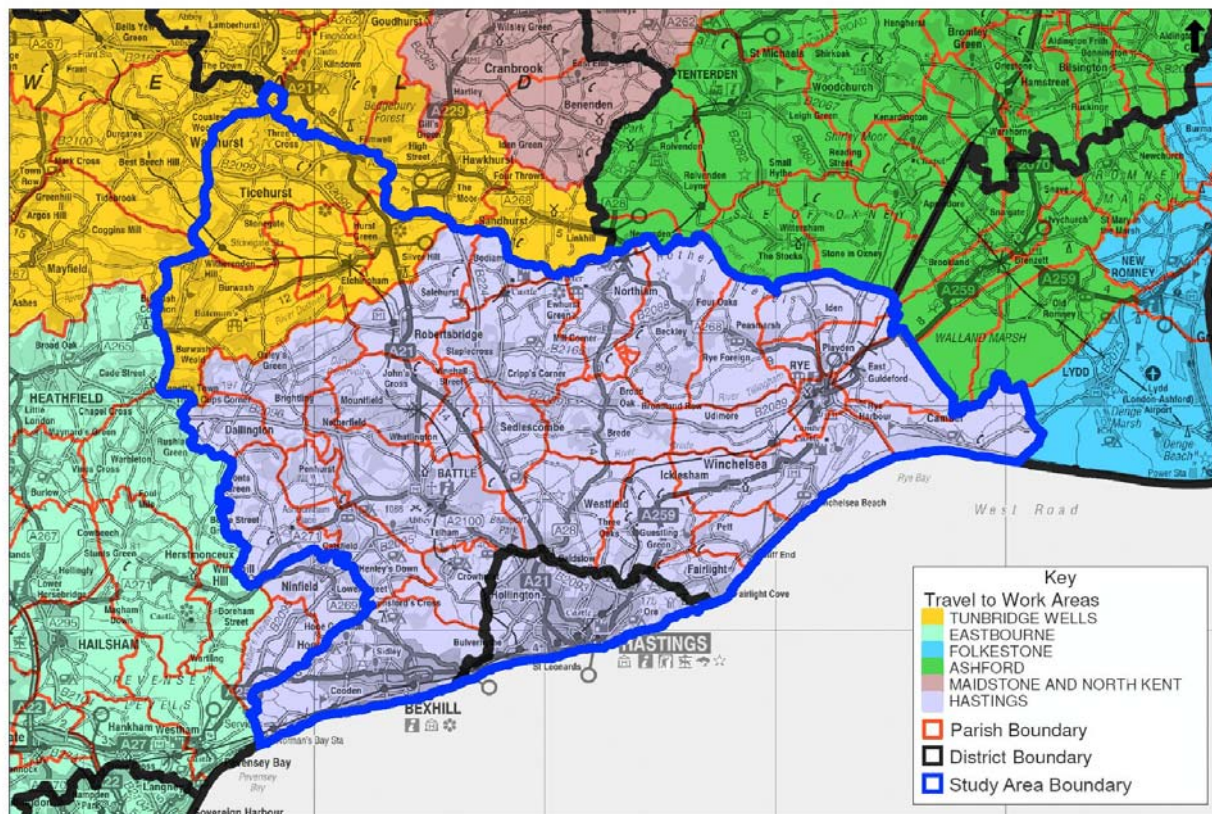
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Section 1 - Introduction

- 1.1 The primary aims of this Review are:
- (a) To provide a coherent and collective evidential basis for the development of spatial economic development strategies in the Authorities' respective Local Development Frameworks;
 - (b) To help to develop the spatial dimensions, across Hastings and Rother districts, to existing economic strategies and programmes;
 - (c) To identify the economic needs of the area, and both the opportunities and constraints in meeting these needs;
 - (d) To assess the market potential for job creation and employment development;
 - (e) To consider the current balance between the demand and supply of employment land and the extent to which this is likely to change over time;
 - (f) To provide an overall quantum of jobs to plan for, their broad nature and spatial implications.
- 1.2 The scope and structure of the Review largely reflects the guidance set out the Government's 'Employment Land Reviews: Guidance Note (December 2004)'. Moreover, it responds to the particular economic circumstances and needs of what has previously been a 'Priority Area for Economic Regeneration' (RPG9), and is now identified as having a 'priority for regeneration (from South East Plan Policy SCT1), in also considering a range of strategic policy options over and above purely employment land provision.
- 1.3 The Review is undertaken jointly for the neighbouring districts of Hastings and Rother. Figure 1 below shows the combined area and its relationship to adjacent districts and with travel to work areas. This approach accords with Government guidance in that it reflects the fact that the two Districts relate well to the extent of the Hastings 'Travel to Work Area' (TTWA). It also corresponds with the coverage of the "Hastings and Rother Housing Market Assessment".
- 1.4 This Review has been prepared jointly by officers of Rother District Council and Hastings Borough Council. The Review also benefits from contributions from East Sussex County Council's demographers and from the economic development officers of all three Councils. Other vital input has come from commercial agents and from key members of the Local Strategic Partnerships, Learning and Skills Council, Sea Space, Locate East Sussex and Job Centre Plus, (meeting notes are included in Appendix 1).

Figure 1 - Plan of study area (Hastings and Rother) showing the TTWA and sub-regions in South East Plan



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Section 2 – Socio-Economic Context

This section reviews the social and economic context that should inform the development of employment strategies and associated land requirements within both Hastings and Rother's Local Development Frameworks.

Resident Population

- 2.1 Hastings has an estimated population of 86,100 and Rother is 87,600. The 2001 Census showed that just under 50% of people living in Bexhill were of working age (16-64), in Rother this rose to just over 50%. Hastings has a younger age profile than Rother with 57% of the population of working age. The Census also highlighted the proportion of residents in Bexhill who are over 65 years at 35% and in Rother at 29% both of which are higher than the proportion for East Sussex at 23% and the proportion nationally.

Table 1: Total population (2006)

	Hastings (No's)	Rother (No's)	South East (No's)
All people	86,100	87,600	8,237,800
Males	41,600	41,300	4,028,000
females	44,500	46,300	4,209,700

Source: Office National Statistics (ONS) mid-year estimates

Table 2: Working age population (2006)

	Hastings (No's)	Hastings (%)	Rother (No's)	Rother (%)	South East (%)
All people – working age	51,800	60.2	45,200	51.6	61.5
Males - working age	25,800	64.5	23,600	57.0	65.3
Females – working age	25,000	56.2	21,600	46.8	57.8

Source: ONS mid-year estimates

Note: % is a proportion of total population

Employment sectors

- 2.2 The public sector is a significant employer accounting for 43% of jobs in Hastings and 31% in Rother. These jobs are focussed on healthcare provision, local authority services and education. The figures compare to the South East average of 25%. Distribution, hotels and catering have the next highest proportion at 27% in Rother and 22% in Hastings. Manufacturing also remains an important industry in Hastings with employment in this sector at 11%. Also significant is finance, IT and business activities at 11%. In Rother manufacturing is at 7.7% with finance, IT and business activities at 16.5% against the South East at 24.1%.

Table 3: Employee jobs (2006)

	Hastings (employee jobs)	Hastings (%)	Rother (employee jobs)	Rother (%)	South East (%)
Total employee jobs	29,500	-	24,200	-	-
Full-time	19,000	64.3	15,800	65.2	69.3
Part-time	10,500	35.7	8,400	34.8	30.7
Employee jobs by industry					
Manufacturing	3,400	11.6	1,900	7.7	8.8
Construction	900	3.2	1,100	4.5	4.5
Services:	25,100	84.9	20,600	84.9	85.2
Distribution, hotels & restaurants	6,700	22.6	6,700	27.8	24.6
Transport & communication	1,000	3.3	900	3.7	6.0
Finance, IT, other business activities	3,400	11.5	4,000	16.5	24.1
Public admin, education & health	12,900	43.7	7,600	31.5	25.4
Other services	1,100	3.8	1,300	5.4	5.2
Tourism related+	2,100	7.1	3,100	12.7	7.9

Source: ONS annual business inquiry employee analysis

- data unavailable

+ tourism consists of industries that are also part of the service industry

Notes: % is a proportion of total employee jobs. Employee jobs excludes self-employed, government-supported trainee and HM Forces

Earnings

- 2.3 The median gross weekly earnings (place of work) in Rother at £344.5 is 28.3% lower than earnings in the South East. In Hastings earnings at £393.1 is 18.2% lower than the South East.

Table 4: Earnings by workplace (2007)

	Hastings (pounds)	Rother (pounds)	South East (pounds)	Great Britain (pounds)
Gross weekly pay				
Full-time workers	393.1	344.5	480.7	458.6
Male full-time workers	406.0	378.9	535.0	500.0
Female full-time workers	357.1	291.0	408.0	394.8
Hourly pay				
Full-time workers	9.77	8.92	12.11	11.49
Male full-time workers	10.55	9.41	13.02	12.14
Female full-time workers	9.61	7.73	10.86	10.48

Source: ONS annual survey of hours and earnings – workplace analysis

Note: median earnings in pounds for employees working in the area

- 2.4 Analysis of 'job density' is important in terms of the potential to find work locally. The figures below represent the ratio of total jobs to people of working age population (Men aged 16 – 64 years; women aged 16 – 59).

Table 5: Jobs density (2005)

	Hastings (jobs)	Hastings (density)	Rother (jobs)	Rother (density)	South East (density)
Jobs density	37,000	0.71	34,000	0.74	0.88

Source: ONS jobs density

Notes: the density figures represent the ratio of total jobs to working-age population. Total jobs include employees, self-employed, government-supported trainees & HM Forces

- 2.5 The above table shows that compared to the South East, Hastings and Rother have a lower job density – by implication there are therefore fewer jobs per person. The job density relies on businesses supplying the jobs, the fewer or smaller the businesses the lower the job density. Job density may be partly the cause for the higher inactivity rates (and unemployment rates); another main factor is likely to be the supply of units to serve the demand from new and expanding businesses from which new jobs will be created

Labour supply

- 2.6 In 2006/07 there were 38,900 people in work in Hastings and 40,300 in Rother, the majority of whom work locally.

Table 6: Economically Active (July 2006-June 2007)

	Hastings (No's)	Hastings (%)	Rother (No's)	Rother (%)	South East (%)
All People					
Economically active+	41,200	77.4	41,700	82.7	82.0
In employment	38,900	72.9	40,300	80.4	78.5
Employees	31,500	59.3	29,000	59.1	67.3
Self employed	7,100	13.0	10,500	20.0	10.7
Model-based unemployed*	2,800	6.7	1,700	4.0	4.1

Source: ONS annual population survey

+ numbers are for those aged 16 and over, % are for those of working age (16-59/64)

* numbers and % are for those aged 16 and over. % is a proportion of economically active

- 2.7 In 2007 Hastings has an activity rate of 77.4%, Rother, is marginally above the South East average, at 82.7%.

Table 7: Economically inactive (July 2006-June 2007)

	Hastings (No's)	Hastings (%)	Rother (No's)	Rother (%)	South East (%)
All People					
Economically inactive	11,300	22.6	8,000	17.3	18.0
Wanting a job	5,700	11.5	#	#	5.2
Not wanting a job	5,500	11.1	6,000	13.0	12.8

Source: ONS annual population survey

sample size too small for reliable estimate

- 2.8 Economic inactivity in Hastings is well above the South East average. Notably, the division between the number of people stating that they 'do want a job' and those that don't is small. Inactivity rates may be influenced by factors in addition to the labour market: A lower skilled workforce, a lower level of business density (see below) and fewer business start ups contribute to a higher inactivity rate.

Table 8: Employment by occupation (July 2006-June 2007)

	Hastings (No's)	Hastings (%)	Rother (No's)	Rother (%)	South East (%)
Soc 2000 major group 1-3	15,000	38.6	17,800	44.0	46.8
Group 1: Managers & senior officials	5,500	14.1	6,700	16.6	17.6
Group 2: Professional occupations	3,900	10.1	4,800	11.9	14.0
Group 3: Associate professional & technical	5,600	14.4	6,300	15.5	15.2
Soc 2000 major group 4-5	7,200	18.4	12,000	29.7	22.6
Group 4: Administrative & secretarial	3,300	8.6	5,000	12.4	12.5
Group 5: Skilled trades occupations	3,800	9.8	7,000	17.2	10.1
Soc 2000 major group 6-7	8,500	21.9	7,000	17.5	15.1
Group 6: Personal services occupations	5,100	13.0	4,200	10.3	7.8
Group 7: Sales & customer services occupations	3,400	8.8	2,900	7.2	7.2
Soc 2000 major group 8-9	8,200	21.2	3,600	8.9	15.3
Group 8: Process plant & machine operatives	#	#	#	#	5.2
Group 9: Elementary occupations	6,000	15.4	#	#	10.2

Source: ONS annual population survey

Soc - standard occupational classification 2000

sample size too small for reliable estimate

Notes: number & % are for those of 16+, % is a proportion of all persons in employment

Educational attainment

- 2.9 6000 or 12% of Hastings' working age residents have no recognised skills (for example National Vocational Qualifications) and 4,600 (10.1%) in Rother, this is against a South East 9.6% with no skills. At the higher skills levels Hastings has only 19.9% qualified to above level 4, Rother fares better with 20.9% against the South East at 30.5%. Skills are rightly recognised as an issue for local residents of the Hastings and Bexhill Regeneration Area as they can adversely affect the local population's ability to compete for jobs. The need for skills development has been recognised within sub-regional and local policies and a number of initiatives are underway (for example the University Centre Hastings) with specific objectives to increase higher level qualifications within the workforce. This includes specific action through the Local Area Agreement. This is being reviewed at the time of writing this document).

Table 9: Qualifications (January 2006-December 2006)

	Hastings (No's)	Hastings (%)	Rother (No's)	Rother (%)	South East (%)
NVQ4 and above	10,000	19.9	9,600	20.9	30.5
NVQ3 and above	21,200	42.2	21,000	45.6	49.4
NVQ2 and above	31,100	62.1	30,200	65.4	68.0
NVQ1 and above	39,800	79.5	38,700	83.9	82.7
Other qualifications	4,200	8.5	2,800	6.0	7.7
No qualifications	6,000	12.0	4,600	10.1	9.6

Source: ONS annual population survey

Notes: numbers and % are for those of working age % is a proportion of total working age population

Unemployment

- 2.10 The claimant count measure only counts those people out of work who are claiming Job Seekers Allowance. If Hastings and Rother had a Job Seekers Allowance (JSA) rate equivalent to South East rate (1.4%) there would be 1,148 and 237 less JSA claimants respectively as at February 2008. In other words, an extra 1,385 people would be in work.

Table 10: Total JSA claimants (February 2008)

	Hastings (No's)	Hastings (%)	Rother (No's)	Rother (%)	South East (%)
All people	1,874	3.6	870	1.9	1.4
Males	1,366	5.1	619	2.6	1.9
Females	508	2.0	251	1.2	0.8

Source: ONS claimant count with rates and proportions

Note: % is a proportion of resident working age people

Table 11: JSA claimants by age and duration (February 2008)

	Hastings (No's)	Hastings (%)	Rother (No's)	Rother (%)	South East (%)
By age of claimant					
Aged 18-24	580	30.9	270	31.2	28.6
Aged 25-49	970	51.8	400	45.8	52.5
Aged 50 and over	275	14.7	180	20.6	17.7
By duration of claim					
Up to 6 months	1,350	72.2	640	73.8	75.3
Over 6 up to 12 months	265	14.1	130	14.7	13.6
Over 12 months	255	13.7	100	11.5	11.1

Source: ONS claimant count – age & duration

Note: % is a proportion of all JSA claimants

Benefit Claimants

- 2.11 The table below gives the breakdown of the type of claimants, those on Job Seekers Allowance will be counted in the Claimant Count (i.e. the number of people out of working and seeking employment), the others will not. It can be seen that those on Incapacity Benefit (IB) make up by far the largest group in both Hastings and Rother. It is this group that is being especially targeted by Jobcentre Plus 'Pathways to Work' programmes that aim to support new IB claimants who have the capacity to work, to access suitable employment. Over half of the IB claimants in Hastings have been claiming for five years or more.

Table 12: Working-age client group – key benefit claimants (May 2007)

	Hastings (No's)	Hastings (%)	Rother (No's)	Rother (%)	South East (%)
Total claimants	10,590	20.4	5,830	12.9	9.7
Job seekers	1,700	3.3	730	1.6	1.4
Incapacity benefits	5,480	10.6	3,080	6.8	4.7
Lone parents	1,620	3.1	740	1.6	1.5
Carers	650	1.2	480	1.1	0.7
Others on income related benefits	460	0.9	200	0.5	0.3
Disabled	540	1.0	440	1.0	0.7
Bereaved	170	0.3	150	0.3	0.3

Source: DWP benefit claimants – working age client group

Note: % is a proportion of resident working age people

Deprivation

- 2.12 In common with a number of coastal areas in the UK, Hastings and Rother have suffered from several discouraging economic trends in recent years: a vulnerable and low wage mainly service sector economy, unemployment issues and significant levels of deprivation. The socio-economic conditions in Hastings are particularly acute; the Government's Indices of Multiple Deprivation (IMD 2007) recognised Hastings as the 31st most deprived area in England (out of 355), and the most deprived community in the South East. Based on individual community levels, termed Super Output Areas (SOAs) 14 of Hastings 52 SOAs are in the most deprived 10% nationally (as defined in the Index of Multiple Deprivation). Rother is ranked 166, which is 25 places lower than its 2004 ranking of 191. Rother has 3 SOAs in the worst 20% nationally, all being in Bexhill, with two in Sidley and in one in Central ward. In 2004, only one SOA was in the 20% most deprived category.

Travel to work patterns and the Hastings Travel-to-Work Area (TTWA)

- 2.13 TTWAs are officially recognised "labour market areas", defined by the Office for National Statistics (ONS). They are areas in which the bulk (at least 75%) of the resident economically active population also work.
- 2.14 The Hastings Travel to Work Area embraces most of Rother (over 90% of its population) and is bordered by Eastbourne, Tunbridge Wells and Ashford TTWAs.
- 2.15 The Parishes of Ticehurst, Burwash, Hurst Green and Etchingham fall within the Tunbridge Wells TTWA. The rest of Rother's parishes, as well as Ninfield in Wealden District, lie within the Hastings TTWA.

- 2.16 Inevitably, this relationship is reflected in the commuting flows between Hastings and Rother. Figures taken from the 2001 Census show:

Table 13: Commuting between Hastings and Rother (number of people)

Live in Rother/ Work in Hastings	Live in Hastings/ Work in Rother	Gross commuting flow Rother-Hastings
5,006	5,001	10,007

Source: 2001 Census

- 2.17 These flows may be compared to those to other districts/counties:

Table 14: Workplace destinations for Hastings and Rother residents (number of people)

	Live in Rother and work in ..	Live in Hastings and work in ..	Live in Hastings/ Rother, work in ..
Hastings	5,006	24,984	29,990
Rother	19,704	5,001	24,705
Eastbourne	1,071	918	1,989
Tunbridge Wells	1,577	721	2,298
Wealden	1,376	743	2,119
Inner London	1,441	846	2,287
Outer London	385	376	761
Lewes	334	305	639
Tonbridge/Malling	355	204	559
Brighton/Hove	267	283	550
Ashford	463	130	593
Shepway	174	81	255
Rest of Kent	436	246	682
West Sussex	406	341	747
Total outside District	14,078	10,779	24,857

Source: 2001 Census

- 2.18 The labour catchment for local jobs is seen by in-commuting flows:

Table 15: Hastings and Rother workforce by place of residence (number of people)

	Work in Rother and live in ..	Work in Hastings and live in ..	Work in Hastings/ Rother, live in ..
Hastings	5,001	24,984	29,985
Rother	19,704	5,006	24,710
Eastbourne	614	607	1,221
Tunbridge Wells	398	126	524
Wealden	1,068	601	1,669
Inner London	33	66	99
Outer London	72	87	159
Lewes	150	132	282
Tonbridge/Malling	60	27	87
Brighton/Hove	75	121	196
Ashford	281	75	356
Shepway	85	60	145
Rest of Kent	150	81	231
West Sussex	48	66	114
Total outside District	8,254	7,219	15,473

Source: 2001 Census

2.19 Overall, the current level of self-containment is shown in the following table:

Table 16: Net commuting

	Residents in employment	Persons working in District	Net movement	Net movement as % of employed residents
Hastings	35,763	32,203	-3,560	-10.0%
Rother	33,782	27,958	-5,824	-17.2%
Hastings/Rother	69,545	60,161	-9,384	-13.5%

Source: 2001 Census

2.20 Comparisons with the 1991 Census show that net out-commuting has increased over the 10 years to 2001- Hastings has seen net out-commuting increase by 1,610, and Rother by 524.

Table 17: Net commuting 1991 – 2001 by place of residence

	Rother		Hastings		Rother/Hastings	
	1991	2001	1991	2001	1991	2001
Hastings	-810	-5	N/a	N/a	N/a	N/a
Rother	N/a	N/a	810	5	N/a	N/a
Eastbourne	-370	-457	-420	-311	-790	-768
Tunbridge Wells	-780	-1,179	-570	-595	-1350	-1774
Wealden	-90	-308	-20	-142	-110	-450
Inner London	-1250	-1,408	-770	-780	-2020	-2188
Outer London	-430	-313	-220	-289	-650	-602
Lewes	-110	-184	-120	-173	-230	-357
Tonbridge/Malling	-130	-295	-200	-177	-330	-472
Brighton/Hove	-130	-192	-130	-162	-260	-354
Rest of Kent	-710	-557	-200	-241	-910	-798
Ashford	-160	-182	-20	-55	-180	-237
Shepway	-160	-89	-60	-21	-220	-110
West Sussex	-160	-358	-80	-275	-240	-633
Total outside District	-5260	-5,824	-1920	-3,560	-7180	-9384

Source: Census data

2.21 The average distance travelled can also be compared between censuses:

Table 18: The average distance travelled compared between censuses

	Less than 5 km	5 - 20km	More than 20 km	At or from home
1991 Hastings	69.5%	11.4%	15.1%	4.0%
2001 Hastings	61.8%	13.0%	15.9%	9.3%
1991 Rother	42.9%	29.4%	16.2%	10.3%
2001 Rother	34.8%	31.1%	18.8%	15.3%

Source: Census data

Note: These figures discount the 'Other' category in the census.

2.22 The overall characteristics of employment patterns as at 2001, can be summarised as:

- 54,695 people live and work in Hastings/Rother, which represents 79% of the 69,545 residents in employment
- in combination, the two districts "lose" 9,384 working people (net) each day in net out-commuting, equivalent to 13.5% of their employed workforce

- The ward to ward movements show that the majority of the travel to work within the sub-region is focused upon Hastings, although the flows between Hastings and Rother as a whole are in balance
- Hastings and Rother can therefore be seen to possess a fairly self-contained labour market, although with some well defined linkages with surrounding labour markets
- The main employment centres that “draw” labour out of Hastings and Rother are Tunbridge Wells, Inner/Central London, Wealden and Eastbourne (approx. 2,000 people each)
- Hastings and Rother draw workers in mainly from Wealden, Eastbourne and, to a lesser degree, Tunbridge Wells
- Net out-commuting has increased significantly, especially for Hastings, between 1991 and 2001, with the greatest additional “pull” from districts to the west and, only to a lesser degree, towards Tunbridge Wells/Tonbridge and London
- There is a polarisation in distance travelled, with more people working at or from home at the same time as more travel over 20km to work
- Notwithstanding its TTWA function, Hastings and Rother is a net provider of labour to every district highlighted

Sub-area characteristics

- There are significant cross-district travel to work movements between Bexhill and Hastings, with some 2,300 people commuting in **each** direction between the two towns (i.e. a gross flow of 4,600 people)
- Hastings also draws travel to work movements from Rye, Marsham ward (including Westfield, Guestling, Fairlight and Pett) and Battle Town.
- Hastings attraction as a place of work has diminished over time, including for Rother workers
- More localised labour markets are also evident in Rother. Rye is an employment focus in the east, as is Battle Town for the surrounding rural central area. Interestingly, Darwell ward (which includes Brightling, Burwash, Mountfield and Whatlington) is highlighted as drawing in commuters.
- Those living in north Rother, in Ticehurst and Etchingham, display considerable dependency on Tunbridge Wells as a centre of employment. In addition, north-east Wealden and southern areas of Tunbridge Wells districts also draw in commuters from the eastern and western fringes of Rother. Robertsbridge draws in workers from across the Tunbridge Wells boundary.

Trends in business growth within the area

- 2.23 This is presented more comprehensively in the Labour Demand section, but in terms of prospects for greater local employment, it is worth looking specifically at the small firms sector.

- 2.24 Changes in VAT registered firms indicate a fairly “flat” performance in terms of business formation in Hastings and Rother. (This does not necessarily reflect enterprise at sub-VAT registration levels)

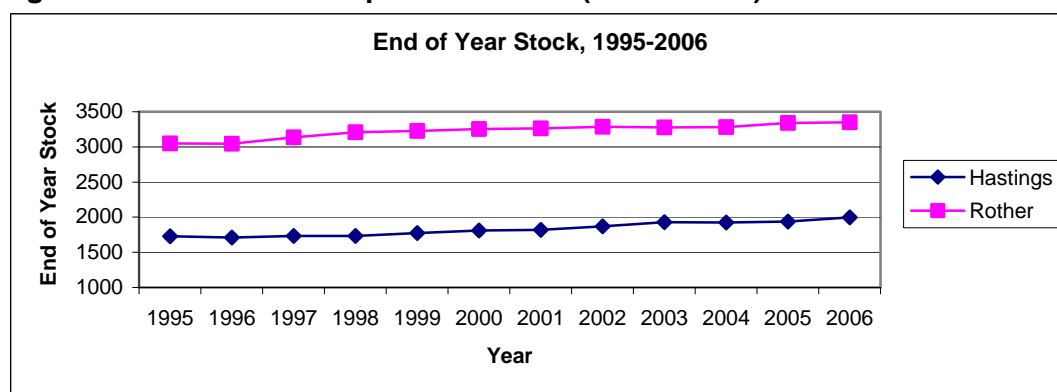
Table 19: VAT registered businesses (2006)

	Hastings (No's)	Hastings (%)	Rother (No's)	Rother (%)	South East (%)
Registrations	190	9.5	250	7.5	9.3
Deregistrations	135	6.8	240	7.2	7.4
Stock (at end of year)	1,995	-	3,350	-	-

Source: DTI small business services – VAT registrations/deregistrations by industry

Note: % is a proportion of stock (at end of year)

Figure 2: Business Start-up and closures (1995 – 2006)



Source: ESiF

- 2.25 Neither do these figures suggest an obvious correlation between in-migration and increased business formation locally. Moreover, it does not show any real progress towards community strategy targets for increases in VAT registered businesses.
- 2.26 However, at the “micro-business” scale, Rother is highlighted as having a high level of home-based employment, being in the upper quartile nationally and having the highest level in the South East region.

Table 20: Percentage working from home in rural districts

Rank	Rural districts ranked by percentage working from home including employees	Number in employment working from home	Percentage in employment working from home
	Isles of Scilly South Shropshire		
	Torridge		
37	Wealden	8,890	13.78
	Easington		6.89

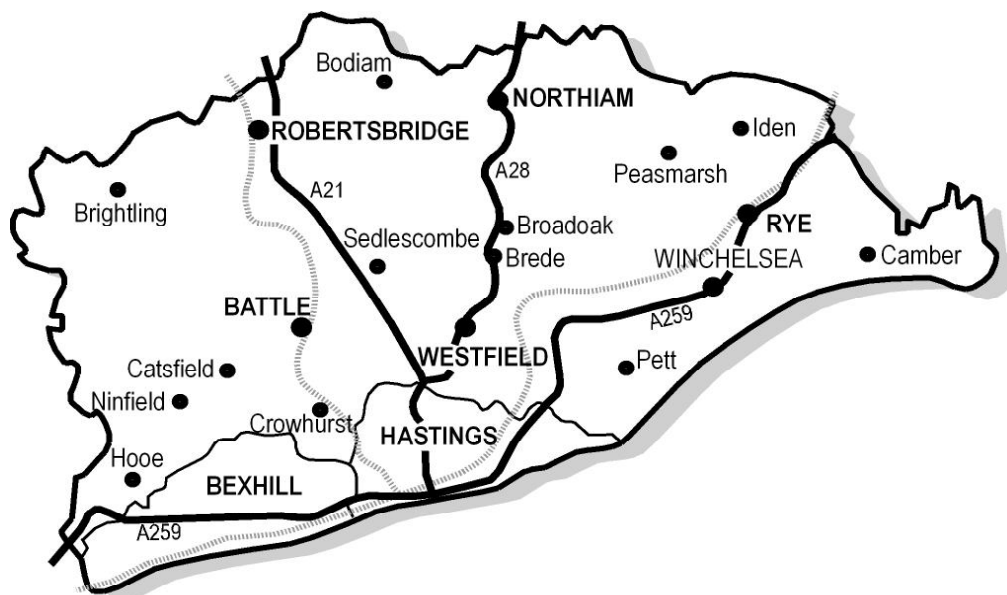
Calculated from figures supplied by the ONS from the 2001 census

Key		
Upper quartile		Lower quartile

Communications and Inward investment

- 2.27 In common with other south coast towns, Hastings and Rother have not developed as locations for inward investment, relying on local business growth and the public sector as economic drivers. This is in part attributed to the poor communication infrastructure of the two areas. Poor road infrastructure and local congestion have prevented 'lorry dependent' business from becoming established, and warehousing is notably under-developed. Poor rail connections may have affected the expansion of the office sector, because of difficulties accessing an appropriate labour pool. In the 2007 East Sussex Annual Business Survey, 73.6% of businesses surveyed in Hastings said they had access to the internet, 73.3% in Rother, this is compared to those surveyed in Wealden where 85.1% said they had access; to a degree, effective use of information communication technologies can help reduce barriers to business growth caused by poor road/ rail connectivity. The "early win" regeneration projects by Hastings and Bexhill Task Force – the two Media Centre premises and the Innovation Centre, have both majored on supporting the establishment of businesses that have a high reliance on IT and IT related activities.

Figure 3: Hastings Travel to Work Area and main road and rail routes



Summary

- Together, Hastings and Rother function as an economic area and for planning and economic development purposes the two areas need to be considered together
- Hastings has an estimated population of 86,100 and Rother is 87,600. The 2001 Census showed that just under 50% of people living in Bexhill were of working age (16-64), in Rother this rose to just over 50%. Hastings has a younger age profile than Rother with 57% of the population of working age. The Census also highlighted the proportion of residents in Bexhill who are over 65 years at 35% and in Rother at 29% both of which are higher than the proportion for East Sussex at 23% and the proportion nationally.
- In 2006/07 there were 38,900 people in work in Hastings and 40,300 in Rother, the majority of whom work locally.

- Within Hastings and Rother there is a heavy reliance upon public sector jobs which account for 38% of all jobs. Nearly 10% of jobs are in manufacturing, with distribution, hotels and restaurants accounting for nearly 25% of jobs. Just over 13% of jobs are in financial services, which is considerably lower than the regional average of 25%.
- The median gross weekly earnings (place of work) in Rother at £344.5 is 28.3% lower than earnings in the South East. In Hastings earnings at £393.1 is 18.2% lower than the South East.
- Job density measures the number of jobs, or part jobs per person, compared to the South East, Hastings and Rother have a lower job density – by implication there are therefore fewer jobs per person. This is an important pointer to the low provision of employment premises in East Sussex, and Hastings and Rother in particular, when compared to other areas of the South East – something which is covered more fully later in this document.
- Unemployment in Hastings in February 2008 as measured by Job Seekers Allowance (JSA) claimants stood at 3.6% and Rother at 1.9%, against the South East average of 1.4%. This represents current Job Seekers Allowance (JSA) claimants of some 1,880 in Hastings and 870 in Rother.
- There are other people of working age who are not on JSA and who are inactive the majority of whom are on incapacity benefit (others may be single parents, carers, early retired etc). There are 11,300 inactive people in Hastings (22.6% of the total potential workforce) and 8,000 in Rother (17.3% of the total potential workforce). 5,700 of the Hastings total say they would actually like to work.

Section 3 – Planning Policy Context

This section summarises the strategic planning context that governs the content and direction of both Hastings and Rother Local Development Frameworks (LDFs).

National Planning Policy and Guidance

PPS1; Delivering Sustainable Development

- 3.1 This sets out the Government's objectives for the planning system. This PPS reiterates the four aims for sustainable development:
- Social progress which recognises the needs of everyone
 - Effective protection of the environment
 - Prudent use of natural resources, and
 - The maintenance of high and stable levels of economic growth and employment
- 3.2 The PPS states that planning should facilitate and promote sustainable and inclusive patterns of urban and rural development by; 'contributing to sustainable economic growth'. In paragraph 23 it sets out for Local Planning Authorities the key principles of sustainable economic growth, these include:
- Recognise that economic development can deliver environmental and social benefits
 - Ensure that suitable locations are available for industrial, commercial, retail, public sector, tourism, and leisure developments, so that the economy can prosper.
 - Provide for improved productivity, choice and competition, particularly when technological and other requirements of modern business are changing rapidly, and
 - Actively promote and facilitate good quality development, which is sustainable and consistent with their plans

PPS 3; Housing

- 3.3 The main thrust of PPS3 is that it requires local planning authorities to take account of affordability and pressures within the local housing market when preparing the Local Development Framework. Housing demand needs to be considered alongside other factors such as infrastructure and environmental sustainability.
- 3.4 In developing housing policies councils should have regard to local economic strategies (paragraph 11). However, it is not clear how areas with clear constraints to growth, such as Hastings, should meet any increases in housing demand in its future strategies. In any event councils will still be expected to undertake up to date employment land reviews to identify any land which is no longer suitable for that use (paragraph 44).

Draft PPS 4; Planning for Sustainable Economic Development

- 3.5 Draft PPS4 sets out the Government's planning policies for sustainable economic development. The document is likely to be issued in its final form in summer 2008. The draft guidance sets out an extensive list of what economic development is – this includes offices, industry, storage and distribution, as well as other sectors of the economy that employ significant numbers, including the retail, leisure and housing sectors. The draft PPS states that all should be considered favourably unless the economic, social and or environmental costs outweigh the benefits.
- 3.6 The guidance states that development plan policies should avoid designating sites for single or restricted use classes, and avoid carrying forward existing allocations where these cannot be justified. Sites should be allocated for a broad range of business types – from small start up businesses to larger commercial and industrial premises. With regard to office development (B1(a)), developments should be located in, or at the edge of, town centres as outlined in PPS6. Local Planning Authorities need to develop an evidence base to understand both existing business needs and likely changes in the market. In particular, an employment land review (ELR) should assess the existing land and floorspace supply for economic development and potential shortfalls. The study should identify future needs, including identification of sectors contracting or expanding. In carrying out an ELR, local authorities should consider working with neighbouring authorities, and ELRs should be coordinated with housing land and infrastructure reviews. Finally all economic development proposals need to be of high quality and inclusive design. In particular, new development needs to address climate change by being sustainable in terms of accessibility, car parking provision and energy efficiency.

PPS 6; Planning for Town Centres

- 3.7 This PPS covers town centres and sets out appropriate uses for the main town centres, which include office uses. The government's key objective is to 'promote their vitality and viability' by planning for the growth and development of existing centres; and promoting and enhancing existing centres, by focusing development in such centres.
- 3.8 In paragraph 2.39 it states that 'an assessment of the need for new office floorspace over the DPD period should be carried out as part of the plan preparation processes. It goes on to state that 'local need assessments for office floorspace will need to be informed by regional assessments, and will form part of the evidence base for Development Plan Documents (DPDs)'. Therefore any identified need for the allocation of additional office or commercial floorspace would as a priority be expected to be located in the existing town centre with good access to public transport.

PPS7 Sustainable Development in Rural Areas

- 3.9 This PPS was issued in 2004. It places great emphasis on the need for local planning authorities to support a wide range of economic activity in rural areas. They should identify suitable sites for future economic development, particularly in those rural areas where there is a need for employment creation and economic regeneration. Local Development Documents (LDDs) should also set out criteria for permitting economic development in different locations, including the future expansion of business premises, to facilitate healthy and diverse economic activity in rural areas.
- 3.10 It expresses a preference that appropriately located and suitably constructed existing buildings in the countryside should be re-used for economic development purposes.

- 3.11 Within AONBs, conservation of the natural beauty of the landscape and countryside should be given great weight in planning policies, at the same time as supporting suitably located and designed development necessary to facilitate the economic and social well-being of them and their communities.
- 3.12 Planning policies should recognise the economic as well as environmental value of agriculture, and support development proposals that will enable farming and farmers to become more competitive, sustainable and environmentally friendly, including through diversification.
- 3.13 Tourism is also acknowledged as an important part of some rural economies, and the PPS looks for LDDs to support sustainable rural tourism and leisure developments that benefit rural businesses, communities and visitors and which utilise and enrich, but do not harm, the character of the countryside, its towns, villages, buildings and other features.

PPS12; Local Development Frameworks

- 3.14 The PPS sets out the contents and process for producing Local Development Frameworks (LDFs). In paragraph 2.9 it sets out the parameters for the Core Strategy.
'The core strategy should set out the key elements of the planning framework for the area. It should be comprised of a spatial vision and strategic objectives for the area; a spatial strategy; core policies; and a monitoring and implementation framework with clear objectives for achieving delivery. It must be kept up-to-date and, once adopted, all other development plan documents must be in conformity with it. The core strategy should normally be the first development plan document to be produced'.
- 3.15 In paragraph 2.10 it states that 'The core strategy development plan document should draw on any strategies of the local authority and other organisations that have implications for the development and use of land e.g. the community strategy and local transport plan. Where appropriate, the core strategy should provide an integrated approach to the implementation of these aspects of other strategies. The core strategy should set out the long term spatial vision for the authority's area and the strategic policies required to deliver that vision. It should seek to implement the spatial and transport policies of the regional spatial strategy and incorporate its housing requirement. It should set out broad locations for delivering the housing and other strategic development needs such as employment, retail, leisure, community, essential public services and transport development'.
- 3.16 The Core Strategy for Hastings should therefore set out a clear spatial vision for meeting employment needs and be consistent with other relevant strategies. It is specifically charged with implementing the spatial policies within the Regional Spatial Strategy, and establish the broad location for delivering employment needs.

Good Practice Guide on Planning for Tourism

- 3.17 PPG21: Tourism was cancelled in September 2006 and has largely been superseded by the 'Good Practice Guide on Planning for Tourism' published in May 2006, and re-printed in July 2006. In paragraph 1.1 it reiterates that tourism in all its forms is of crucial importance to the economic, social and environmental well-being of the whole country. It should be used to focus regeneration in seaside resorts; provide a catalyst for growth; and provide opportunities for retraining and to help diversify the local economy.

Regional Policy and Guidance

The South East Plan

- 3.18 The South East Plan Core Regional Policies were published in July 2005 and has been the subject of consultations. The Regional Plan is expected to be published in its final form in 2008.
- 3.19 The South East will supersede Regional Planning Guidance 9 (RPG 9), published in 2001. RPG 9 is currently part of the respective development plans for Hastings and Rother. However, subject to adoption, it will be the South East Plan against which the Hastings and Rother Core Strategies will be tested for soundness during their respective Public Examinations in 2009.
- 3.20 PPS 11 requires Regional Spatial Strategies to provide general locations and criteria for strategic site selection for economic development and regeneration. The South East Plan therefore sets out a criteria based policy for employment and land provision. It does not however set targets for employment growth or targets for employment land and floorspace.
- 3.21 In Section E2 the RSS sets out the Sussex Coast Sub-Regional policies, which includes the whole of Hastings and most of Rother District. This section raises the dichotomy that while there is a general shortage of available new business sites and premises in some parts of the sub-region, in other areas strategic employment sites have proved difficult to develop. This is due in part to the high development costs relative to the yield, and partly to a lack of transport infrastructure to serve them. The Plan (E2 paragraph 4.2) states that along the Sussex coast nearly 290 hectares of employment land are allocated, but only 50 hectares are available for development (the vast majority of which is in West Sussex)
- 3.22 Where there are difficulties in bringing sites forward for development because of issues of viability the Plan encourages cross subsidies through mixed use developments, or through securing developer contributions from other sites aimed at bringing forward development sites.
- 3.23 Policy SCT 1 the Core Sub Regional Strategy seeks as a priority to pro-actively pursue and promote sustainable economic growth and regeneration. The aim is to raise the sub-regional economy up to the South East average.
- 3.24 Policy SCT 3 Management of Existing Employment Sites and Premises seeks to deliver sufficient appropriate sites and premises for business and other uses that will help to facilitate the regeneration of the local economy. In particular it requires local authorities to:
- Protect existing and allocated employment sites from other uses unless they are demonstrated to be incapable of meeting the needs of business.
 - Develop and co-ordinate with other agencies delivery mechanisms to unlock and implement sites with economic development potential.
 - Be prepared to permit mixed use schemes on existing or allocated employment sites in circumstances where this would deliver necessary employment space at the right time on sites which would be unviable for an employment only scheme, and
 - Seek to improve and up-grade existing industrial estates and business areas to bring them up to modern standards required by business.

- 3.25 The Plan recognises (E2 paragraph 5.1) that one of the key challenges in the area is to reconcile the competing demands for the limited development opportunities that remain. Priority should therefore be given to economic development over housing in terms of location. In determining employment land allocations local authorities will need to provide for a full range of economic development requirements. The need for economic regeneration is so great and suitable site opportunities so limited that some limited encroachment into environmental constraints may be justified to meet the specific economic needs of particular towns.
- 3.26 The policy for employment priority in land allocations is set out in SCT 4, in particular it seeks to:
- Retain existing firms and enable their expansion or relocation within the sub-region.
 - Create attractive opportunities for inward investment and new uses.
 - At least match anticipated increases in the residential workforce; and
 - As an exception to the general policy, be prepared to allow for some infringement of environmental constraints on development in specific instances. But only where there is a clearly justifiable case for delivering economic regeneration to meet identified needs, and where no more sustainable alternatives exist and the harmful impacts of development can be satisfactorily mitigated.
- 3.27 The Regional Plan therefore sets out the process for identifying the employment needs of the area based on the needs of the local economy and workforce, and then sets a sequential test for the allocation of sites, with the smarter use of town centres as part of mixed use schemes being the preferred option; then the more effective use of existing sites; and then in certain special circumstances a limited release of land subject to environmental constraints.
- 3.28 Elsewhere in the draft Plan, Policy CC1 defines Hastings as a Regional Hub; a centre for economic activity and transport services.
- 3.29 Policy TC 2 defines Hastings as a Secondary Regional Town Centre, part of a network of Strategic Centres, and a focus for retail; cultural activities; tourism; employment; and large scale office development.
- 3.30 Policy RE 2; Covers whole of region including inland parts of Rother Employment Land Provision states that Development Plan Documents should assess the employment needs of the local economy and workforce. And a range of sites should be identified that;
- Are accessible to the labour supply
 - Make efficient use of existing and under-used sites
 - Intensify existing sites
 - Focus on urban areas
 - Promote mixed-use development
 - Promote the use of public transport

- 3.31 Policy RE3 states that ‘in the preparation of Local Development Documents (LDF) local authorities will assess the employment needs of the local economy and workforce. The assessments will take account of sub-regional strategies for the location, quantity and nature of employment land and premises. Policies should provide for a range of sites and premises’.
- 3.32 In Section D10 the issue of Coastal Resorts is considered. Like RPG9 it encourages a diversification of the tourist economy. In paragraph 2.1 of section 10 it requires that local authorities consider identifying ‘core areas’ which encompass the key visitor attractions and facilities.
- 3.33 Policy TSR1 requires councils to seek opportunities to diversify the economic base of the coastal resorts, while upgrading facilities to promote higher value activity, and support urban regeneration.

Panel Report

- 3.34 The Panel that conducted the ‘examination in public’ into the South East Plan reported in August 2007. A key broad recommendation was for an early partial review of Regional Spatial Strategy (RSS) to strengthen guidance on the scale and location of new employment land and floorspace required based on the results of joint employment land reviews (paragraph 6.78). This should also include indicative job estimates/targets reflecting a convergence between the Regional Economic Strategy (RES) and RSS, if possible for groups of districts within the sub-regions and rest of region areas.
- 3.35 At the Sussex Coast sub-regional level, it recommended that:
- a job growth target be included against which progress can be monitored and set this at 30,000 for the 2006-16 period
 - the aspects of smart growth most applicable to that area in the sub-regional strategy be outlined
 - there be an emphasis on working with other agencies to unlock constraints on existing strategic employment sites, to list allocated and previously identified strategic employment sites, and to ensure that any change of use from employment to mixed uses is done through the LDF.
 - the link between new employment opportunities and sustainable urban extensions
- 3.36 The Panel notes that “pitching a job target at this level would imply a higher rate of job growth than labour supply, which in our view is a reasonable objective given that this sub-region is currently a substantial net exporter of labour and virtually all coastal towns experience more out- than in-commuting. It is also compatible with the emphasis that the strategy places on increasing skill levels within the existing workforce, and helping the economically inactive into work.”
- 3.37 It supported Policy SCT3 to protect employment land because of the real risk of losing it to residential uses because of differential land values and the fact that business demand levels are currently insufficient to stimulate speculative development. It stated: “The policy provides the right degree of realism, though, in accepting the possibility of some change to mixed use development where this would increase viability and hence bring forward the right type of employment space.”

East Sussex and Brighton & Hove Structure Plan 1991-2011

- 3.38 The East Sussex and Brighton & Hove Structure Plan currently forms part of the Development Plans for both Hastings and Rother. The Structure Plan will be superseded following the adoption of the South East Plan. Until such time, or in the event of a delay to South East Plan adoption there are a number of “saved” policies in the current Structure Plan which are relevant to both Hastings and Rother.
- 3.39 In Table 1 in the section of the Structure Plan (SP) which deals with the Economy and Employment the B1–B8 floorspace requirement for Hastings and Rother is set at between 215,000- 245,000m². In paragraph 5.7 it states that the bulk of this requirement can be met through existing commitments and the re-use of vacant sites and premises, however in the case of Hastings and Rother a further 80,000-100,000m² of floorspace would need to be allocated. However the SP does stress that this is only a guideline. Policy E11 supports the provision of a new high quality business development at North Bexhill.

Local Planning Context

Hastings Local Plan 2004

- 3.40 The Hastings Local Plan 2004 is the adopted local plan for the area, and covers the period up to 2011. In the chapter on the Local Economy policies are set out for Employment Land and tourism. In paragraph 5.05 it recognises that tourism and leisure activities, the arts and cultural industries, and IT and learning based activities all play an important role in providing employment and regenerating the town.
- 3.41 Policy E1 allocated three sites totalling up to 10 hectares (ha) for employment uses, at Broomgrove; land west of Queensway; and Ivyhouse Lane. Policy E4 seeks to retain existing employment uses, unless they have an unacceptable impact on the amenities of existing residents, when an exception to the policy might be made.
- 3.42 The plan is generally permissive towards the establishment of small industrial units and B1(a) (offices and hi-tech), subject to fulfilling various environmental conditions.

Rother Local Plan

- 3.43 The employment policies in the Rother District Local Plan are aimed at focusing large scale business developments in the established and allocated business areas. Small scale business development will be accommodated by requiring an appropriate level of business accommodation as part of residential developments where there is an identified need; or the conversion, redevelopment or extension of exiting sites. (EM1)
- 3.44 Proposals to change the use or redevelop existing employment uses will generally be resisted unless there is little realistic prospect of them remaining in business use; or where it would perpetuate serious harm to residential amenities. (EM2)
- 3.45 The Plan identifies the need to allocate between 73,284 –103,284m² (789,270- 1,112,370sq.ft.) of employment land between 2003 and 2011 to meet the requirements of the Structure Plan, although it states that it considers the upper end of this range may be regarded as ‘unduly optimistic’ (paragraph 4.27).
- 3.46 A number of sites are identified in Bexhill; Rye; Westfield; Robertsbridge and Ticehurst; Marley Lane and on the Hastings fringe. In total, these are estimated to provide for some 84,500m² of business floorspace. These are intended to meet the lower end of the Structure Plan target.

- 3.47 The Plan recognises that by far the most significant contribution will come from a strategic land release at North-east Bexhill to assist the regeneration of the Hastings and Bexhill area. This is dependent upon the construction of the planned Link Road. A draft Supplementary Planning Document for the development was published in June 2007.

Summary

- The Local Development Framework (LDF) is charged under national planning guidance with delivering the Regional Spatial Strategy and establishing broad locations for further developing employment needs. Current Regional Planning Guidance (RPG9) will be superseded by the South East Plan which is due to be adopted in late 2008. The Regional Plan will be a key document against which both Core Strategies will be tested for soundness.
- The Draft South East Plan sets out a criteria based policy for employment and land provision. It does not however set targets for employment growth or targets for employment land and floorspace. The Plan defines Hastings as a Regional Hub; a centre for economic activity and transport services. This supports its designation under Regional Planning Guidance 9 as a priority area for economic regeneration.
- The Draft South East Plan seeks to encourage a proactive approach to regeneration, by encouraging mixed use schemes to facilitate employment development; the improvement and upgrading of established employment areas; effective joint agency working to unlock sites; and, where it can be proved essential, permitting the infringement of environmental constraints to release land for development.
- Local authorities are encouraged through their Development Plan Documents (DPDs) to provide for a full range of economic development needs, to support retention of employment and enable expansion and to create opportunities for inward investment and new uses.

Section 4 – Other Relevant Strategies

- 4.1 While the South East Plan, including its sub-regional strategy for the Sussex Coast, provides the statutory framework for economic and employment policies within LDFs for Hastings and Rother, regard is also had to a number of other relevant strategies and programmes. This approach reflects the advice to Local Planning Authorities in PPS12 (paragraph 1.9).

Regional Economic Strategy

- 4.2 The preparation process of the South East Plan should ensure that it complements and assists in the implementation of the Regional Economic Strategy for the South East (RES), which is prepared by SEEDA, the Regional Development Agency (RDA). Indeed, the Panel that examined the draft South East Plan gave considerable weight to the alignment with the RES and the need to plan for a growth in labour supply to meet the needs of the economy.
- 4.3 At the local level, the RES is particularly significant insofar as it will guide the funding programmes of the RDA.
- 4.4 The current RES, entitled 'A Framework for Sustainable Prosperity', covers the period 2006 - 2016. As with the earlier RES, it encourages "smart growth". To this end, it sets a number of targets. It seeks to increase business stock by 35% by 2016, from a baseline of 35 businesses per 1,000 population to 44 per 1,000 population.
- 4.5 This will impact on the demand for, and provision of, employment land notwithstanding much growth is expected to be achieved through smarter use of existing stock and home working.
- 4.6 Such an increase in business start-ups locally would represent a substantial improvement in recent trends, as highlighted in Section 5 below.
- 4.7 Hastings and the southern areas of Rother fall within the 'Coastal South East' sub-region, with the inland parts of Rother falling in the 'Rural South East' area. Hastings is identified as a 'Regional Hub', consistent with the South East Plan.
- 4.8 The coastal strategy focuses on skills-led growth, innovation and creativity, housing-led growth, connectivity, addressing transport bottlenecks, and culture and leisure-based growth.
- 4.9 The relevant themes in respect of rural areas are developing the role of market towns, affordable housing provision, re-use of rural buildings, developing business skills and ICT, and supporting land-based industries, with particular regard to climate change agenda.
- 4.10 A 'Framework for Action' for the Coastal South East is currently in preparation, as is a similar document for proposing spatial priorities and actions for the rural sub-region.

Coastal South East: A Framework for Action, Draft Report January 2008

- 4.11 The Coastal South East has been identified as providing both the greatest challenges and the biggest opportunities. Of the three broad “contours” described in the RES, it is the one in which economic performance, on a variety of indicators, is weakest. The “Framework for Action” will set out both a Framework for action and the evidence base for the Framework. It includes four Action Areas structured around a Vision which summarises the transformational potential of the Coastal South East. The overarching priority is that the economy of the Coastal South East must be sustainable, with three supporting priorities:
- A Creative and Inspirational Coast;
 - An Inclusive and connected Coast;
 - A Competitive Coast.
- 4.12 In order to realise the Vision, four Transformational Action Areas are identified, these are:
- Action Area 1: identify coastal sites where redevelopment could enable the creation of new mixed use communities including high quality, high density living and working environments
 - Action Area 2: focus on improving productivity and business performance across a range of sectors but paying particular attention to businesses relying on the coast as a primary resource
 - Action Area 3: develop priorities for long term investment to improving coastal connectivity for the main urban areas recognising the contribution that should be made from different transport modes and orbital and radial routes including links to London
 - Action Area 4: build civic leadership across the Coastal South East area and to support the development of strong and inclusive communities whose members have the aptitude and skills needed by the new economy

Community Strategies

- 4.13 Local Development Frameworks (LDFs) should help deliver local Community Strategies and should set out their spatial aspects where appropriate (PPS12 paragraph 1.10). This is reflected by the fact that alignment with the community strategy is a test of the soundness of LDFs.
- 4.14 The current **Community Strategy for Hastings** was adapted in 2004. It contains 21 targets aimed at creating:
- a safer town
 - an economically successful town
 - a learning town
 - a healthier town
 - a town with a decent home for everyone, and
 - a town that is good to live in

- 4.15 In 2006, the targets were up-dated and include reducing unemployment to the East Sussex average by 2013, and increasing medium weekly earnings to national levels by 2013.
- 4.16 The current **Rother Community Plan** was adopted in 2004. Its aims relate to:
- community engagement and leadership
 - providing a safe and healthy community
 - meeting social, leisure and cultural needs
 - economic growth and employment
 - environmental protection
- 4.17 The Community Plan is supported by a series of 'Action Plans', and for 'Job Creation' has the following targets:-
- to raise average weekly earning (in 2004) by 20% to the UK average by 2009
 - to reduce unemployment in Central Bexhill and Sidley wards to within 0.5% of the Rother average by 2009
 - reduce the proportion of people claiming benefit in Rother to the East Sussex average by 2009
 - increase the number of VAT registered businesses to 3,200 by 2009
- 4.18 Existing community strategies have recently been consolidated into **The East Sussex Integrated Sustainable Community Strategy**, entitled "Pride of Place". This has been approved by both the borough and district council and essentially retains the earlier local strategies whilst complementing them with an over-arching approach for the county as a whole. It can be viewed at <http://www.essp.org.uk/essp/esiscs.htm>

Hastings and Bexhill Task Force

- 4.19 The Task Force was established in 2001 to address poor economic performance and social exclusion in the Hastings/Bexhill area. It was convened by SEEDA and is a partnership with the local authorities and MPs.
- 4.20 The Task Force established Sea Space as its regeneration company to deliver physical regeneration projects. Its Business Plan was approved in 2004. Funding has come through SEEDA (£38m initially and £19m in subsequent years) as well as from English Partnerships, via its Millennium Communities Housing Project, (£15m). A further £10m direct funding has been secured from other public funds. In addition, there has been complementary funding from other partners including the Higher Education Funding Programme for the University Centre Hastings, and the £92m Learning and Skills Council overhaul of further education in Hastings.

4.21 A 'Five Point Plan for Regeneration' is focussed around the inter-linked themes of:

- urban renaissance
- business development
- excellence in education
- broadband connectivity
- transport improvements

4.22 The major physical regeneration initiatives are:

- 1) 1,400 new homes through the millennium community's programme.
- 2) creation of a University Centre (UCH)
- 3) the recently developed Creative and Media Centre
- 4) the Innovation Centre at Churchfields Employment Area
- 5) the Station Plaza development adjacent to Hastings station, incorporating a new further education college campus, which is under construction
- 6) office development at Lacuna Place in the Priory Quarter
- 7) two major sites at Marline Fields, Queensway being planned for B1 development

Appendix 2 presents a summary of progress on the key Sea Space employment related projects.

Central St. Leonards Regeneration Framework

4.23 This is a specific programme of physical and supporting social regeneration for Central St. Leonards. Central St Leonards is one of the most deprived areas in England. It contains 3 super output areas in the worst 10% in England, 2 of these being in the worst 5%. In recognition of this fact, the Central St Leonards Regeneration Framework was adopted in 2005. This is a 10-year plan from 2005-2015 focusing on key physical, social and economic interventions to bring about a 'step change' in the area. It aims to change peoples' perception of Central St Leonards, to achieve long-term economic growth, inward investment and a better quality of life for the local community. Central St Leonards has a complex mix of social, environmental and economic challenges. It is estimated that between 2006-2009 a total of over £23m public and private sector investment is planned to bring about improvements in the area.

Local Enterprise Growth Initiative (LEGI)

4.24 LEGI funding focuses on business and enterprise growth that brings direct benefits to the most deprived communities. Examples of projects include targeted support for pre-start-up business and micro business in deprived areas; troubleshooting and training for larger businesses; encouraging entrepreneurship and achievement in schools; support for social enterprises and the voluntary sector; outreach and inclusion projects. There is also a key objective to provide affordable micro/start-up incubator units accessible to deprived residential areas, with 17 small units under construction at Stirling Road (Castleham).

Working Neighbourhood Fund (WNF)

- 4.25 For three years from 2008, Hasting has been awarded money from the working Neighbourhoods fund, and continued LEGI funding, to tackle worklessness, community and employer engagement, and low levels of skills and enterprise. The Economic Development and Inclusion Strategy provides the overarching framework for the implementation of these.

Hastings and Bexhill Area Investment Framework

- 4.26 There is an East Sussex Area Investment Frameworks (AIFs) as well as one specifically for Hastings and Bexhill. These support a range of projects, both training and skills development, economic inclusion, business support and physical infrastructure. The AIFs are 3-year devolved funding programmes from SEEDA and, while now this period is ending, some projects are ongoing.
- 4.27 In Hastings, specific funding is being given to support the evening economy, while in Rother, the development of various sites, in Bexhill and near Battle, for commercial uses is being promoted.
- 4.28 Also within Hastings, Sussex Enterprise is establishing an 'Enterprise Gateway' in the town, providing support services for new, and potential new businesses. This better integrates business support provided by the key support agencies serving the Hastings area.

Local Authority Economic Development strategies

- 4.29 The purposes of Hastings and Bexhill Economic Development and Inclusion Strategy 2008-2013, is to create an inclusive, successful and sustainable economy, which brings a decent standard of living and quality of life to all residents. This 5-year strategy has three overall aims:
- Successful - To increase business activity and create employment, providing a range of local job opportunities and increasing average earnings
 - Inclusive – To enable local people, particularly those who are disadvantaged, to raise their skills and aspirations and to get jobs offering stable employment and a living wage
 - Sustainable – To achieve and maintain environmentally-sustainable prosperity, by maximising environmental benefits and opportunities, and minimising negative environmental impacts
- 4.30 Rother's current Economic development strategy covers the period 2004 – 2009 and will be up-dated next year. It is principally focussed at service delivery with the Council working in partnership with other agencies. There are spatial aims in terms of addressing town centre vitality, market town revival and rural isolation, as well as supporting under-performing areas of the district.

Tourism – 1066 Country Destination Management Strategy

- 4.31 The tourism sector has been identified as an important sector for support, and The Economic Alliance, 1066 Country Marketing Initiative and Sea Space have come together to develop a DMS for '1066 Country'. Its focus is on upgrading the quality of attractions and accommodation, as well as the overall customer experience, linked to strengthening the 1066 brand.
- 4.32 Strategic initiatives highlighted are development and implementation of a Seafront Strategy for both Hastings and Bexhill, and to upgrade facilities here, together with the Pebsham Countryside Park, possibly with an ecology/environment/education focussed visitor facility.
- 4.33 Tourism development is outside the scope of this Review, although both Authorities appreciate its employment and economic role locally.

Sub-national review of economic regeneration and area agreements

- 4.34 This has recently been announced and advocates a closer alignment between public bodies in their economic development roles. In particular, it promotes the use of multi-area and local area agreements as the basis for delivering agreed outcomes. The SNR Review also points to the need for localities to provide an economic environment which enables firms to adapt to and create new technologies and opportunities.
- 4.35 Local Area Agreements (LAA) already apply to economic development to a degree. To date, the targets have been related to those of the LEGL. These are to be expanded in due course, along with public bodies statutory economic development functions, as well as SEEDA funding, linked to them. In October 2007 the Government issued a new Performance Framework for local authorities and their partners which sets out the new much reduced single set of national indicators for the next three years. Local authorities and their partners will be able to choose 35 of the 198 indicators that best reflect areas where action is needed in their local area, these will be complemented by 17 statutory targets on educational attainment and children. Amongst the national set there are a number of indicators termed 'local economy' and 'environmental sustainability' some of which may be used by the East Sussex LAA partnership as targets. The current LAA is still running however and it is intended not to significantly change it until its completion in 2009.

Section 5 – Assessing Employment Land Requirements

- 5.1 This section identifies and considers the need and demand for, and supply of, employment land and premises. It looks firstly at demographic forecasts, then a review of econometric based employment forecasts. This is followed by a closer study of the property market trends and the availability of sites.

This is broken down into the following sub-sections:

- Labour Supply
- Labour Demand Forecasts
- Business Needs
- Existing Stock
- Property Market Analysis
- Analysis of Existing Supply and Commitments

It is evident that each component of the analysis yields particular information, which needs to be weighed in the context of planning and economic objectives. This is done in section 6.

Labour Supply

- 5.2 In this section we consider future labour supply. Government guidance on Employment Land Reviews identifies the possibility of applying a demographic analysis to provide an estimate of 'job need', as a proxy for employment land need.
- 5.3 Both Councils have been using policy-based population projections based on housing provision levels proposed in the draft South East Plan in the preparation of their LDFs. The projections assume 4,200 dwellings will be developed in for Hastings and 5,600 dwellings in Rother over the period 2006 to 2026. When adjusted to reflect current economic activity rates, and trends in fertility, mortality, household size and migration, despite the number of additional homes, population growth is projected to lead to a decrease of some 3,877 working adults between 2006 and 2026 in Hastings and Rother. Obviously the actual achievement of high levels of employment expansion will be influenced by supply side factors – both the availability of labour and of employment land. Pursuing a policy of growth may prove inappropriate if an actual decline in working age population is anticipated unless further in-commuting is to result.
- 5.4 However, the above needs to be set in the context of targeted employment change associated with the regeneration vision for Hastings and Bexhill. There is a pressing need to tackle unemployment and economic inactivity. Hastings has a particularly high level of inactivity, which represents a potentially significant existing labour pool. This section demonstrates the scale of employment growth required to deliver the regeneration vision and substantially raise economic performance by considering the various measures of unemployment and economic inactivity. Migration and commuting patterns are also considered. In looking at potential supply of labour, it will also be important to consider the potential to support a more sustainable pattern of development by reducing out-commuting.

Workforce Projections

- 5.5 Table 21 below shows current (ESCC figures) workforce projections based on housing-led (policy based) figures. These policy based projections show the likely level of population that can be accommodated in a given amount of new housing. These projections do not reflect any other policy imperatives such as intervention to increase labour market participation rates. To plan on the basis of these projections would be contrary to the national and regional policies, strategies and initiatives outlined in sections 3 and 4 where the emphasis is on securing sustainable economic regeneration and substantially reducing the social and economic disparities with the rest of the south-east region.
- 5.6 The Regional Economic Strategy target is to increase economic activity rates in the South East from 82% to 85% thereby bringing an additional 110,000 net additional South East residents into the labour force by 2016 (as a step towards bringing in an additional 'up to' 250,000 by 2026). Table 22 shows the increase if such intervention brought the active workforce up to the target 85%. Table 23 shows the difference between the two.

Table 21: Total workforce from demographic policy based projections (September 2007)

	2001	2006	2011	2016	2021	2026	Absolute change '06-'26	% change '06-'26
Hastings	37,170	38,491	37,938	36,923	35,527	34,223	-2,947	-7.9
Rother	32,895	34,200	33,656	33,303	32,771	31,961	-934	-2.8
Hastings and Rother	70,065	72,691	71,594	70,226	68,343	66,184	-3,881	-5.5

Source: East Sussex County Council (ESCC)

Table 22: Total workforce if areas had regional participation rates (85%)

	2001	2006	2011	2016	2021	2026	Absolute change '06-'26	% change '06-'26
Hastings		38,491	40,448	41,856	40,213	38,829	338	0.9
Rother		34,200	35,560	37,020	36,270	35,423	1,223	3.6
Hastings and Rother		72,691	76,009	78,875	76,483	74,252	1,561	2.1

Source: ESCC

Table 23: Difference (regional exceeds local)

	2001	2006	2011	2016	2021	2026
Hastings			2,510	4,933	4,641	4,606
Rother			1,904	3,717	3,499	3,462
Hastings and Rother			4,415	8,649	8,140	8,068

Source: ESCC

- 5.7 Using existing demographic projections, the data shows that by 2026 the combined workforce (defined here as 15-pensionable age) of the two districts is projected to be 66,184. If the economic activity rates projected for the region were to be achieved at 2016, the workforce is projected to be 78,875, an increase of 8,649.

Unemployment

- 5.8 Within the context of the supply and demand model of the labour market framework, unemployment is seen as potential labour supply. One of the priorities of the Hastings Community Strategy includes 'creating an economically successful town' with target for reducing unemployment to the East Sussex average by 2013.
- 5.9 The claimant count measure only counts those people out of work who are claiming Job Seekers Allowance; The International Labour Organisation (ILO) measure is based on sampling via the Labour Force Survey and also includes those people who are ineligible for benefits but are available to start work within 2 weeks, and have been looking for work in the last 4 weeks or have found a job and can start in two weeks. More women feature in the ILO measure as many are not eligible for unemployment related benefits, although they are still seeking employment (for example data available at South East level only shows ILO unemployment count between April – June 2007 as 4.5% men and 3.9 % women whereas the Claimant Count July 2007 shows 2.1% men and 1.0% women). The Office of National Statistics (ONS) defines the two methods as 'claimant Count' and 'Unemployment'.
- 5.10 In analysis of 'labour market statistics' by National Statistics (July 2006-June 2007) illustrates the difference between Claimant Count and the ILO (unemployment) - see table 24 below.

Table 24: Employment, economic inactivity and unemployment in East Sussex

	Hastings	Rother	South East
Working age population 16-59/64	51,800	45,200	
In employment	38,900	40,300	
Rate %	72.9	80.4	78.4
Economic inactivity	11,300	8,000	
Rate %	22.6	17.3	18.0
Model-based unemployed	2,800	1,700	
Rate %	6.7	4.0	4.4
Claimant Count	1,874	870	
Rate %	3.6	1.9	1.4

Source: Office National Statistics (ONS)

- 5.11 The above table shows that tackling the ILO definition of unemployment involves significant levels of job creation.

Vacancies

- 5.12 Information from the Department for Works and Pensions (DWP) at February 2007 shows that there were 12,000 unfilled vacancies in the Jobcentre Plus area of Sussex & Surrey (compared to 7,400 in Kent). The following table shows, of this number, which occupations had the largest numbers of vacancies:

Table 25: Ratio of jobs to applicants in Sussex and Surrey

Vacancy	
Elementary personal services	0.98
Transport drivers	0.69
Sales Assistants	1.18
Sales related	0.72
Customer service	0.75
Healthcare & personal services	1.08
Sales & Associated professional	0.83

Source: Department for Work and Pensions (DWP)

Table 26: Notified and sought vacancies Jobcentre Plus July 2006 – Hastings and Rother

	Notified	Notified	Sought	Sought	Excess sought over notified – both areas	% of excess total
	Rother	Hastings	Rother	Hastings		
Managers & Senior Officials	26	7	50	60	77	3.4
Professional Occupations	4	16	40	65	85	3.7
Associated professional & Technical occupations	8	14	60	100	138	6
Administration & Secretarial	20	26	85	210	249	10.9
Skilled Trades	17	21	140	280	382	16.7
Personal Services	36	38	45	110	81	3.5
Sales and Customer service	11	33	170	300	426	18.7
Process: plant & machine operators.	5	15	65	155	200	8.7
Elementary occupations	77	87	205	605	646	28.3
Total	204	257	860	1885	2284	99.9

Source: DWP

- 5.13 The above demonstrates the very large difference (over subscription) between those seeking work and that available. It is however acknowledged that Jobcentre Plus only advertises approximately one third of the jobs on the market at any one point, newspaper advertisements and word of mouth being other methods. Jobcentre Plus however is a window of opportunity that is used by the unemployed, those on government schemes and those on benefits and seeking work. It is also likely to be a favoured route to employment by those new to the area (see section on migration) as 'word of mouth' will be less available to them.

Benefit Claimants

- 5.14 The national 'headline' figures for those on incapacity benefit (November 2007) is 2.7m of which just less than 1.3m are over 50; incapacity benefit (IB) claimants in this age bracket are similar across the regions.
- 5.15 The Government has introduced a focussed support process to encourage return to work by those on Incapacity Benefit entitled 'Pathways to Work'¹. The analysis below from research commissioned by Scope shows how 'Pathways to Work' could impact on the numbers claiming incapacity benefit; if the Scope research is right then from a continuing net increase in claimants in the South East (S.E.) this will become a net decrease.
- 5.16 The research document: "A Million off Incapacity Benefit" by Steve fothergill and Ian Wilson, (as Commissioned in June 2006 by SCOPE from Sheffield Hallam Centre for Regional Economic and Social Research), projected the following flows on/off the S.E. Incapacity Benefit Register 2002 - 2004:

Table 27: Annual flow on and off the incapacity benefit (IB) register 2002-2004

South East on IB	South East off IB	Balance
60,200	56,800	3,400

Source: DWP, "A Million off Incapacity Benefit"

Table 28: Projected South East IB claimant numbers based on current flows

2005	2010	2015	Change 2005 - 15
236,000	252,000	265,000	+ 29,000

Source: Authors' estimates based on DWP data, "A Million off Incapacity Benefit"

Table 29: Projected SE IB claimant numbers with national roll out of 'Pathways to Work' as an intervention initiative:

2005 (actual)	2010 (projected)	2015 (projected)	Change 2005 - 15
236,000	228,000	221,000	-15,000

Source: Authors' estimates based on DWP data, "A Million off Incapacity Benefit"

- 5.17 The government also intend to introduce a new benefit replacing IB 'Employment Support Allowance' – all but the most sick & disabled will have to undertake return to work activity where failure to do so will result in financial sanctions. Additionally prior to the 'personal capability assessment' claimants will be on the same rate as Job Seekers Allowance (JSA) thereby removing any financial benefit in claiming IB over JSA.
- 5.18 The pathways to Work pilot showed that the intervention increased the flow off the IB register by 8% of the 'on flow': claimants who left the IB register within 6 months is 8% more in areas with 'Pathways to Work'. This 8% was used as the guide by Sheffield Hallam to produce the above projections.
- 5.19 Sample data collected in 2004 also showed an average of 40% of Incapacity Benefit/Severe Disablement Allowance claims were made on the grounds of mental or behavioural disorders. Again this figure varies between districts, with the highest proportion of claims coming from Hastings (43%) and the lowest from Wealden (34%). Those with mental or behavioural disorders are usually the hardest to place back in work.

¹ Pathways to Work has been developed to provide greater support to help people claiming incapacity benefits back into or closer to the labour market. Pathways to Work started in October 2003 and from April 2008 will be nationwide. Everyone making a new or repeat claim for any of the following: Incapacity Benefit, Income Support on the grounds of Incapacity; Income support whilst appealing against a decision that Incapacity Benefit is not payable, or Severe Disablement Allowance, will automatically be part of Pathways to Work. Anyone not automatically included can volunteer for the service and the help it provides.

- 5.20 The above work for SCOPE assumes that the jobs and work spaces are there to absorb the additional numbers into the workforce. The government argues that labour supply creates its own demand i.e. the labour market will adjust to take the new (ex IB) supply coming onto the market. The study points out that this view is not universally held by economists who argue that market mechanisms do not work smoothly to bring labour supply and demand into balance. They further argue that in the absence of additional labour demand the effect of increasing labour supply will be to increase unemployment – the evidence in the UK regions reflects this latter view as does the persistence of (serious) joblessness.

Inactivity Rates

- 5.21 Economic activity rates in this area, particularly in Hastings are low relative to the South East (77.4% and 82.0% respectively (June 2007)). In line with the Government approach to bringing more people back to work and the RES target of achieving an economic activity rate of 85% across the South East region by 2016, Table 22 shows the increase in workforce numbers if the regional target were to be achieved.

Table 30: Job density (2005)

Great Britain	South East	East Sussex	Eastbourne	Hastings	Lewes	Rother	Wealden
0.84%	0.88	0.77	0.89	0.73	0.75	0.77	0.72

Source: Jobs density, Office National Statistics

Notes: The density figures represent the ration of total jobs to working-age population. For example, a job density of 1.0 would mean that there is one job for every resident of working age. Total jobs include employees, self-employed, government-supported trainees and HM Forces

- 5.22 The above table shows that compared to the South East, East Sussex overall has a lower job density – by implication there are therefore fewer jobs per person. The job density relies on businesses supplying the jobs, the fewer or smaller the businesses the lower the job density. Its worth noting here that East Sussex has 58.3% of its businesses employing fewer then 50 employees - the second highest in the southeast after the Isle of Wight at 65% (ABI 2003). In respect of Travel to Work Areas the Hastings TTWA has shown a steady increase in job density from 2001 to 2005, this is still low however when compared to the higher performing areas e.g. Oxford at 0.93 and Ashford at 0.87. Job density may be partly the cause for the higher inactivity rates (and unemployment rates); another main factor is likely to be the supply of units to serve the demand from new and expanding businesses from which new jobs will be created.

Migration and Commuting Patterns

Migration context

- 5.23 According to “The Seaside Economy” (Christina Beatty and Stephen Fothergill, Sheffield Hallam, Centre for Regional Economic & Social Research, 2003) the ‘in migration’ to the 43 seaside towns in the study (which included Hastings/Bexhill) is outstripping local employment growth leading to an imbalance in seaside labour markets. For example, between 1991 – 2001 (Census) in migration to seaside towns increased their working age population by 360,000: most of this in migration was the over 35s and was additional to inflows over state pension age. They add that most migrate with the intention of continuing to work, at least initially. The table below from the same source shows how in-migration to Hastings and Bexhill is over that which can be absorbed by employment growth.

Table 31: Economic Change 1971 – 2001 Hastings and Bexhill

Growth in employment as % of 1971 working age group	Net in migration of working age as % of 1971 working age group
29	38

Source: "The Seaside Economy", Christina Beatty and Stephen Fothergill, Sheffield Hallam, Centre for Regional Economic & Social Research, 2003

- 5.24 The Sheffield Hallam 'Seaside Economy' report conducted a survey in 4 towns (Blackpool, Yarmouth, Thanet and Southport) to ascertain who the unemployed (including the inactive) were and why they had moved.

Table 32: Migration of unemployed and economically inactive people (Males & Females) to seaside towns

Main reasons for moving to seaside town	Wanted to live here	Moved with parents	Got a job here	To be near family	Able to get a house/flat here
	25% Male; 26% Female	14% Male; 19% Female	14% Male; 4% Female	12% Male; 16% Female	9% Male; 7% Female
Length of time in seaside town & status	< 1 year Unemployed 11%	1- 5 years Unemployed 22%	5-10 years Unemployed 5%	10 years+ Unemployed 34%	All life Unemployed 27%
	Long term sick/disabled 5%	Long term sick/disabled 15%	Long term sick/disabled 9%	Long term sick/disabled 43%	Long term sick/disabled 28%
	Looking after family 9%	Looking after family 19%	Looking after family 12%	Looking after family 30%	Looking after family 31%
	Early retired 3%	Early retired 9%	Early retired 8%	Early retired 65%	Early retired 15%

Source: "The Seaside Economy", Christina Beatty and Stephen Fothergill, Sheffield Hallam, Centre for Regional Economic & Social Research, 2003

- 5.25 The continuing projected population growth in East Sussex (approximately 519,000 by 2026) is entirely due to net in migration – more people moving in than out. In 2004/05 for example there was a net inflow of 3,160 people into East Sussex from other parts of the UK. Analysis of household moves into the area is contained in the Councils' joint Housing Market Assessment.

Potential for increased jobs relative to workforce locally

There are a number of factors that will contribute to improved local job opportunities:

1. Hastings and Bexhill Task Force providing catalyst for key projects
2. Strategic development sites, including for urban regeneration, available
3. Development of further and higher education, including vocational training
4. Relatively strong manufacturing base, including engineering
5. Relatively high levels of working from home
6. Attractiveness of the '1066 Country' area for household in-migration, linked to rising prices in rest of region

7. Transport investment in Hastings and Bexhill
 8. Regional policy support for regeneration
 9. Strengths in artistic/cultural communities/industries
- 5.26 Insofar as it possible to separate them out, current perceptions suggest that 1 and 7 will have significant impacts, 2, 3 and 9 will have moderate impacts and 4, 5, 6 and 8 some impact in increasing self-containment.

Conclusions on the impact of commuting patterns on future job growth

The ESCC projections for future labour supply if Hastings and Rother attained an economic activity rate of 85%, i.e. the RES target, are:

Table 33: East Sussex County Council (ESCC) projections for future labour supply

	2006	2016	2026	2006 – 2026
Hastings	38,491	41,856	38,829	338
Rother	34,200	37,020	35,423	1,223
Hastings & Rother	72,691	78,875	74,252	1,561

Source: ESCC

Note: This is if the economic activity rate had attained the RES target of 85% at 2016.

- 5.27 It is clear that it would be unrealistic to assume no net out-commuting given all the evidence of current patterns and trends.
- 5.28 If net commuting were to stay at the 2001 level in the future, then the number of jobs needing to be provided actually within Hastings and Rother would be 13.5% less than the labour force.
- 5.29 On this basis, if the net commuting at 2006 were the same as 2001 (see paragraph 2.19 above), then the current jobs provision at 2006 is 62,900 (that is 72,691 minus 13.5% of those out-commuting), while local employment in 2016 would increase by some 5,330 ($78,875 \times 86.5\% = 68,230$), and falling to 64,230 ($74,252 \times 86.5\%$) in 2026, an increase of only 1,330 jobs from now.
- 5.30 However, there is an argument that if the potentials highlighted above were realised through a robust economic strategy then net out-commuting could fall. If it were to fall to –10%, then the job requirement in 2016 would be 70,990, reducing to 66,830 in 2026. If the economic strength of the local area were to continue to improve to 2026 such that net out-commuting were further reduced to –5%, then this would mean a **job requirement in 2026 of 70,540**. This is considered to be legitimate and achievable position over a 20-year timeframe. It would also represent a maintenance of the overall job levels to be achieved by 2016 with a -10% net out-commuting. On this basis, **an additional 6,300 jobs would need to be provided locally as a result of this higher level of self-containment**, (70,540 above minus 64,230 in paragraph 5.29).
- 5.31 This scale of job growth will make for a better balance of homes and jobs locally, but will rely on a continued robust economic development strategy and programme to achieve sustained improvement in the face of strong competition from the more buoyant parts of the region.

Labour Demand Forecasts

- 5.32 In this section we assess evidence of future levels of employment growth – an important factor in assessing future employment land needs. Firstly we analyse employment forecasts produced by Experian Business Strategies, and consider floorspace implications. In section 6 we then consider employment growth targets associated with delivering the regeneration vision for the area.
- 5.33 Government guidance suggests that employment growth based forecasts which predict future employment growth modelled on the economic structure, population projections and national sectoral growth predictions - can play a useful role in helping quantify future demand for employment land.
- 5.34 We have drawn on forecast data commissioned by SEEDA from Experian Business Strategies. The forecast data is regularly updated and the latest available forecast data is for Autumn 2007. This provides a detailed breakdown of forecast employment growth by industrial sector.
- 5.35 The forecasts are based on official assumptions about the natural rate of population increase (based on a combination of the ONS 2004-based Sub National Population Projections and national Government Actuary Dept projections), then adjusted to capture policy measures - such as Regional Spatial Strategies – housing allocations in particular and for economic influences on migration. The data isn't strictly full-time equivalent employment. It is residence-based employment, based on figures from the Labour Force Survey. It covers employees, the self-employed, unpaid family workers and government trainees, and excludes double jobbers.
- 5.36 Table 34 summarises employment forecasts produced by Experian. Whilst we have shown the forecast for the period to 2020 we would stress that any forecast beyond 10 years relies on too many assumptions based on the past to be of real effective value.
- 5.37 Employment forecasts need to be treated with considerable caution, because of the many assumptions behind them and uncertainty about future trends. Government guidance for Employment Land Reviews (ELRs) recognises this problem, highlighting that the numbers produced can be treated as very broad indicators only, particularly at the sub-regional level, and need to be interpreted within the light of other analyses within an ELR.
- 5.38 There is a further key issue with using a past-trends derived model in the context of Hastings and Rother, where significant investment in regeneration is seeking to change the structure of the local economy, stimulating under-represented sectors and boosting in-moving demand.

Forecast Employment Growth

Table 34: Employment Forecasts to 2020

	Hastings	Rother	Hastings and Rother
Total Employment 2006	34,548	34,293	68,841
Total employment 2016	37,716	37,240	74,956
Total Employment 2020	38,371	38,085	76,456
Absolute change 2006-2016	2,168	2,947	5,115
Absolute change 2016-2020	655	845	1,400
Absolute change 2006-2020	2,823	3,792	6,515
% change 2006-2016	6.1	8.6	7.4
%change 2016-2020	1.7	2.3	1.9
% change 2006-2020	8.2	11.1	9.5

Source: Experian Business Strategies Employment Projections produced for SEEDA Autumn 2007

- 5.39 The forecast suggests that the economic structure has potential to support an increase in jobs of some 2,100 for Hastings and some 3,000 jobs for Rother over the next 10 years (2006-2016). Over the longer period to 2020, this increases to 2,800 and 3,800 respectively.
- 5.40 The sectoral breakdown (Tables 35-37) shows that the key predicted area of jobs growth is the other (mainly public) services (this includes public administration, health and education sectors). This reflects their important share of employment currently, and predicted national growth trends. Other important sectors showing significant growth includes financial & business services for both Hastings and Rother, and construction for Hastings. Also of note is the projected increase in distribution, hotels and catering sector in both Hastings and Rother.

Table 35: Absolute Forecast Changes by Sector - Hastings

	2006-16	2016-20
Agriculture, Forestry and Fishing	-15	-11
Mining & Utilities	1	-1
Metals, Minerals & Chemicals	47	44
Engineering	-39	19
Other Manufacturing	5	1
Construction	323	141
Distribution, Hotels and restaurants	550	81
Transport and Communications	73	6
Financial & Business Services	638	124
Other (Mainly Public) Services	587	250
TOTAL	2,168	655

Source: Experian Business Strategies Employment Projections produced for SEEDA Autumn 2007

Table 36: Absolute Forecast Changes by Sector - Rother

	2006-16	2016-20
Agriculture, Forestry and Fishing	-337	-143
Mining & Utilities	-1	-1
Metals, Minerals & Chemicals	11	31
Engineering	5	10
Other Manufacturing	-52	-40
Construction	197	121
Distribution, Hotels and restaurants	1,029	198
Transport and Communications	155	23
Financial & Business Services	1,034	294
Other (Mainly Public) Services	909	349
TOTAL	2,947	845

Source: Experian Business Strategies Employment Projections produced for SEEDA Autumn 2007

Table 37: Absolute Forecast Changes by Sector for Hastings and Rother

	2006-16	2016-20
Agriculture, Forestry and Fishing	-352	-154
Mining & Utilities	0	-2
Metals, Minerals & Chemicals	58	75
Engineering	-34	29
Other Manufacturing	-47	-39
Construction	520	262
Distribution, Hotels and restaurants	1,579	279
Transport and Communications	228	29
Financial & Business Services	1,672	418
Other (Mainly Public) Services	1,496	599
TOTAL	5,115	1,500

Source: Experian Business Strategies Employment Projections produced for SEEDA Autumn 2007

5.41 In terms of broad demand for employment floorspace the following are suggested:

- Growing employment growth within the construction sector, potentially generating some demand for employment land.
- An additional potential for some 1,700 additional jobs in the financial and business services sector over the next ten years, which is generally viewed nationally as the key occupier of office space.
- The need to accommodate significant projected employment growth needs generated by the other (mainly public) services such as public administration, education and health, an element of which is likely to require office or B1 space and possibly associated storage (B8) space.
- Net reduction in Engineering jobs up to 2016, but some growth post 2016

5.42 We now consider how projected employment growth might translate into demand for floorspace requirements for both Hastings and Rother. Table 38 shows the property sectors most likely to be affected.

Table 38: The relationship between industrial sectors and employment floorspace

Sectors	Employment floorspace land use category
Agriculture, Forestry and Fishing	Land based
Mining & Utilities	n/a
Metals, Minerals & Chemicals	n/a
Engineering	B1(a) and B1(b), /B2 and some B8
Other Manufacturing	B2/B8, B1(b) and some B1(a)
Construction	B2/B8 and some B1
Distribution, Hotels and restaurants	Mainly other but some B1 (a)/B8
Transport and Communications	B2/B8 and some B1(b)/B1(a)
Financial & Business Services	B1(a) and some B8
Other (Mainly Public) Services	Other/B1(a) and some B8

Source: Hastings Borough Council Forward Planning Team & Rother District Council Planning Policy Team

- 5.43 Government Guidance suggests that proxy sectors are used to represent each property sector, and growth/decrease in these sectors translated to floorspace projections using typical floorspace to employee ratios for the property type. The sectors commonly used for Employment Land Reviews are:

- For offices/B1 – financial and business services
- For B2 – all manufacturing
- For B8 – distribution

- 5.44 If we translate projected employment change for Hastings in the proxy sectors to floorspace equivalents the following is suggested:

Table 39: Implied Floorspace Needs Related to Projected Employment Growth - Hastings

Proxy sector	Change 2006-2020	Floorspace ratio* (m ² per employee)	Implied demand
Manufacturing (B2)	-14	34	-476
Distribution etc (B8)	Data not available	80	n/a
Banking/finance etc (B1)	762	19	14,478

Source: Employment Land Reviews: Guidance Note (December 2004)

*based on English Partnerships Best Practice Guide

Table 40: Implied Floorspace Needs Related to Projected Employment Growth - Rother

Proxy sector	Change 2006-2020	Floorspace ratio* (m ² per employee)	Implied demand
Manufacturing (B2)	-77	34	-2,618
Distribution etc (B8)	Data not available	80	N/a
Banking/finance etc (B1)	1,328	19	25,232

Source: Employment Land Reviews: Guidance Note (December 2004)

*based on English Partnerships Best Practice Guide

- 5.45 The forecast shows a need for a modest growth in B1 and B2 floorspace (excluding B8) over the 2006-2020 period. Some 14,000m² for Hastings, 22,600m² for Rother, net figures reflecting a decrease in B2 floorspace requirements. However, we would stress that our preceding analysis highlights that these proxies do not match well for Hastings and Rother for a number of reasons. Although representing an important element of demand, office occupation in Hastings and Rother is not dominated by financial and business services firms because the sector is under-represented in both areas, and the public sector is so dominant. We thus suggest that to use this sector alone would under-represent future needs. The needs of public administration, education and health and the other services sector are thus going to be important in the context of office/B1(a) demand, but there are no good proxies (based on national research) for shares of employment in these sectors manifesting themselves in such space.
- 5.46 If the projected change in the Other (Mainly Public) Services sector were factored in, 837 jobs for Hastings and 1,258 for Rother, the following might be implied:
- Assuming a high 50% share would imply an additional 419 office/B1 based jobs for Hastings, and 629 for Rother. Or 8,000m² and 12,000m² of floorspace respectively
 - Assuming a more modest 30% share would imply an additional 250 office/B1 based jobs for Hastings, and 380 for Rother. Or 4,800m² and 7,200m² of floorspace respectively.
- 5.47 Combining this with the projected growth in demand from the financial and business services sector gives Hastings a 'high' scenario of 22,000m² additional space requirement, and a 'low' scenario of 18,800m². For Rother, a 'high' scenario of 34,600m² additional space requirement, and a 'low' scenario of 29,800m².

Other factors that affect the relevance of proxies include:

- Past and projected growth in non-services employment is predicted to be strongly influenced by the construction sector, who have significant numbers of site based staff, and for whom industrial floorspace ratios do not thus apply.
 - The key other manufacturing growth sector is engineering, for which B2 space is important, but because of the importance of cleaner engineering activities B1(a) and B1 (b) will also be important.
 - Distribution is not a significant sector in Hastings and Rother because of transport issues, and our visual survey of sites in Hastings suggests that much of the warehousing space is used as space ancillary to production/manufacturing uses, rather than purely distribution focussed businesses.
- 5.48 Given this local context, we conclude that using floorspace ratios has limited relevance to the Hastings and Rother situation, and figures generated by forecasts must be interpreted with caution, and within the context of local economic ambitions and the regeneration agenda.

Business Needs

- 5.49 In this section we also consider the survey evidence of business needs and the demand for employment space. Our analysis draws on a number of information sources, and to begin with draws on a combination of the facts and issues as identified through the East Sussex Annual Business Survey 2007 (ESBS/ESCC/SEDS) and the East Sussex Economic Study 2007 (ESCC/SEDS) that affect businesses in the County and the individual Districts.
- 5.50 The East Sussex Annual Business Survey (ESBS) involved nearly 1,000 local businesses and was undertaken during April 2007. The Survey included businesses of all sizes and a wide range of sectors and was structured to enable robust headline figures to be provided for businesses of different sizes, sectors and in different locations. As the East Sussex Business Survey did not include public sector establishments, information relating to the education, health & social care sector is therefore based on privately owned businesses.
- 5.51 Of the interviews 173 took place in Hastings, 121 in Rother of which 90 were in Bexhill, the Bexhill survey numbers were then boosted by an additional 58 making 148 in total.

Key findings

- The most frequent business registrations for VAT in Hastings and Rother are in respect of: construction; wholesale, retail and repairs; hotels and restaurants and; real estate, renting and business activities.
- According to the 2002 figures Hastings has the lowest 3 and 5 year survival rates in East Sussex, the actual underlying reasons for this may be predicated on the number of issues outlined in respect of Hastings businesses in the main document (lack of free finance, low skill levels, low entrepreneurship, transport affecting profitability etc). This aspect however may deserve further investigation.
- Hastings and Rother together have the highest percentage of companies trading within only 10 miles – this is likely to be with each other. Hastings does seem however to have a higher than average number of companies surveyed that deal in the ‘rest of the world’.
- Hastings, Rother (and Eastbourne) are more likely to recruit locally – this may be a reflection of having relatively large urban centres to draw on (Bexhill in Rother). East Sussex businesses in general recruit locally: more than four out of five (84%) mostly recruit staff from within 10 miles of their location, including 47% who recruit from the town or village where they are based.
- Both Hastings and Rother have a low number of people educated to NVQ4+ or equivalent – this will affect entrepreneurship, innovation, and potentially business growth in the two areas. Hastings overall has major issues with skill levels, more so than Rother, both areas however need to address the number of people with no qualifications.

- The top 4 priorities for skill training are the same in Hastings and Rother (customer services; team working; initiative/ problem solving; presentation (personal) – this would allow relevant agencies to work together in the area to address these skill needs. It's worth noting however that customer service and team working are the top two throughout East Sussex – again a message for the focus of enterprise training providers.
- In terms of academic achievement the lowest starting point for passes and the lowest improvement is in Hastings.
- Increasing high energy costs aside, lack of access to expansion funding is a constraint to businesses in both Hastings and Rother. It is also an issue that needs to be addressed through business support if local businesses are to grow and achieve their potential.
- As at 2004 43% of existing office units in Hastings are deemed to be below the mean size, the problem also exists in Rother but on a smaller scale. In terms of industrial space the positions are reversed. The build of new office space by SeaSpace in Hastings will have partially helped the situation in Hastings (as opposed to Rother) but not in respect of existing/ second hand office space.
- The Hastings businesses surveyed have a very marked preference for good quality second hand units, the appetite for new accommodation is low across the piece; this may be a reflection of the actual/ perceived costs associated with such premises.
- Hastings and Rother have similar concerns as other East Sussex Districts on transport issues; parking however has a slightly higher 'nuisance' factor in Hastings. Transport issues as both perceived and actual by local businesses cannot be ignored if the playing field for growth in East Sussex is to be at the same level as other areas in the South East.
- Hastings and Bexhill businesses both strongly identify the A259 road link between them as being a major cause in their reduction of competitiveness. The Bexhill to Hastings Link Road is therefore a very important proposed infrastructure improvement in terms of lifting transport related barriers to growth (perceived or actual).
- In common with all the Districts the main impact of transport constraints is 'customers or clients visiting'. However Hastings and Rother businesses also cite 'profitability' as a result – this shows the importance of getting transport improvements in place as this will affect growth plans, staffing numbers and quite possibly attitudes to training in areas so affected.
- Hastings as a business location: Strengths identified by more than one in ten Hastings businesses include the lifestyle provided by the area, the level of regeneration activity, and the town's relatively low house prices. See table 42
- The top five weaknesses in Hastings accounted for 88% of businesses, showing a greater degree of agreement on what the town's main challenges are. Road infrastructure issues were cited by over one in three (35%) businesses in Hastings as the town's key weakness, with the related issues of parking and congestion accounting for another 26% of businesses. This means that a total of 61% of businesses in Hastings cited transport related issues as the key weakness of the town. See Table 41

**Table 41: Perceptions of Hastings' main strengths and weaknesses
(1 = top 5 = lowest)**

	Hastings businesses view	Bexhill businesses view	Rest of East Sussex business view
Strength			
Lifestyle	1	1	1
Regeneration activity	2	2	1
Low house prices	2	5	3
Tourism	4	3	4
Business from local people	5	4	4
Weakness			
Road infrastructure	1	1	1
Lifestyle	2	2	2
Congestion	3	5	4
Parking	3	4	5
State of the local economy	5	3	3

Source: East Sussex Annual Business Survey 2007

**Table 42: Perceptions of Bexhill's main strengths and weaknesses
(1 = top 5 = lowest)**

	Bexhill businesses view	Hastings' businesses view	Rest of East Sussex business view
Strength			
Lifestyle	1	1	1
Transport links	2	2	2
Business from local people	3	3	3
Shopping environment	3	4	3
Premises	5	4	3
Weakness			
Road infrastructure	1	1	1
State of the local economy	2	2	2
Parking	3	5	3
Lifestyle	4	4	2
Population	5	2	3

Source: East Sussex Annual Business Survey 2007

Stakeholder Views

- 5.52 A stakeholder meeting was organised involving local commercial property agents and developers, representatives of Locate East Sussex, Sea Space, Hastings Borough Council's own estates and economic development departments and other business support professionals. The purpose of the focus group was to gather views on property supply and demand, market trends and any elements of unmet and future demand that the Local Development Frameworks of both Councils should address. This has been supplemented by further discussion between the officers of both councils including estates and economic development staff, and representatives of SeaSpace.

- 5.53 Overall demand for commercial property in Hastings and Bexhill is at present predominantly local. In particular, stakeholder views concluded that demand from outside the area was adversely affected by perceptions of Hastings, particularly its poor image as an office location and this is supported by research carried out for Sea Space. Such perception is largely based on preconception and without complete knowledge of the improvements being made or future regeneration planned. Clearly on-going regeneration activities are seeking to make a step change in Hastings standing as a location for business, both through the provision of higher quality space and by addressing negative perceptions about the town. The success of the latter activities will have an important impact on the success of the new developments proposed and underway. Research carried out for Sea Space concluded that any major new scheme in Hastings will require a thorough marketing and PR campaign in order to overturn negative perceptions.
- 5.54 Transport is also perceived to have an impact on demand, with the key issue being getting staff into the town rather than goods out, again having a greater impact on demand for office and B1 space. One commentator noted that those businesses located in the town are generally not strongly 'lorry dependent'. Access problems along the A21, linking Battle Road as well as the A259 into and through the town were identified.
- 5.55 Commentators indicated that there are a number of known requirements for space amongst established firms. It is notable that many of Hastings key businesses are located in several buildings, having taken space wherever it becomes available. We understand that certain of these have expressed an interest in expanding and consolidating at one site, of a suitable location were available. The small unit and starter unit space available in the Hastings Borough Council business units at Stirling Road, and also at the Britannia Enterprise Centre is predominantly full and we understand there is generally an informal 'waiting list' for this space.
- 5.56 In relation to industrial and warehousing floorspace, commentators also identified the lack of slightly larger (750-2,000sq.ft. or 70-190m²) move-on space for these businesses once they have outgrown their starter unit. It was felt that a lack of such space held back expansion for some businesses, and also caused a bottleneck in space availability for new smaller businesses, as existing occupiers could not move on. At the larger end of the scale demand for units of 10-20,000sq.ft. (930-1,860m²) was identified, as well as 5-6,000sq.ft. (460-560m²) with open storage. Premises with a main road frontage are particularly popular.
- 5.57 Our discussions indicated that there appear to be a significant number of occupiers who are 'making do' with the stock available – compromising on factors such as internal circulation, electrical supply (to support IT and other processes), building configuration, access and loading. This is further suggested by the mix of tenant types. It is notable that parts of Castleham and Churchfields contain a mix of hi-tech engineering, service uses (like call centres) and less image conscious uses such as vehicle servicing and repair within the same block of units. This is relatively unusual, and might suggest that the more 'image conscious hi-tech and service occupiers have located here because it is the only space available to them.
- 5.58 As elsewhere, there is a high reported demand for owner occupation, which is not currently being met. Because of the other benefits of freehold ownership for businesses, owner occupation acts as an incentive to invest and improve unit quality and redevelop premises, and can lead to the redevelopment of sites and premises that would otherwise remain unimproved.

Survey Evidence of Demand

- 5.59 Our research has found several indications of “pent-up demand” for more and better quality space:
- ‘waiting lists’ for space in small unit schemes, such as Stirling Road and the need (highlighted in the LEGI programme) for more affordable micro-business space located in, or serving, deprived communities
 - most commentators able to identify several businesses known to require expansion premises
 - a number of businesses (e.g. hi-tech engineering firms) in sectors that generally favour more prestigious accommodation but currently located in more ‘down-market’ premises in areas with a notable mix of occupiers
 - a particularly low vacancy rate given the age of the property stock
 - a general indication from survey work that at least 20% of businesses may actively need space to support their employment growth.
 - A high level (79%) leases on office/B1 space due for renewal in the next 10 years, suggesting a higher level of letting activity might be anticipated in the future.
- 5.60 As elsewhere in UK there is reported strong demand for freehold property in both office/B1 and industrial/warehouse sectors, but a notable lack of supply. This discrepancy is important as freehold units attract a premium, making development and redevelopment to produce them more viable than for leaseholds, typically bringing more development forward. Freehold ownership also encourages refurbishment and upgrading of premises by occupiers, and with it perhaps a longer term commitment to a location.
- 5.61 Research commissioned from Vail Williams looked at the supply of small business units and demand for employment land across East Sussex. The report concluded that in general the supply of business accommodation lags behind England and Wales in terms of floorspace per head. This reflects political choices about landscape quality, investment in road infrastructure as well as a generally weak profile in the mainstream development and investment market, with rents – particularly for office space- generally too low to support new construction.
- 5.62 The Vail Williams research included a survey of 400 East Sussex businesses, probing their expansion intentions. The results of such surveys need always to be treated with caution, particularly as the sample included only 40 Hastings based businesses. However it does indicate the existence of some potential demand for more space within the existing occupier base, with 14 of the 40 firms (40%) planning to expand and a similar proportion either actively looking for space or keeping their space needs under review. Overall the survey identified one in five East Sussex businesses interviewed as ‘somewhat’ or ‘very’ likely to move.
- 5.63 Survey work carried out by WM Enterprises for Hastings Borough Council (HBC) in March 2005² involved interviews with 277 Hastings businesses (about 10% total number) and 128 Bexhill businesses. Businesses were asked whether their current premises were able to meet their needs over the next 3-5 years. Some 19% in Hastings and 12% in Bexhill said no, with dissatisfaction increasing with business size. Of the two-thirds of these who identified a reason, lack of room for expansion was identified by 18% (i.e. about 3% all Hastings businesses). When asked if they wanted to remain in the Hastings/Bexhill area, 90% of all businesses did, with 9% overall considering relocation.

² Hastings and Bexhill Action Planning Research March 2005, WM Enterprise Consultants

- 5.64 Survey work carried out for Sea Space also involved a very small sample (48 office/B1 occupying businesses within a 25 mile radius of Hastings). This identified that 70% of the businesses interviewed had less than 10 years left on their current lease. Given that some 70% of leases are not renewed at or before expiry, this suggests considerable potential for movement and upgrading, if move on space permits. The survey work concluded that this could mean that demand for office space picks up sharply in the future. The survey found that 17% of the businesses interviewed were currently looking for new space, 54% expected an increase in staffing and that 20% were expecting to expand in the coming two years.
- 5.65 The survey also found that 70% of businesses ideally consider a maximum distance of 5 miles for relocation. This is positive in that it means that local businesses are unlikely to leave Hastings if they can satisfy their space needs locally. However, it also points to the challenge of attracting 'inward investment' from within the immediate south-coast area.
- 5.66 In support of this picture of pent up demand, HBC estates staff were able to identify several occupiers known to be seeking additional or larger space in the major employment areas.
- 5.67 Survey work commissioned under the LEGI initiative examined the demand for micro-units (less than 50m²), through looking at the take-up of units at Stirling Road, Britannia Enterprise Centre, the CMC and Innovation Centre. The survey identified very high demand with vacancies being filled very quickly, in tandem with a very notable shortage of affordable, available units in this size range.
- 5.68 Locate East Sussex have provided data about enquiries for space in Hastings received by them and their partner agencies. Whilst this does not represent the overall level of enquiries in the market, and may hide elements of duplication, it does provide some indication of trends in demand, particularly from more 'footloose' businesses.

Table 43: Locate East Sussex Enquiries Data 2004-2006 - Hastings (sq.ft.)

Space type	2004	2005	2006
Office (B1)	35,005	69,451	61,425
Industrial B1	1,093,025	504,875	292,250
Industrial B2	13,000	18,000	245,604
Industrial B8	8,500	67,250	60,500
Total industrial	1,114,525	590,125	598,354

Source: Locate East Sussex

The data shows a consistent enquiry level for years 2005 and 2006 of some 600,000sq.ft. (55,700m²). This appears relatively high, being equivalent to about 10% total stock. The key focus for demand was industrial B1, although for 2006 significant enquiries for B2 space were also recorded. The data reveals a relatively small level of interest in office B1 (60,000sq.ft. or 5,600m² in 2005 and 2006 or 3% of stock) and also in warehousing space. Enquiries for land varied from 144 acres in 2004 to 50 hectares in 2006.

- 5.69 In terms of freehold/leasehold split no clear trend emerges, with the data apparently distorted by one major freehold enquiry in 2006. In 2004 and 2005, 6% and 10% respectively of industrial enquiries were for freehold space (although most other enquirers would consider either freehold or leasehold). For offices, between 10-16% sought freehold space only each year.

Table 44: Locate East Sussex Enquiries Data 2004-2006 - Rother (sq.ft.)

Space type	2004	2005	2006
Office (B1)	38,150	67,400	60,025
Industrial B1	1,104,975	568,225	398,150
Industrial B2	13,000	45,500	278,104
Industrial B8	8,500	60,850	140,300
Total industrial	1,164,625	741,975	876,579

Source: Locate East Sussex

Summary

- Demand for commercial property in both Hastings and Rother is at present predominantly local. This in part reflects transport problems, and in part a perceived negative view of the area, particularly as an office location.
- More space, and more prestigious space is required in most size ranges to accommodate pent-up demand and attract new businesses to both Hastings and Rother. An immediate need for affordable space to support business start-ups, and move on space for small businesses is also indicated. There is very limited scope to meet outstanding needs within the existing stock, because of low vacancy rates.
- In the short term full commercial investment on undeveloped sites is likely to be limited, reflecting low rents, poor investor confidence and inherent problems associated with both area, particularly transport.
- As elsewhere in UK there is reported strong demand for freehold property in both office/B1 and industrial/warehouse sectors, but a notable lack of supply. This discrepancy is important as freehold units attract a premium, making development and redevelopment to produce them more viable than for leaseholds, typically bringing more development forward. Freehold ownership also encourages refurbishment and upgrading of premises by occupiers, and with it perhaps a longer term commitment to a location.
- Releasing more freeholds from the Hastings Borough Council (HBC) stock, to encourage refurbishment and investment by occupiers could one approach to increasing the supply of freehold property

Existing Stock

- 5.70 In this section we look at the existing stock of employment floorspace in Hastings and Rother together with a review of recent losses and gains in employment floorspace provision. We provide an analysis of the quantitative stock data available from DCLG and from in-house monitoring sources. At appendix 3a and 3b we provide classifications and evaluations of the quality, nature and market segment served by floorspace on an area basis. This is based on a visual site-based assessment.

Hastings

- 5.71 Table 44 below details the stock of floorspace in Hastings in between 2000 and 2007 by its use, derived from DCLG monitoring data (which is based on Rating information).
- 5.72 Factory floorspace accounts for about half of all employment floorspace in the Borough, a slightly higher proportion than for East Sussex and the South-East. The remaining floorspace is divided fairly evenly between office and warehouse floorspace.

- 5.73 Offices account for 26% of all employment floorspace in the Borough, higher than the East Sussex at 20%, and close to the South-East rate of 29%. The proportion of floorspace in warehousing use at 27% for Hastings was lower than for East Sussex (33%) and the South-East (32%).
- 5.74 A comparison of DCLG stock figures for 2000 - 2007 shows increases for both offices and warehouse space but a fall in factory space. The overall increase in employment floorspace was 14,000m² (3.5% or 2,000m² each year).

Table 45: Floorspace Stock in Hastings by use (2000 – 2007)

Floorspace use	2000 (m ²)	2004 (m ²)	2007 (m ²)	Change 2000-2007	Percentage (%) change
Offices	102,000	109,000	111,000	9,000	8.8%
Commercial offices	69,000	70,000	71,000	2,000	2.9%
Other offices	33,000	38,000	39,000	6,000	18.2%
Factories	204,000	196,000	190,000	-14,000	-6.9%
Warehouses	95,000	115,000	114,000	19,000	20%
TOTAL	401,000	420,000	415,000	14,000	3.5%

Source: DCLG planning statistics

- 5.75 Based on data produced in 2004, the stock of **factory floorspace** in Hastings is newer than that of office and warehousing space. Only 16% of factory space was built before 1940, whereas approximately 36% of office space and 22% of warehouse floorspace is pre 1940. The 1980s were important for factory floorspace development with 32% of stock created, but development over the 1990s added less than 2% stock. This is against the trend in East Sussex as a whole where the newest floorspace since 1980 has tended to be concentrated in warehouse floorspace, and reflects the effect of road access limitations on warehousing demand.
- 5.76 DCLG identify 115,000m² of **warehousing floorspace** located within 356 hereditaments in Hastings in 2004. This had a total rateable value of £3.3 million giving an average rateable value of £29 per m² (£2.70 per sq.ft.). This is broadly in line with the rest of East Sussex, though Wealden is notably higher with an average rateable value per square metre of £37 (£3.44 per sq.ft.).
- 5.77 DCLG identify 109,000 square metres of **office floorspace** within 350 hereditaments, with a combined rateable value of £2.6m giving an average rateable value of £38 per m² (£3.53 per sq.ft.). This average is lower than all other East Sussex districts and the South-East average of £104 per m² (£9.66 per sq.ft.).
- 5.78 A large proportion of the office stock (36%) was built before 1940. The majority of the stock was built between 1940 and 1980 (48%), with only 6% built during 1980s and as little as 2% (2,000m² or 21,540sq.ft.) built over 1990-2000. Over 2000-2004 DCLG data suggests 7,000m² (75,390sq.ft.) offices were added to the stock, the majority representing non-commercial offices (i.e. public sector or ancillary office to other uses, perhaps involving a change of use from industrial).
- 5.79 Hastings Borough Council carries out an annual comprehensive survey of their industrial and employment areas. In February 2008 the survey identified employment floorspace of 294,833m² on 77.67ha. Of this, 7.66% was vacant at the time of survey – the majority of this concentrated in the Broomgrove regeneration area and Ivyhouse Lane. The survey identified a further 12.92ha of undeveloped land within the identified employment areas, of which 40.7% had been granted planning permission.

- 5.80 The majority of the industrial and employment floorspace within Hastings, is located in five key employment locations.

Table 45a: Industrial Estates Land, Floorspace and Vacancy - Hastings

Industrial Estate/Area	Total floorspace (m ²)	Total land*	Vacancy %
Castleham	66158	17.00	5.49%
Churchfields	44779	13.72	2.25%
Ivyhouse Lane	37558	11.92	25.23%
Ponswood	68480	16.27	1.13%
West Ridge/Ashdown	15522	5.19	0.00%
Broomgrove Area	8687	2.36	39.83%
Brittania Enterprise	2559	0.35	1.52%
Other Areas	51090	10.73	9.00%
TOTAL	294,833	77.67	7.80%

Source: HBC Industrial and Employment Areas Survey, February 2008

* total land shown is the sum of occupied land plus the remaining undeveloped land

Rother

Table 46: Floorspace Stock in Rother by use (2000 – 2007)

Floorspace use	2000 (m ²)	2004 (m ²)	2007 (m ²)	Change 2000-2007	Percentage (%) change
Offices	48,000	49,000	52,000	4,000	8.3
Commercial offices	26,000	29,000	36,000	10,000	38.5
Other offices	22,000	20,000	16,000	-6,000	-27.3
Factories	169,000	151,000	158,000	-11,000	-6.5
Warehouses	91,000	102,000	106,000	15,000	16.5
TOTAL	308,000	302,000	316,000	8,000	2.6

Source: DCLG planning statistics

- 5.81 Table 46 above details the stock of floorspace in Rother between 2000 and 2007 by its use.
- 5.82 **Factory floorspace** accounts for about half of all employment floorspace in the District, a slightly higher proportion than for East Sussex and the South-East. Offices accounts for 16%, well below the regional average, and warehouse floorspace is nearly 34% of the total.
- 5.83 Comparison of DCLG stock figures for 2000 - 2007 shows increases for both **offices** and **warehouse** space but a fall in factory space. The overall increase in employment floorspace was 8,000m² (2.6%).
- 5.84 Rother has one of the lowest stock of general industrial floorspace of all the districts in East Sussex (second only to Eastbourne) with some 158,000m².
- 5.85 31% of the stock of factory floorspace in Rother was built before 1940. 59% of office space and 16% of warehouse floorspace is pre 1940. The majority of the factory stock was built between 1940 and 1980 (47%), with 11% built during the 1980s and 6% built between 1990-2000 (2005 DCLG statistics).

Table 46a: Industrial Estates Land, Floorspace and Vacancy - Rother

Name	Location	Number of sites	Number vacant sites	Total floorspace	Total vacant floorspace	% of vacant floorspace
Atlas Industrial Estate	Rye	24	0	4257	0	0
Beeching Park Industrial Estate	Bexhill	21	0	3453	0	0
Beeching Road Industrial Estate	Bexhill	57	1	23350	244	1.04
Bodiam Business Park	Bodiam	5	0	3065	0	0
Brett Drive Industrial Estate	Bexhill	16	1	8850	65	0.73
Castle Water Industrial Estate	Rye	3	0	958	0	0
ChurchField Industrial Estate	Rye	2	0	11192	0	0
Rutherfords Business Park	Battle	17	7	2518	589	23.39
Rye Industrial Estate	Rye	54	4	34641	1383	3.99
Station Approach Industrial Estate	Battle	13	0	5800	0	0
Strand Quay and Rock Channel	Rye	25	0	8654	0	0
Sutton Industrial Park	Winchelsea	15	2	1060	143	13.49
The Maltings	Peasmarsh	6	1	290	45	15.52
Westfield Industrial Estate	Rye	2	0	1771	0	0
Wheel Farm	Westfield	15	1	3782	90	2.38
Winchelsea Road Industrial Estate	Rye	20	1	6429	51	0.79

Source: Locate East Sussex

- 5.86 Locate East Sussex commissioned an industrial estate survey in 2007 and the findings are published on its website (the website is currently being developed at the time of writing). This covers some 120,000m² of total floorspace. Only 2.17% of the identified employment floorspace was vacant at the time of survey. As can be seen above, this is accounted for by large vacancies at Rye Industrial Estate and Rutherfords Business Part near Battle. However, these areas are both subject to redevelopment activity.

Summary

- The major concentrations of employment space are at Castleham, Churchfields and Ponswood, with significant concentrations also at The Ridge and Ivyhouse.
- Of the Hastings employment areas, Churchfields and Castleham contain the best quality stock and provide a range of starter to large unit sizes. The space here is well-occupied, with limited vacancy. Although the stock is relatively old, with a significant proportion developed in the 1980s.
- Ponswood and Ivyhouse in Hastings are less prestigious locations, with some units offering scope for redevelopment, but again vacancy overall is relatively low. Congestion and narrow roads are more of a problem.
- DCLG floorspace stock figures show an overall increase of 14,000m² since 2000 for Hastings, averaging 2,000m² a year
- In Rother, there has been an overall increase in stock of 8,000m² since 2000, averaging a little over 1,000m² a year
- Floorspace growth in Rother has been in offices and warehousing, with a small fall in factory space

- Rother starts from a position of having a relatively low level of stock; furthermore, 30% of total floorspace is pre-War
- Virtually all business areas in Rother are effectively full
- The key point to note for both Hastings and Rother is that there is a considerable amount of stock that is now quite old and/or in cramped locations.

Property Market Analysis

- 5.87 Understanding the local property market is key to identifying occupier demand and the scope for development and redevelopment to come forward over the Local Development Framework period. In this section we review current supply, and development trends and values in the office/B1 and industrial/warehouse markets.

The Office Market

The Hastings office market and the role of the Task Force

- 5.88 The Hastings office market is relatively undeveloped. The Town does not have a commercial central core of traditional office space of any significant size, although there are larger units of office space developed dating from the 1960s/70s and 80s in various locations throughout the borough. These include buildings such as Aquila House and Cavendish House on the seafront in central Hastings, and Heron and Ocean houses in Central St Leonards. Major occupiers are largely public sector - for example the Child Support Agency (Ashdown House in St Leonards) and Hasting Borough Council, although there are some large private sector occupiers. Beyond these larger units, most space comprises small units of accommodation above shops, and in refurbishments of older residential property, housing local business services organisations.
- 5.89 Because of the local focus of demand and relative lack of unmet larger space enquiries, older vacant space can be difficult to re-let. For example Rothermere House currently has five floors available (at £6.20 per sq.ft. or £67 per m²) with little interest reported. Cavendish House, vacated by Barclays, has brought a significant element of office space onto the market. This 1970s block, occupies a seafront location, and is currently undergoing refurbishment. A rent of £6.50 per sq.ft. is being sought. Beyond this, there is little vacant office floorspace in the town.
- 5.90 Until recently, this marked lack of office development – both in the town centre and within the other employment areas, reflected a combination of small and predominantly local demand market and very low rents (at only about £5-6 per sq.ft. or about £60 per m²) which hasn't supported speculative development. Research carried out by the Task Force's implementation body – SeaSpace, concluded that:
 “such a cycle of inactivity and no-growth usually signifies a situation of market failure, where prevailing rental levels do not support new development and latent demand cannot be identified with sufficient certainty. Where the general supply has been consistently of poor quality stock, rental levels tend to stagnate until such time as someone is prepared to take the risk of developing new stock. Without such new stock (and where the existing stock is particularly poor) a location cannot be perceived as a serious business destination”.
- 5.91 As part of a major initiative to reverse this low development scenario phase one of the Creative Media Centre (CMC1) in Robertson Street Hastings, a Sea Space initiative, was opened in 2004 and phase two (CMC2) was opened in 2005. The CMC is designed to provide start up and expansion space for small firms in the heart of the town. In total this has provided some 1,800m² or 19,400sq.ft. space and also houses the eCas centre that

provides support to businesses to maximise use of the Internet. Sea Space indicate that when fully occupied this space will accommodate 94 jobs. Currently (2008) the first phase is reported as 97% let and the second as 85% let. Occupiers are primarily local start up businesses in the creative and media sector, although the BBC also has some space in the scheme. We understand that this space has created new rental highs for the town, reported as equivalent to £12-15 net per sq.ft. (about £145 per m²).

- 5.92 The quality of space available in Hastings town centre will change markedly with the completion of Lacuna Place, again a SeaSpace initiative. This forms a key element of their comprehensive regeneration of the Priory Quarter and is to provide some 9,211m² (99,146sq.ft.) high quality office and retail space. The development in two phases is due to be completed in 2008 and is being built speculatively. The vision is to generate employment and attract inward moving employers through a national marketing campaign. It is hoped that the scheme will illustrate the scope for Hastings to support higher quality space and 'kick-start' investor, occupier and developer interest.
- 5.93 Away from the Town Centre, other recent significant development in the employment areas includes the Innovation Centre (ICH) at Churchfields. Completed by Sea Space in 2006, the ICH provides 2,000m² office and 1,000m² workshop space. Currently (2008) ICH is 72% let. Occupiers include new local start-ups with 1-3 employees in the IT sector, as well as some general small businesses. The development represents a notable improvement in the specification of small unit space available within Hastings and we understand has asking rents are in the order of £23 per sq.ft. (£248 per m²) fully serviced (including heating, reception, rates etc).
- 5.94 As elsewhere demand for freehold office space is reported as healthy. In recent years between 10 and 16% of office/B1space sought through enquiries to Locate East Sussex have been specifically for freehold space.

The Rother office market

5. 95 The office market in Rother is essentially small and local; the supply of office space in Rother is, likewise, of generally low quality and out of date, with the market essentially characterised by a lack of quality business space across all size ranges.
- 5.96 Consequently speculative office buildings have not been built in Rother and in particular Bexhill, since the 1970s, with the majority of buildings being purpose built for the public sector. There has been no supply of serviced commercial land in recent years, largely due to an absence of institutional investment, with consequent shortages of new space
- 5.97 While prices do not currently justify commercial investment, SeaSpace has shown that a market can be stimulated and has a commitment in its Business Plan to facilitate a significant (8,000m²) office scheme in Bexhill, although a site/scheme is not yet identified. Agents consider that incubator space represents the most viable office development at present. The Council is developing such space within a scheme in Bexhill – see industrial section below.
- 5.98 There have been a number of recent small office developments in Rother, including as part of mixed use schemes. In addition, the high proportion of people who work from home in Rother, suggests a potential for more office based employment particularly in rural areas.

The Industrial and Warehouse Market

Hastings

- 5.99 The major concentrations of industrial and warehousing floorspace are located at Castleham, Churchfields and Ponswood employment areas, with significant concentrations also at The Ridge and Ivyhouse Lane.
- 5.100 Of these employment areas, Churchfields and Castleham contain the best quality stock and provide a range of starter to large unit sizes. The space here is well-occupied, with limited vacancy. Although the stock is relatively old, with a significant proportion developed in the 1980s, the estates are well maintained and spacious with good circulation and no apparent major problems with traffic congestion and on-street parking. Both locations house a wide range of occupiers, ranging from hi-tech engineering and service occupiers to light industrial/production and storage uses. HBC own a significant proportion of the Castleham Units.
- 5.101 Ponswood and Ivyhouse are less prestigious locations, with some units offering scope for redevelopment, but again vacancy overall is relatively low. Congestion and narrow roads are more of a problem, but at Ponswood occupiers are reported to like the fact that staff can walk to work here.
- 5.102 Vacancy rates are generally low throughout the main industrial and employment areas. Overall vacancy in January 2008 was 7.8%, but this is affected by a very high vacancy level in the Broomgrove regeneration area, where redevelopment for other uses is in plan, and a recently vacated large unit (8,407m²) at the Ivyhouse Lane estate. A visual inspection of the main industrial areas in January 2008 identified few units being marketed or seemingly vacant. Vacancy often reflects unit specific factors, for example where tenants have gone into liquidation and remedial works are needed prior to re-letting. Vacancy appears particularly low given the age and quality of much of the industrial stock.
- 5.103 Rents for property in the main employment areas reach £7 per sq.ft. for the best quality space. Despite limited vacancy and unmet demand, rents have not been pushed upwards. It is felt that this is because occupiers are unwilling to pay more for space of the age and quality available. The relative lack of new and redeveloped stock is considered to be a major issue for Hastings. Low development rates reflect a combination of a lack of sites that are easily developable and thus commercially viable at current rental levels, and a relative lack of existing space recycling for development. When space does become available it can generally be re-let and achievable rents do not encourage investment in significant refurbishment for site owners. A relatively large number of units (some 70 mostly at Castleham) are owned and managed by Hastings Borough Council, the majority let on full repairing and insuring leases.
- 5.104 However, commentators attending the property market focus group reported demand for space in the Hastings industrial and employment areas to be currently strong, witnessed by low vacancy rates, outstanding property needs that cannot be met and the successful letting and sale of recent developments.
- 5.105 One of the most recent developments completed is by Hayland Developments at Ivyhouse Lane, providing 2,130m² of B1c/B8 floorspace in Phase 1 of the scheme. This is reported to be about 50% let or sold and is reported to have attracted occupiers from outside Hastings. The land for Phase 2 (4,150m²) is now under construction. The scheme has been successful despite its relatively poor access through the Ivyhouse employment area.

- 5.106 Away from Hastings Town Centre, Sea Space are intending to develop a series of environmentally exemplary business parks – the Enviro21 Innovation Parks. Sea Space has submitted the first planning application for the first of the Innovation Parks, at the Queensway south site, an existing Local Plan employment allocation. This first phase involves proposals for 9,300m² light industrial (B1) and office floorspace. Site acquisition and infrastructure works are being supported by public subsidy. Sea Space hopes to be able to start the construction of Queensway South in 2008, with completion of the first premises 12 months later. They are also developing plans for additional Enviro21 Innovation Parks, with the next site expected to be at Queensway north, also an existing Local Plan allocation, and adjacent to Queensway South. This is likely to involve light industrial & office space of circa 9,800m² but as yet a planning application has not been submitted.
- 5.107 Data on recent employment floorspace completions for Hastings is contained in Appendix 4a. This identifies development of almost 27,000m² of employment floorspace (B1, B2 and B8) over the period April 2004 to April 2007. This figure includes the development of the Innovation Centre, the Creative Media Centre and land at Haywood Way. However, almost 9,000m² of floorspace has involved a change of use.
- 5.108 The figures also show losses of employment land to other uses – predominantly losses to residential. Between 2004 and 2007 the data shows a loss of 2.77ha of employment land, or some 12,000m² of floorspace.
- 5.109 A large proportion of this loss is attributable to just one site - the Stills factory at Fellows Road (1.67ha). The site was occupied by a large factory building which ceased operating in 1991. The building was subsequently subdivided into smaller units and remained only partially occupied. The redevelopment of this site for non employment is in accordance with Local Plan policy. The site now forms part of the Ore Valley Millennium Communities scheme, and subject to the signing of planning agreement, this site together with adjoining land now form part of a substantial redeveloped scheme including the development of 650 residential dwellings, commercial, retail, and higher education facilities. However, other losses of employment land typically involve small sites.
- 5.110 Research commissioned through the LEGI initiative has highlighted a need to address the loss of space for micro-businesses within mixed used areas, and to ensure a continued supply of such affordable, micro space to support employment regeneration within deprived residential areas. Currently (2008) 17 small units are under construction at Sterling Road, Castleham.
- 5.111 Putting the employment floorspace gains and losses together, suggests that over this four year period, development has led to a net gain in employment floorspace of 9,958m².
- 5.112 There have been some recent initiatives to improve the quality of industrial areas. Hastings Borough Council has an on-going programme of refurbishment of Council owned units. At Ivyhouse Lane a factory watch scheme has been established and the 'Three Cs Committee' is bringing together tenants at Castleham, Conqueror and Churchfields to try to identify needs and bring about improvements to the estates, although there is no significant funding attached to this initiative.

Rother

- 5.113 Recorded development activity in Rother has provided employment floorspace totalling 8,343m² over the six year period April 2001-2007. This equates to some 1,390m² per annum, although there was actually no development completed over 2005-7. However, this recent seeming inactivity is largely accounted for by the fact that only developments of over 1,000m² have been recorded for the last 2 years and this hides a significant amount of smaller completions. See Appendix 4b.
- 5.114 The few larger developments (over 1,000m²) in recent years have been new offices at Station Approach, Battle and a storage building connected to wharf activities at Rye Harbour. There have been some smaller schemes recorded including agricultural building conversions as well as new build and extensions at rural business sites at Westfield and Bodiam.
- 5.115 Also at Rye, work is ongoing to refurbish and reconfigure the Rye fisheries site. Although this doesn't involve new space, it will provide space for a new occupier as well as improved fish handling.
- 5.116 Government figures give a fuller indication of floorspace changes and show that the net changes in stock in recent years has been mainly in office space although small increases in both factory space (7,000m²) and warehouses (4,000m²) between 2004 and 2007.
- 5.117 The majority of demand comes from light industrial firms, together with some local businesses requiring mainly storage space, either in the district or in nearby areas. It is very much occupier led and the most common requirement is for serviced freehold plots, preferably with room to expand.
- 5.118 The Council itself is currently promoting development of a complex of small-medium sized units of 100-200m², together with 20 lettable rooms for offices or workshops, at Sidley Goods Yard Bexhill, totalling 2,260m².
- 5.119 There is also new space expected to come forward near Battle as access restrictions are being overcome. A detailed design for an A21 junction improvement has been agreed, as has funding contributions between partners, including SEEDA. This will release land on Marley Lane close to A21, which has planning permission and the rationalisation and expansion of Rutherfords Business Park, which is now the subject of ongoing discussions with the landowner.
- 5.120 Unfortunately, the transport infrastructure to serve development at the strategic allocations at North East Bexhill is still some time away, with the Link Road now programmed for construction 2010/11 – 2012/13.
- 5.121 Many smaller firms have turned to rural accommodation, seemingly because of lower costs, availability and often more flexible terms. There is clearly ongoing demand for small workshops and storage space in rural Rother, as evidenced by the number of small sites, conversion schemes and high occupancy rates. Many of the smaller developments stem from the reuse of former agricultural buildings and, collectively, these provide an important source of business space in the area.

Summary

- Until recently development levels have been very low, this is despite relatively low vacancy rates. Commentators have attributed this to low rental levels that do not support new development and where latent demand cannot be identified with sufficient certainty.

- The office market locally is “immature” notwithstanding the buoyancy of the region, although there are signs that investors are looking to southern alternatives to London.
- In Hastings the development of the Creative Media Centre and Innovation Centre by Sea Space, have significantly raised the quality of stock on offer for small businesses, and with it rents (after a long period of rental stagnation). The planned Lacuna Place office development and Enviro Business Parks and Queensway have scope to do the same for larger occupier units. None of these will be developed on a fully commercial basis, but it is hoped they might ‘kick start’ private development interest and attract in-moving demand.
- The initial signs are that new office/B1 space being created by SeaSpace in Hastings is proving relatively successful, with the Creative Media Centre first phase largely occupied (97% let) and Phase 2, 85% let. The Innovation Centre is 72% let and the private scheme by Hayland at Ivyhouse is reported as 50% let or sold.
- Rother’s market has not yet received the boost provided by public intervention in Hastings but continues to make good use of the limited ready development opportunities available in both urban and rural areas.
- Real growth in both office and particularly light industrial floorspace in Rother is currently constrained due to the major development site being contingent upon the construction of the Bexhill Hastings Link Road

Analysis of Existing Supply and Commitments

- 5.122 In this section we consider sites identified for potential future employment land uses, allocations in Local Plans and those with outstanding development permissions. We consider the property market sectors that they have scope to serve if developed, and any site specific factors that might hinder their development.
- 5.123 Currently identified sites both allocations and permissions are described in appendix 5a and 5b. This includes a summary of our assessment of the market segments that the sites have potential to serve if developed, based upon our own site evaluation, and stakeholder comments. In total it is estimated that the sites could provide some 92,500m² floorspace in Hastings and 82,000m² in Rother. However, a number of the sites exist as allocations only, with the more precise details of development yet to be determined.
- 5.124 In Hastings, the sites have been broadly defined as of three types:
- 1) Active development proposals – there are currently two sites under construction totalling 13,035m². These are 8,885m² of B1 floorspace at Lacuna Place in Hastings Town Centre which is due for completion in 2008, and 4,150m² of B1c and B8 floorspace on land at North Ridge, Haywood Way. A Hastings Borough Council scheme for micro/start-up incubator units at Castleham, (B1) ranging from 27m² to 105m² (1,000m² in total) is to be built speculatively, with construction commencing in October/November 2008. Sea Space hope to start construction of the first phase of the Enviro21 Innovation Parks’ at Queensway South in 2008, involving 9,300m² of B1 (light industrial) floorspace.

- 2) Infill sites in employment areas – 10 of the sites represent existing allocations in the major employment areas that have yet to be developed. These are primarily located at Churchfields. The smaller sites here – NX2, NX3, could support further B1(b) or B2 small/medium unit development totalling some 1700m² or 18,300sq.ft., similar to that found on the developed adjacent plots. The other major infill sites at Churchfields (PX and QX) belong to Marshall Tufflex, reserved for future expansion. These would provide a significant addition to their space of some 7,000m² or 75,390sq.ft. The sites have an attractive position, access and outlook and if developed have scope to attract a range of small/medium B1, B2 or B8 users, as well as supporting high quality starter unit space. There is one plot remaining at Gresley Road, Castleham with scope to accommodate about 1,200m² or 12,900sq.ft. B1/B2/B8. One small plot also remains at Ponswood, but access problems have held back development here thus far.

- 3) Longer term major opportunities - There are four potential locations of note here. Firstly Priory Quarter, a further circa 23,000m² of office space is planned in two further phases with scope to support a major prestigious single occupier. Currently proposals for the second Queensway site, Queensway North, involves a further phase of Enviro21 Innovation Parks' scheme. The Enviro21 Innovation Parks are designed to attract inward moving companies in the rapidly-growing environmental technologies and services sector, as well as others who place importance on environmentally sustainable business. There are some issues with access, tree and ecological issues that need to be addressed here. The third location is at the Ridge West, Whitworth Road, where Hastings Borough Council (HBC) and Southern Water own adjacent sites that together could provide about 11,600m² (the HBC site providing the major share). The sites are relatively well located, close to the junction of A21 and A2100. Surrounding land has attracted a range of retail warehouse and trade counter uses. Again there is potential for office/B1, B2 or B8 uses. The fourth area is the extension land to Ivyhouse Lane. The land allocated within the Hastings local plan could support about 10,000m² development. This forms part of an originally envisaged larger development area, the remainder of which is in Rother District. The Rother portion of the site was included in early drafts of the Rother plan, but has since been removed. Development is sensitive because of its location within the AONB. This area is less well located access-wise than the former three, and the current approach to the site is relatively unattractive, through the existing Ivyhouse development. There may thus be some problems attracting users seeking a higher profile or statement building to the site. Current market rent levels and values would suggest that this site is unlikely to come forward for significant commercial development in the near future. It is important to note that all of the recent and on-going development schemes, with the exception of the Hayland units at Ivyhouse, have benefited from some type of public subsidy to bring them forward.

5.125 Our analysis has identified a very low level of stock vacancy throughout the employment areas. Scope to bring vacant stock back into employment supporting use through redevelopment is thus very limited, and it appears that any growth in demand or pent up demand would primarily need to be met through development of the allocated sites identified, new allocations or a denser redevelopment of currently occupied stock. There are occupied elements of the existing older stock that might offer scope for redevelopment in the longer term.

Hastings Town Centre Office Sites

- 5.126 There is vacant office stock within Hastings Town Centre. Whilst we do not have comprehensive vacancy figures for this element of the market, we are aware that a significant portion of Rothermere House (five floors) is currently on the market, and the whole of Cavendish House is vacant. There is thus scope within these buildings to absorb a significant element of pent-up and new office space needs in the town centre. However, both buildings do have drawbacks in terms of specification, age and lack of dedicated parking.
- 5.127 Lacuna Place will add 8,885m² B1 office space of a significantly higher quality than exists in the town at present. This scheme is located within the Priory Quarter redevelopment area, which itself is a focus for education and office based regeneration. We understand that Sea Space is particularly targeting inward moving occupiers for the Lacuna Place scheme. A further circa 23,000m² of office space is planned for completion in two further phases – 2011/12 and 2016 within Priory Quarter.

Sites in Rother District

- 5.128 Rother District currently has 22ha of land allocated for employment uses. As at April 2007 there were outstanding permissions for 17,569m². A comprehensive list is contained in Appendix 5b.
- 5.129 As can be seen, 17,569m² has planning permission, of which 9,465m² is under construction. These sites are mostly in the Rye area, with a further scheme at Flimwell on the A21 in the north of the district, and one, also adjacent to the A21, near Battle.
- 5.130 The much greater proportion of current commitments are made up of allocations in the Rother Local Plan. These have scope to provide some 64,600m² in total. However over 50,000m² of this (80%) is at north-east Bexhill:
Land west of the proposed Bexhill – Hastings Link Road (28,000m²), land east of the proposed Link Road (23,900m²).
- 5.131 There are also a number of further sites at Harbour Road, Rye, in the Battle area, and in two villages – Robertsbridge and Westfield. There is also a site on the edge of Hastings.
- 5.132 Each of the allocations are reviewed against the criteria set out in Employment Land Review guidance. It can be seen that the sites are justified and can be expected to be deliverable with, in the case of Bexhill sites, new transport infrastructure or with an improving local economy.
- 5.133 The only allocation that has been long-standing is that at Robertsbridge. Land ownership issues here will need to be re-evaluated. Further discussions on an individual site basis should be undertaken as part of the early engagement on the Site Allocations Development Plan Document.

Supply Elsewhere

- 5.134 The Sussex coast in general has not been a traditional location for inward investment, save perhaps in Brighton. With other centres – such as Eastbourne, Tunbridge Wells and Worthing - facing similar physical employment land restrictions to Hastings and Bexhill there are not a significant number of prime development opportunities suited to major footloose inward investors. For the regeneration area, the key competition to house such businesses is likely to come from the other south-east growth nodes where there is a similar focus on employment generation. Key here will be Ashford, which benefits from notably superior communications, but development activity in the Thames gateway area may also compete.

Summary

- Employment sites in Hastings Borough, either allocated, or with outstanding permissions, have scope to provide a total of 92,500m² floorspace and 82,000m² in Rother.
- Active major development sites (where space is under construction or, imminent) include the Lacuna Place office development in Hastings town centre (8,885m² B1 offices) which is currently under construction and due for completion in 2008. Construction of the Enviro21 Innovation Parks at Marline Fields, Queensway South (9,300m² light industrial) is due to start later in 2008. Together these have scope to add some 18,185m² of primarily B1 space over the next 2-3 years.
- Elsewhere, smaller schemes in Hastings include a site at Ivyhouse Lane – phase 2 which involves the development of just over 4,000m² of floorspace for light industrial & warehousing use (B1c/B8). Also a Hastings Borough Council scheme for micro/start-up incubator units at Castleham, (B1) ranging from 27m² to 105m² (1,000m² in total) is to be built speculatively, and is due for completion in October/November 2008.
- The Task Force, via their delivery arm Sea Space, will continue to have a major role in the delivery of strategic sites. Until now, low market rent levels and values in Hastings have meant that, without public intervention, there has been little commercial interest in promoting significant development of this kind. However, the regeneration initiative has targeted a number of major development opportunities. These include an additional phase of the Enviro21 Innovation Parks' scheme at Queensway North in Hastings, where a further 9,700m² of B1 floorspace is planned by 2013. At Priory Quarter, Hastings a further circa 23,000m² of office space is planned for completion in two further phases – 2011/12 and 2016. The development strategy is that while the early developments are being supported by public funding, later phases can be achieved with private sector funding on the basis of increased investor confidence in the area and rising rental performances.
- In Rother, major schemes include land at Sidley Goods Yard, Bexhill town centre and the High School Site. Sea Space will assist in the delivery of sites in Bexhill town centre.
- Following approval of the Hastings-Bexhill Link Road, sites located in Rother District, to either side of the proposed link road, have scope to provide a major addition (some 50,000m²) to the area's employment floorspace and meet the needs of both local and in-moving occupiers. The development of these sites is wholly dependent on the timely delivery of the Link Road. Decisions about the future of these sites will have an important bearing on the whole Hastings and Bexhill area.
- Longer term in Hastings, additional opportunities exist on two parcels of adjoining allocated land at West Ridge, and on the allocated extension land to Ivyhouse Lane. The land at West Ridge has scope to accommodate larger scale high quality office/B1/B2 space. The Ivyhouse Lane allocation presents problems of development feasibility, and its location and access suggest its scope to attract a prestigious occupier may be limited.
- Allocated infill sites in the main employment areas (primarily at Churchfields) have scope to add nearly 20,000m². These sites could accommodate a range of higher quality small, or medium to large unit development. Whilst there are no major development issues apparent with these sites, with the exception of the Marshall Tufflex owned land, they are relatively small-scale and thus potentially less profitable to develop than larger land units.

Section 6 – Conclusions and Strategy Implications

The context

- 6.1 As section 2 shows, the Hastings and Rother area has one of the weakest economies in the South East region. This is most graphically highlighted by the low level of economic productivity (Gross Value Added) of local businesses, being only 68% of the regional average.
- 6.2 Hastings, which is the centre of the 'Travel to Work Area' (TTWA), has ingrained high levels of deprivation. This is reflected in the number of Wards in the worst 10% and 20% nationally when measured against the overall Index of Multiple Deprivation. Parts of Sidley and Central Wards in Bexhill are also in the worst 20%. Local earnings are also well below regional and County averages.
- 6.3 Furthermore, there has been a weakening of the area's economic health relative to adjacent parts of the region in recent years, as indicated by increases in net out-commuting and the low rate of firm formation.

Policy aims

- 6.4 Government guidance reiterates the importance of a strong local economy and economic growth to sustainable development.
- 6.5 There is also a clear regional and local commitment to improving the economic health of the area, as a key part of increasing the quality of life of residents and ensuring sustainable growth. This is at the heart of the South East Plan's strategy for the Sussex Coast sub-region. The Plan states that this is a 'priority area for economic regeneration' and that, within this area, Hastings/Bexhill continues to be a priority for regeneration efforts. This is echoed in the Regional Economic Strategic for the South East region which states that 'Hastings and Bexhill remain the focus for a major 10-year programme of regeneration and investment in its Five Point Plan for growth'.
- 6.6 Outside of the Sussex Coast, the inland, essentially rural area of Rother is covered by policies for Area of Outstanding Natural Beauty (AONB), which state that proposals which support the economies of the Area and their communities will be encouraged provided that they do not conflict with the aim of conserving and enhancing natural beauty.
- 6.7 The key regional priorities that apply particularly to Hastings and Rother are:
- Pursue economic regeneration and growth as a priority
 - Reduce intra-regional economic disparities
 - Increase economic activity rates
 - At least match workforce growth
 - Promote the role of Hastings as a 'Regional Hub'
 - The delivery of sufficient sites to facilitate regeneration, including existing sites
- 6.8 This clearly includes supporting the existing established industrial and tourism sectors, as well as encouraging expansion and diversification of the local economy through inward investment.

- 6.9 Local strategies reinforce these objectives for the economic development and regeneration of Hastings and Rother. They include the recent Hastings and Bexhill Economic Development and Social Inclusion Strategy, as well as the Hastings and Bexhill Task Force's 'Five Point Plan'.

Relationship of land/premises to the economic aims

- 6.10 It is clear that a limited supply of available sites and premises is a constraint on business development across the study area. Development plan Documents therefore have an important role in improving this position through protecting and making best use of existing sites and premises and in identifying and bring forward new sites.
- 6.11 However, it can be seen that more, and more modern, accommodation is only a part of solution to the economic issues of the area.
- 6.12 The contribution of employment land policies within a wider economic strategy for the area is considered below.

Current initiatives and strategy direction

- 6.13 It is evident that the local economic context, particularly in the coastal towns, fully warrants the overall aim of a "step change" in the economic well-being of the Hastings and Rother area that is reflected in the respective existing strategies and plans.
- 6.14 Looking forward it is recommended that the key targets for sustainable economic development in Hastings and Rother to achieve this step change should relate to:
1. Achieving full employment
 2. Increasing the economic activity rate towards the regional average
 3. Increasing average, and lower quartile, earnings to the regional median
 4. Achieving a significant improvement in educational attainment and skill levels
 5. An increase in 'Gross Value Added' (the measure of our business competitiveness), much closer to the regional average
 6. Providing more opportunities to live and work locally, and reducing net out-commuting
 7. Improving the range of available sites and premises
- 6.15 There is already a significant focus for regeneration through the Hastings and Bexhill Task Force, which was established as a partnership between the Regional Development Agency and the Local Authorities, and MPs, several years ago. (See paragraphs 4.19-4.22, section 5.6 and Appendix 2).

Range of approaches

- 6.16 There is no single means of determining employment requirements for an area, or the employment land requirements that flow from those. As the Government guidance on 'Employment Land Reviews' acknowledges, a judgement must be made that is fully

informed by both the workforce changes over the Plan period, forecasts of the demands from the various industrial sectors in the economy, and the known and likely demands of businesses themselves.

- 6.17 The Guidance is also clear in stating that assessments should have regard to both market conditions and policy objectives.
- 6.18 The outputs of the respective assessments are summarised below. Table 47 and paragraphs 6.36-6.62 present conclusions on the employment land requirements which are driven by national and regional policy imperatives centred around pursuing economic regeneration and growth and reducing intra-regional disparities.
- 6.19 It should be stressed that infrastructure capacity and suitability are critical to both facilitate and encourage employment development. The Bexhill Hastings Link Road is the most fundamental, as will be the Baldslow Improvement. Other improvements to the A21, A259 and the rail network, especially to Ashford, will also play a key part in improving connectivity with the rest of the region and thereby business and investor confidence.

Demographic workforce projections

- 6.20 The main finding of these projections is the anticipated fall in the workforce of 7.3% (approximately 3,000 people) in Hastings, and 2.6% (approximately 1,000 people) in Rother by 2026.
- 6.21 This is a consequence of the generally ageing population and (trend-based) migration assumptions. However, there are particular limitations to these projections in that they do not take account of any effects of regeneration initiatives or of policy objectives (or indeed market shifts). It may be regarded, in effect, as a baseline or “do nothing” projection.

Workforce projections incorporating Unemployment, Commuting and Economic activity objectives

- 6.22 As highlighted above, as well as seeking full employment, there are both national and local intentions to increase economic activity levels. This is seen nationally in part through the Government’s review of incapacity benefits system. At the local level, Hastings has a particularly high level of inactivity, which represents a potentially significant existing labour pool.
- 6.23 While commuting is inevitable given the diverse nature of employment, and a degree of net out-commuting is not necessarily detrimental to local prosperity, the trend of an increasing reliance on this – much by car – does have adverse consequences in terms of sustainability and access to housing at affordable prices. It is also a sign of an inherent weakness in the local economy.
- 6.24 Job requirements which assume a reduction in net out-commuting would have the effect of increasing overall employment. A realistic reduction from the 2001 position of –13.5% to –5% by 2026 would mean an overall local jobs increase of some 6,300 for the Hastings and Rother area as a whole. The majority of these would be required within the first 10 years of the Plan period.
- 6.25 Applying the Regional Economic Strategy (RES) regional economic activity rate target of 85% to the local area would, in contrast to the finding at 6.19 above, result in a substantial increase in economically active numbers over the plan period, of 4,900 in Hastings and 3,700 in Rother.

- 6.26 The realism of such targets is carefully considered in the preceding analysis. They can also be seen as consistent with the South East Plan's objective of reducing intra-regional disparities. Moreover, their deliverability is underpinned by the work of the Task Force and its associated Regeneration Company, Sea Space.

Sectoral trend-based projections

- 6.27 The most recent regional sectoral growth forecasts are up to 2020. Over this period, there is forecast to be a growth of some 2,800 jobs in Hastings and 3,800 jobs in Rother.
- 6.28 While there is a forecast reduction in manufacturing employment, it is relatively limited, being less than 0.5% in Hastings and 6% in Rother. Some sub-sectors are clearly expected to remain fairly constant or increase employment. The main job growth is forecast in financial and business services.
- 6.29 Together, the above sectors are forecast to constitute 26% of future growth in Hastings and almost 33% in Rother by 2020. This translates to a net growth of some 2,000 jobs.
- 6.30 It is important to note that these are net changes and hence do not take account of the gross need for space to grow into. Also, as for the demographic projections, this is based on past performance and current industrial structure, and not necessarily that in the future.

Businesses requirements, including range and choice of sites

- 6.31 It is difficult to quantify the needs of local businesses as they generally take a fairly limited time horizon in relation to business development growth plans. Even so, there is evidence of existing, and even more latent, demand for more business space by local firms. Earlier work for Rother District Council by GVA Grimley (2007) highlighted that companies in the sub-region are operating in increasingly sophisticated environments and requiring quality facilities currently not available locally. They also noted commercial agents advice of pent-up demand from firms in Rother and Hastings existed in the manufacturing, electronics, construction, offices, travel, storage, precision engineering and telecommunications sectors.
- 6.32 The apparent contradiction is in the limited amount of business floorspace actually being built. The reasons for this appear to be:
- Firms are accustomed to low rental values associated with existing stock
 - There is a lack of serviced sites to expand onto
 - The property market is very local and does not attract commercial investors
 - Until recently, low market rent levels and values has meant there has been little commercial interest in promoting major development
- 6.33 However, it is apparent from the injection of commercial space by the local regeneration company, Sea Space, that there is a market for new accommodation and for new sectors. This is being seen in the success of The Media Centre, and may well be further spurred by the consolidation of the University Centre Hastings. This should foster further growth in high tech offices and other technology-based companies. Appendix 2 highlights the ongoing involvement of Sea Space in bringing forward new developments.

- 6.34 Another spur to new development is the fact that it is apparent that there is a considerable amount of stock that is now quite old and/or in cramped locations. This is likely to add significantly to the requirement for firms to expand and/or consolidate if possible. In other words, new land and premises will be needed simply to stand still.
- 6.35 A particularly telling statistic is that 22% of Hastings stock and nearly 31% of Rother's stock is pre-war. This compares to a regional average of 13%. It would seem reasonable to assume that many of these commercial and industrial buildings are approaching the end of their "working life". It is noted that if a half of the pre-war stock were to be replaced over the next 20 years, this would bring the sub-region up to the national average.

Jobs and land/floorspace provision

Overall floorspace requirements

- 6.36 The following table draws together the conclusions of the analyses to provide a basis for sufficient land to be identified to meet economic objectives over the plan period. It is intended that these can be integrated within the respective Core Strategies and any additional sites allocated through the preparation of Site Allocations Development Plan Documents.

Table 47: Employment land/floorspace requirements 2006-2026

	Rother	Hastings	Rother and Hastings	Notes
1. Workforce projections (with increase in economic activity rate)	+3,500	+4,600	+8,100	Table 33; See Note 1 below
2. Increase in self-sufficiency (i.e. reduction in net out-commuting)	3,000	3,300	+6,300	Para 5.2.29; LA split as 2006 jobs balance
3. Total number of jobs required with higher activity rates and increase in local jobs	6,500	7,900	14,400 jobs	Addition of 1 and 2
4. Total floorspace need (a)	78,000m ²	95,000m ²	173,000m ²	See Note 2
5. Allowance for choice of sites (b)	15,600m ²	19,000m ²	34,600m ²	See Note 3
6. Total policy requirement (a+b)	93,600m²	114,000m²	207,600m²	
Current supply	82,000m ²	92,500m ²	174,500m ²	Appendix 5
Additional land/floorspace requirements	11,600m ²	21,500m ²	33,100m ²	

Notes

1. It can be seen that labour demand to 2020 is 6,600, which if extrapolated to 2026 would be similar to the above workforce projections.
2. The calculation at row 4 multiplies the jobs requirement firstly by the proportion of jobs that are expected to be in B class use, as estimated at paragraph 6.28 (namely c30%), and secondly by an estimate of average worker densities. In putting forward any estimate it is acknowledged that it will vary widely for different uses, as shown by Tables 39 and 40 above. Given the likely mix of uses, an average of 40m² per worker is assumed here.
3. Employment Land Review (ELR) guidance accepts that there may be need to provide for a choice of sites. In the local circumstances, because of the large geographic area and number of communities covered, the wide range of types of provision sought and the dominance of a few major sites, it is proposed that a supply of 20% above the requirement would provide such choice.

- 6.37 In conclusion, Rother and Hastings Councils should be planning for an overall amount of additional employment floorspace (i.e. for B class uses or similar) in the order of 208,000m².
- 6.38 While the split between the two districts suggests that about 94,000m² should be in Rother and 114,000m² in Hastings, because Rother will be providing a large strategic site at North East Bexhill for the Hastings/Bexhill area, it is further proposed that the split be varied accordingly. In addition, the geographical spread of Rother may suggest a further element of contingency. This would be achieved by a rounding up to 100,000m².

Timing of development

- 6.39 The Study looks closely at various indicators of demand that impact on the timing of development that should be sought.
- 6.40 Recent market trends in floorspace growth (Tables 44 and 46) suggest a “baseline requirement of some 3,000 – 3,500m² per annum. However, these figures are based on the sectoral split within the existing industrial structure, and do not take account either, of the development of new sectors. Industry’s demand for labour, as reflected by econometric forecasts (Table 34), suggests a similar rate of growth for Rother but somewhat less for Hastings. Again, these reflect the current structure and do not take any account of the uplift in the relative position of Hastings, in large part due to substantial recent and ongoing public investment in the town’s economy.
- 6.41 Public intervention is providing a clear catalyst to early investment and development, with Sea Space directly involved, or proposing to be involved, in bringing forward substantial amounts of land and premises over the next 3 years and beyond that.
- 6.42 Another factor influencing supply is the fact that there is a high, and uncommonly high, proportion of stock that is pre-war. If a half of this were regarded as unsuitable for modern requirements, it would bring about a need for replacement accommodation of some 90,000m². Given that the age and nature of such stock may well be affecting commercial interests, as well as having adverse environmental impacts, it follows that early provision should be made for “move on” space.
- 6.43 Given these and demographic factors, and the pressing need to redress local economic disadvantage and harness the momentum provided by public intervention, it is envisaged that the majority of floorspace growth should be brought forward in the first 10 years, that is by 2016. This suggests both early provision of available sites and an immediate stepping up in development rates towards 10,000m² per annum.
- 6.44 It is important to note that the above requirements assume no net loss of existing sites/floorspace, which will remain particularly important in the short-medium term when new sites are still being planned, as well as in providing for the need for general purpose accommodation.
- 6.45 The Core Strategies should therefore continue current Local Plan policies aimed at protecting existing employment sites, and encouraging the development / redevelopment of existing employment sites, subject to the normal environmental caveats. Indeed, policies may need to be strengthened to counter the pressure placed on employment sites by a “hope value” associated with residential development.
- 6.46 The supply of large-scale high quality sites serving a strategic need should be available to benefit from transport infrastructure improvements, as well as increased investor confidence derived from increased market activity, and hence should be on stream in the short/medium term (5-10 years). Longer term (10-15 years) supply should consolidate the improvements to local economic performance and meet continuing workforce growth, with the potential to further reduce reliance on out-commuting.

Unemployment

- 6.47 The provision of suitable floorspace is only part of the equation. The success or otherwise of attracting new employers and retaining existing ones, will in part be dependent on how well matched local skills are to the needs of employers. A failure to tackle these barriers could result in recruitment difficulties, skills gaps, or increased in-commuting.
- 6.48 The level of local skills is rightly recognised as an issue as this adversely affects the local population's ability to compete for jobs. The need for skills development has been recognised within sub-regional and local policies and a number of initiatives are underway with specific objectives to increase the number and level of qualifications within the workforce.
- 6.49 These include the development of two new campuses for Hastings College, work-based learning and work-experience initiatives, vocational training and school diplomas, community-based learning, and University Centre Hastings. A Vocational Skills Centre is planned in Bexhill. Reforms are also underway to transform secondary and tertiary education so that all young people achieve and continue in learning to at least 18.
- 6.50 The Government is seeking to get more people back into work, particularly those who are on out of work benefits such as incapacity benefit. Hastings will benefit from the Government's Working Neighbourhoods Fund, established to provide resources for local authorities to tackle worklessness and low levels of skills and enterprise in their most deprived areas. Activities undertaken will help to increase economic activity rates.

Nature of supply

- 6.51 Given the high cost of development relative to returns the respective Core Strategies should also clarify the types of enabling development that is likely to be acceptable to bring forward employment land for development.
- 6.52 At least in the short term, the majority of demand is likely to materialise from businesses either in the TTWA or in nearby areas. This means that most take up would be by light industrial firms together with some local businesses requiring mainly storage space. While the office market is limited and mainly localised, there is something of a premium on existing space because of the limited supply of newer accommodation.
- 6.53 The existing business base and market potentials suggests a mix of functional light industrial units, some high quality sites suitable as prestige business locations (for both office and B1 developments), a range of small offices, and a supply of accessible small to medium warehouse accommodation. However, as already noted, it is apparent from the injection of new commercial space by Sea Space, that there is a market for new accommodation and for new sectors. Clearly a mix of high quality premises catering for hi-tech, high value sectors will be required in the future to support regeneration efforts. In addition, a mix of affordable and flexible premises will help promote business and employment growth in a variety of sectors, offering a range of job opportunities for lower skilled residents as well as highly skilled, high-income jobs, and entry level jobs as well as career progression opportunities.
- 6.54 Additional office space is strongly suggested by both sectoral forecasts and by the characteristics of the area, being heavily reliant both on small and medium sized enterprises and on IT for communications. Higher growth in office based sectors is forecast for Rother, although Hastings can also expect increases from public intervention in bringing forward office schemes.

- 6.55 The fact that the area is not presently very conducive to institutional investors means that supply will be occupier led. They may still be some developer interest in key sites, particularly where there is a role in creating serviced plots. Therefore, close working with local firms will be important in supplying what is needed.
- 6.56 A key message from earlier work is that, wherever possible, flexibility is needed in the type of uses and accommodation that is acceptable on sites, not least to maximise the market potential.

Distributional aspects

Hastings

- 6.57 The majority of the Town's employment space is concentrated at Castleham, Churchfields and Ponswood, with significant concentrations also at The Ridge West and Ivyhouse. There are also several other smaller industrial areas. The town centre office market is relatively undeveloped. More space, and more prestigious space is required in most size ranges to accommodate pent-up demand and attract new businesses to Hastings. An immediate need for affordable space to support business start-ups, and move-on space for small businesses is indicated. Ensuring that a sufficient supply of land is available over the Plan period is critical to the success of current regeneration efforts. There is a strong case for promoting development on existing Local Plan allocated sites, this includes land on the urban edge of the Town on land at Queensway and other locations, as well as the concentration of major new office based development in the Town Centre. Refurbishment and redevelopment of out-moded stock within existing employment areas should also be encouraged.

Bexhill

- 6.58 The town has a relatively low level of employment land currently. There is only a limited office market at present and space is generally smaller and older. There is some demand for distribution space, which may increase with new transport capacity, while most demand is currently from light manufacturing firms.
- 6.59 There is a clear case from an accessibility point of view to create a much better balance between jobs and homes in the future. The major allocation as part of the mixed use allocations at North East Bexhill will provide the main business development opportunity for not only Bexhill but also Hastings during the plan period. This will provide some 50,000m² of business floorspace. However, this is dependent upon the Link Road construction. A priority must be to bring forward this scheme.
- 6.60 Consideration should also be given to bring forward smaller schemes around the town, to provide a range of opportunities. This may well include the refurbishment and redevelopment of existing stock. A further 10,000m² is suggested through this means, including via mixed-use schemes in town centre and other accessible locations.

Battle

- 6.61 There are currently relatively few areas of notable business development, the most significant being Station Approach, which has a mix of uses. The town relies on nearby Hastings as well as smaller sites along Marley Lane for a stock of business premises (aside from commercial space in and around the town centre).

- 6.62 There is potential to increase the space along Marley Lane, (amounting to some 7,000m²), as shown in Appendix 5, while new development should provide the opportunity for accommodation within the town itself. A total of 10,000m² would appear an appropriate overall target for new business floorspace.

Rye

- 6.63 The greatest concentration of industrial accommodation is at Rye Harbour Road. This has undergone, and continues to undergo, something of a revival. With areas remaining undeveloped, unused or underused, amounting to potentially some 15,000m², it should provide for the majority of business needs over the plan period. However, there are ground condition/contamination issues to address in many cases. Given the nature of the estate, and the accommodation it offers, other sites within the town will still be required to provide a wider range of accommodation.
- 6.64 Rye is also the only opportunity, at least in Rother, to develop industries that need access by water. This should strengthen the role of the Port of Rye. Therefore, some flexibility may be appropriate to take account of this particular potential. It is concluded that at least 10,000m² of business floorspace should be built by 2026, although with port activities and offices/workshops in the town, 20,000m² would appear a more appropriate aspirational target.

Rural areas

- 6.65 There is clearly ongoing demand for workshops and other light industrial accommodation and, to a lesser degree, office space in rural Rother, as evidenced by the number of small sites, conversion schemes and high occupancy rates. Most provision is of small workshop and office units, with some demand for larger units. Rural sites can also provide valuable accommodation for various uses with a warehousing and/or open storage requirement.
- 6.66 Business space both serves to support the vitality of rural communities and provide accessible jobs. A broad distribution of accommodation across the rural area therefore meets wider objectives.
- 6.67 Many smaller developments stem from the reuse of former agricultural buildings and these also provide an important source of space for rural businesses. Because of the sheer geographical spread of the district, it is not considered helpful to set a definitive floorspace target, as it may be appropriate to exceed this in order to enable, and maintain, suitable local job opportunities in particular villages/localities. However, as a minimum target to work to, recognising that some 3,300m² of potential floorspace is currently identified (excluding smaller units), an appropriate net additional requirement would be at least 10,000m². It is expected that most of this would be achieved by the intensification of existing sites, mixed-use developments and the conversion of former agricultural buildings.

Section 7 – Delivery and Targets

7.1 It is clear from the above that there is a need to substantially improve the performance of the sub-regional economy. This will require multi-agency efforts on a number of fronts, from improving education and skill levels, and supporting the growth of local businesses, to ensuring the necessary transport infrastructure, developing the business culture and making the area a more attractive place to live and work.

7.2 The following list of intervention measures and SMART targets for each of these are:

Marketing

SMART targets:

- % increase in number of inward investment enquiries (Locate East Sussex)
- % increase in number of people viewing Hastings/Rother as a desirable place to invest (East Sussex annual business survey)
- improved business confidence (East Sussex annual business survey)

Investment in education & training

SMART targets:

- Increasing GCSE pass rates – 5 A-C with English & Maths
- Reduce the number of those in the working age population with no NVQs or equivalent
- Increase number of those qualified to NVQ or equivalent levels 1-4
- Qualitative rise in young peoples aspirations (How will this be measured?)

Supply of employment land & premises

SMART targets:

- Increase take-up and development of employment land – delivering Xm² of floorspace over X period (reported in the Annual Monitoring Reports (AMRs) of both Councils) to be determined within respective Core Strategies
- Minimise losses to other uses (reported in the Annual Monitoring Reports (AMRs) of both Councils)
- Increase refurbishment of existing premises (Hastings Borough Council (HBC) should set targets for improvements to own premises) and consider releasing more freeholds from the HBC stock, to encourage refurbishment and investment by occupiers and to assist in increasing the supply of freehold property
- Quality measures – such as age of stock (see approach used in “Room to Grow”)
- Rising rental levels (industrial & commercial) (monitored via Valuation Office data)

Broadening the economic base

SMART targets:

- VAT registrations (by sector)
- Business survival rates (by sector)
- % of jobs in growth sectors

Business environment/business requirements

(This covers infrastructure - part transport, part electronic; training needs, encouraging entrepreneurship, business start up grants, unit supply to better match demand)

SMART targets:

- Usage and type of ICT infrastructure (ES Business Survey)
- Public/Infrastructure investment

Environmental sustainability

SMART targets:

- Environmental construction standards (such as BREEAM)
- Reduction in commuting distances by car
- Green transport plans in place

Appendix 1a

Notes of Employment Land Study Focus Group Meeting Monday 4 September 2006 The Long Room, Horntye Sports Complex, 2pm-4pm

Present

Paul Adams	Seaspace
Glyn Carter	Hastings Borough Council
Mike Cogswell	Locate East Sussex
Kerry Culbert	Hastings Borough Council
Gary Dyer	Dyer Commercial
Ron Haywood	Hayland Developments
Graham Marley	1066 Enterprise
Sara Marshall	Hastings Borough Council Estates
David Marlow	Rother District Council
Shelagh Powell	East Sussex County Council
Keith Sadler	Seaspace
Richard Shoobridge	Rother District Council

Philip Aldis (Notes) Hastings Borough Council

Hastings Office Market

Background

Hastings doesn't have a commercial central core of office space, with large offices at various locations, e.g. Ashdown House, Heron and Ocean Houses, as well as Hastings Centre.

Rents very modest at around £5-6, County average is £11-15per sq.ft, in terms of rental levels there is very little to differentiate Hastings office space from industrial space. This is symptomatic of the lack of demand for office space. The loss of Barclays (300 jobs) at Cavendish House could prove to be a significant litmus test for the future. This is a 1970s office block of good quality and well furnished, proposed rents are £5-6 per sq.ft. – a modest price (the block has no dedicated parking). The building could be divided into lets of 5,000sq.ft. Rothermere House may also prove litmus test, currently no interest in taking all five floors being marketed, the whole of the building.

SeaSpace and the 'Gap' site

Two-phased development of 10,000m² for each phase. The 'Priory Quarter' development (the 'Gap' site) is about generating employment in this area and creating higher quality space.

Marketing campaign to be developed but will be a national one – marketing Hastings as a business location. Campaign likely to be very targeted and company specific, offering incentives to tenants.

Issues/comments

- Price is not the only factor for inward investors, we need to address anecdotal reports – particularly relating to the poor image of the town as an office location especially in terms of perceptions relating to transport.
- Perceptions of Hastings from outside the immediate area may not be as negative as we assume
- Everyone says transport is an issue, the ESCC report says that businesses state that the problem is getting people into Hastings rather than getting goods out.
- A marketing campaign ought to include goods news about higher education opportunities and initiatives to improve educational achievement in local schools

Industrial & Warehousing premises – current stock

Background

“The market for industrial space has never been better”

Hayland Developments are currently bringing forward the first phase, 25,000sq.ft of a 60,000sq.ft. development at Ivyhouse Lane. The first phase is almost complete and is 50% sold or let. It has created interest from a variety of companies including multi-nationals and firms outside of the Town. The feedback is that companies want a presence in Hastings and are less concerned about a town centre location. Units of 2,000 sq.ft with the flexibility to combine units are offered. The development is likely to result in 50 new jobs. Demand for owner occupation appears to be high amongst smaller firms. The adjoining land (for phase 2) has been bought by a London developer who plans to bring the site forward with a mixture of units from 1,000sq.ft. upwards.

Issues/comments

- The market has changed in the last 5 years – small businesses want to buy their own units. Council owned units are coming to the end of their leases and there is no incentive to buy or repair.
- The Local Development Framework needs a strategy to address the fact that during the life of the LDF, the 1970s/1980's stock will deteriorate. New build units and major refurbishments are required as existing stock is reported to be old fashioned and unattractive.
- Some of the perception about Hastings are wrong – a business person may spend up to 12 hours a day on site, they want good quality comfortable facilities – there are good quality places to work.
- Easily developable sites are key. Ivyhouse Lane is an excellent example of a difficult to develop site due to the lack of infrastructure – i.e. the lack of services, sewers etc increase the costs of bringing this site forward
- Even mix of freehold & lease hold needed
- Why is the demand for owner occupation in Hastings so high? (various explanations offered – control; premises seen as a ‘pension’; company assumes they won’t grow; family business prefer to buy rather than rent.
- Very cheapest stock - £3 per sq.ft – and micro-units (<500sq.ft) are valuable part of stock and must not be lost.
- Given shortage of land, LDF should allow/encourage greater densities – e.g. multiple stories, less green space on industrial estates

Issues surrounding new site provision and existing allocations

- After Queensway sites have been developed may be a shortfall in high quality sites until the Link Road is developed.
- Redevelopment of existing stock might be dependent on Hastings Borough Council releasing own stock for redevelopment
- Council tenants all have different leases, with different end dates, such a programme would require a phased approach

- May be an issue about life cycle of current stock but both public and privately owned stock is providing a valuable role
- Is Hastings Borough Council creating a barrier
- How can we alleviate the infrastructure problems at Ivyhouse Lane.
- Current demand is for larger units 10-20,000sq.ft with parking, main road frontage locations, 5-6,000sq.ft including open storage
- Anecdotal evidence that start-up businesses are service rather than manufacturing based, who are looking for small lock-up storage space (Vail Williams report may be helpful here)
- Council's micro units (<490sq.ft) are 90% full most of the time, doesn't seem to be similar move-on accommodation – could be a possible bottle-neck as growing companies continue to occupy nursery units. Move-on businesses looking for premises of 750-1,000sq.ft, larger businesses need upwards of 1,000sq.ft.
- Steady stream of enquires for 750-1,000sq.ft – this tends to be outside of Gary Dyer's & Ron Haywood's market
- Question Queensway sites versus Ivyhouse Lane in terms of sustainable location
- Growing businesses don't want to commit to long leases
- There is more scope for 750-2,000sq.ft units – this represents ideal move-on space
- There is a valid planning argument for small units in housing areas, a future compromise might be the provision of live/work units

Appendix 1b

Notes of Local Development Framework (LDF) Employment Strategy Meeting Bexhill Town Hall, Monday 3rd December 2007, 2pm-4pm

The purpose of the meeting was to agree the strategy objectives and the mechanisms for achieving them that respective LDF Core Strategies for Hastings and Rother should embrace.

Attendees

The meeting included economic development and planning officers from Rother District Council (RDC), Hastings Borough Council (HBC) & East Sussex County Council (ESCC) and representatives from the Hastings Local Strategic Partnership (LSP), Learning & Skills Council (LSC), SeaSpace, Locate East Sussex, and Job Centre Plus:

Simon Hubbard (HBC), Tony Leonard (RDC), Monica Adams-Acton (HBC), Clare Demuth (HBC), Enda Dowd (HBC), John Hodges (Hastings LSP Chair), Paul Stoggles (LSC), Paul Adams (SeaSpace), Shelagh Powell (ESCC), Mike Cogswell (Locate East Sussex), Mike Burgess (Job Centre Plus), Graham Burgess (RDC), Sarah Watson (HBC), Jane Jackson (HBC), David Marlow (RDC), Kerry Culbert (HBC)

David Marlow gave a short presentation, highlighting the socio-economic context including the latest population and workforce projections, current planning policy and other relevant strategies and a summary of demand and supply issues identified in other studies.

This was followed by a short discussion, which included the following points:

- Reducing the numbers of people on incapacity benefit and attracting sufficient jobs to match this reduction will be challenging.
- High levels of out-commuting are not necessarily a bad thing – can help improve local earnings, which is beneficial when spent locally.
- Economic forecasts – we cannot assume we will have the same sectoral split in 20 years time.
- The availability of land and premises are not the only requirement to attract new businesses, but need to support skills and enterprise.
- No strategic marketing has been undertaken to date in terms of demand-side intervention.
- Population projections are done annually and are likely to change annually too

Group discussions

Attendees split into two groups and were asked to consider what the desired economic outcomes of a strategy should be, what mechanisms/actions would be required to effect them and what targets should be set.

In brief, the responses were comparable, embracing:

Desired outcomes

1. Full employment (i.e. 1% - 1.5%) or at least at national average
2. An increase in the economic activity rate to the regional average
3. An increase in average earnings (and lower quartile) to the regional median
4. Increase educational attainment for all ages
5. Increase in GVA (measure of our business competitiveness)
6. Link to Economic Alliance objectives

Mechanisms

Having considered potential outcomes both groups agreed the following list of intervention measures and discussed potential SMART targets for each of these:

1. Marketing
2. Investment in education & training
3. Supply of employment land & premises
4. Broadening the economic base
5. Business environment/business requirements (This covers infrastructure - part transport, part electronic; training needs, encouraging entrepreneurship, business start up grants, unit supply to better match demand)
6. Environmental sustainability

1. Marketing

Discussion points:

- A coherent marketing package is needed.
- Marketing needs to be broader than that currently undertaken by Sea Space and in advance of individual projects.
- Brand identity is essential and needs to be much broader than marketing new property.
- We need to make linkages with the Destination Management Strategy.
- Improving communication links via IT is as important as improving road & rail links.
- We should be marketing the area holistically (e.g. Brighton's approach - 'Place to be') to increase demand for employment space.

SMART targets:

- % increase in number of inward investment enquiries (Locate East Sussex)
- % increase in number of people viewing Hastings/Rother as a desirable place to invest (East Sussex annual business survey)
- improved business confidence (East Sussex annual business survey)

2. Education & Training

Discussion points:

- Improved skill levels are key to long term economic well-being
- Need to relate to LAA targets
- Recognition needs to also be given to lifelong learning.
- This is an Local Strategic Partnership priority in Hastings
- Need to relate training to existing workforce and business needs

SMART targets:

- Increasing GCSE pass rates – 5 A-C with English & Maths
- Reduce the number of those in the working age population with no NVQs or equivalent
- Increase number of those qualified to NVQ or equivalent levels 1-4
- Qualitative rise in young peoples aspirations (How will this be measured?)

3. Supply of employment land & premises

Discussion points:

- Business accommodation (sites and premises) needs to be safeguarded and expanded
- We need to adopt a flexible approach to employment uses, including higher densities
- We need to encourage the renewal of out of date stock.
- We need to improve the quality and range of employment space (more high value added, easy in easy out, flexible, freehold & move on accommodation).

SMART targets:

- Increase take-up and development of employment land – delivering Xm² of floorspace over X period (Annual Monitoring Reports (AMRs))
- Minimise losses to other uses (AMRs)

- Increase refurbishment of existing premises (Hastings Borough Council should set targets for improvements to own premises)
- Quality measures – such as age of stock (see approach used in “Room to Grow”)
- Rising rental levels (industrial & commercial) (Valuation Office)

4. Broadening the economic base

Discussion points:

- We need to improve our intelligence of who wants to locate here and what they need
- Increased use of the construction charter (Hastings Borough Council) when letting capital contracts to ensure greater employment and training opportunities for local people.
- Focus on private sector investment (as 33% public sector considered too high), but still recognise public sector's key role

SMART targets:

- VAT registrations (by sector)
- Business survival rates (by sector)
- % of jobs in growth sectors

5. Business environment/business requirements

Discussion points:

- Need to address soft skills requirements (such as presentation & communication, team working) and hard skills such as knowledge of specific technologies.
- We need public transport from main residential districts (especially the more deprived) to employment sites e.g. North East Bexhill.
- We need to address high-end electronic businesses (E-biz centre addressing some of this) re access and increase usage of communications infrastructure

SMART targets:

- Usage and type of ICT infrastructure (ES Business Survey)
- Public/Infrastructure investment

6. Environmental sustainability

Discussion points:

- Wider issue, but strong public and political expectation for new development
- Encouraging home-working has conflicts – heating of individual homes versus workplaces

SMART targets:

- Environmental construction standards (such as BREAM)
- Reduction in commuting distances by car
- Green transport plans in place

Appendix 2

Sea Space summary of progress on key projects

Project	Description of scheme	Time frame
Hastings Town Centre		
Creative Media Centre and the EBiz Centre	New town centre serviced business space for creative businesses, with support services.	A development over two phases in 2004 and 2005 provided 1875m ² of town centre, high quality, serviced employment space let on a monthly license. This form of accommodation has proved extremely popular with around 40 companies in occupation providing employment for 120 persons; phase one is fully occupied and phase 2, 855 full. The new build second phase was short listed for a Royal Institute of British Architects award in 2007.
Lacuna Place	This forms part of the Priory Quarter scheme and will provide high quality business space with retail in two phases, with space for some 1800 employees.	Construction is nearing completion: phase 1 in Summer 2008 and phase 2, Autumn 2008.
Priory Quarter	Regeneration to create vibrant education and business quarter centered on UCH, Creative and Media Centre.	The Council resolved to grant outline planning permission in Spring 2007. Detailed proposals consistent with the masterplan framework established through the outline application will be brought forward in phases.
Pelham Place	Seafront development to provide civic space, hotel, offices (3,800m ²), shops, homes, cafes and restaurants.	An preferred design was selected following an architectural competition and public exhibition. The scheme is intended to be brought forward after substantial progress has been made with Priory Quarter.
Outside of Hastings Town Centre		
Innovation Centre	3,500m ² or 37,700m ² serviced office and workshop space (about 2/3 offices) for technology focused companies	This development was completed in July 2006 providing 2365m ² of employment space comprising office and workshop accommodation. The accommodation is fully serviced and let on monthly licenses. The scheme let very well and at June 2008 stood at 72% occupied, comprising 47 companies. Rental for office accommodation is £12 per sq.ft and workshop space is £6-9 per sq.ft.
Queensway Business Park (Marline Fields A)	High quality office and light industrial space comprising 9,300m ² in total. Designed to attract and retain companies and house in excess of 300 jobs.	Planning permission for the scheme granted July 2008. Construction commencement of first units due late 2008.

Bexhill Town Centre		
Innovation Centre	3,000m ² of business floorspace to be developed on the Old School site	

Source: SeaSpace

Appendix 3a

Profile of Hastings Industrial and Employment Areas

The table below summarises the stock and unit mix for each of the Town's main employment areas, and give our assessment of the market sectors currently served, as well as those that the location might serve through newly developed or redeveloped stock.

A brief summary of each of the main employment areas is described here, in terms of age, unit sizes, and sectors they serve and the potential for new/redevelopment.

Estate and approx. floorspace	Unit Mix (number of units)	Sector Currently Served*	Potential (vacant sites or redevelopment)
Castleham (66,000m ²)	<div><50 m² 21</div> <div>50-200 11</div> <div>200-400 13</div> <div>400-600 13</div> <div>600-1000 7</div> <div>1000-2000 6</div> <div>2000-5000 2</div> <div>5000 plus 6</div>	<div>Dominant sectors: L, N, P</div> <div>Other: I, J, Q, S</div>	C, D, E, J, M, O
Churchfields (45,000m ²)	<div><60**m² 75</div> <div>60-200 20</div> <div>200-400 22</div> <div>400-600 6</div> <div>600-1000 5</div> <div>1000-2000 3</div> <div>2000-5000 4</div> <div>5000 plus 1</div>	E (Business Innovation Centre), I, L, N, S, T	C, D, E, I, J, M, O
Ivyhouse (37,500m ²)	<div><50m² 0</div> <div>50-200 6</div> <div>200-400 8</div> <div>400-600 8</div> <div>600-1000 3</div> <div>1000-2000 2</div> <div>2000-5000 2</div> <div>5000 plus 2</div>	I, N, Q, S, O	O, C, D, E, I, J, K, M
Ponswood (68,500m ²)	<div><50m² 0</div> <div>50-200 3</div> <div>200-400 8</div> <div>400-600 7</div> <div>600-1000 12</div> <div>1000-2000 13</div> <div>2000-5000 5</div> <div>5000 plus 2</div>	F, H, N, Q, S	I, N, O,
Ashdown and West Ridge (15,500m ²)	<div><50m² 0</div> <div>50-200 1</div> <div>200-400 1</div> <div>400-600 5</div> <div>600-1000 2</div> <div>1000-2000 2</div> <div>2000-5000 3</div> <div>5000 plus 0</div>	S, Q, R	R, C, D, B, I, J, M, O

Source: Hastings Borough Council Forward Planning Team

* for sector definitions see note at the end of this appendix.

** 60 rather than 50 to reflect Innovation Centre space in range 15-60m².

Castleham Employment Area is located on the north-west side of Hastings, adjacent to Queensway. The area contains approximately 66,000m² floorspace over 17ha and was developed by Hastings Borough Council in the early 1970s (who still own and manage a significant proportion of the space, and many of the freeholds on the estate). A variety of unit sizes are represented. Stirling Road provides micro units of (20-49m²) and the Conqueror Estate provides slightly larger units (120m² upwards).

The majority of the other space was built as 500m² units, but a number of estate occupiers now occupy several units together. Occupiers represent a range of sectors, including hi-tech engineering and service sector occupiers. Vacancy on the estate is low (measured by Hastings Borough Council at about 5.5% in February 2008).

The estate has seen very limited redevelopment activity in recent years, with much of the space 10-20 years old. Despite the age of much of the stock, the estate is generally well maintained, with good security to many units. The estate is spacious and well landscaped. Circulation around the estate is generally good, with adequately wide access roads to all areas. In terms of potential, the location and configuration of the estate suggest it could attract occupiers to support a range of higher quality new B1/B2 or B8 employment floorspace, both small and larger units. However, with spare land limited this would need to come from redevelopment of elements of the existing stock, and it is likely that under current conditions development economics would not support investment in this upgrade.

Churchfields Employment Area is of a similar, and probably higher, quality to Castleham housing several large space occupiers as well as smaller units. The estate provides nearly 45,000m² floorspace on 13.5ha. In general the space was developed more recently than the Castleham space.

Smaller units are concentrated on the east side of the estate around Brunel Road and start at about 100m². Although developed some years ago the quality of the smaller unit stock is generally good and most are occupied. There is some problem with congestion here, largely because of the presence of car repair activities leading to on-road parking. A small number of units are owned and managed by Hastings Borough Council.

The new Sea Space Business Innovation Centre is located at the end of Highfield Drive and provides high quality starter unit space in an attractive building with good parking. The centre provides 3,321m² of space, with 75 units of 15-60m² and one of 100m² marketed at technical and high value micro-enterprises. Marshall Tufflex are the key occupier on Sydney Little Road, where they own some 7,000m², an element of which is sub-let to General Dynamics. This represents some of the most recently developed and highest quality larger unit accommodation in the employment areas.

In general units of the estate are well-maintained, and the estate is attractive and well landscaped. Both Churchfields and Castleham are located on the edge of Hastings, accessed from Queensway and close to The Ridge.

Because of the vacant land, Churchfields has more scope to accommodate new development (site specific potential is discussed in more detail in section 5 below). Vacant sites, or redevelopment of existing units over time would be suitable for a range of higher quality new B1/B2 employment floorspace, both small and larger units.

Ponswood Employment Area is the largest of Hastings Industrial areas, with 68,500m² floorspace on 16ha. The estate is located within the urban area bounded by residential areas. The estate is older and more rundown than Churchfields or Castleham, with predominantly older buildings, some in a rather dilapidated state offering scope for regeneration.

Despite the age of the stock, vacancy in February 2008 was low at only 1.13%. Units are mostly medium to large, with few smaller than 300m². Whilst some of the units on the estate are well maintained, their outward appearance belying their age, we understand that a number of these present internal problems with regard to layout. There is also an issue with the overall electricity

infrastructure supply to the estate, which is currently impacting on occupiers use of IT and electrical systems. Circulation around Ponswood can be problematic, with relatively narrow estate roads. Its location close to residential areas is reported to be a benefit for some firms in terms of staff walking to work, but access into the estate along the Battle Road and from the town/A27 is slow.

Ivyhouse Lane provides 37,500m² space with a 25% vacancy rate reported in February 2008 (a large proportion of which is accounted for by one recently vacated large unit - 8,407m²). Many of the units are rather run-down and in need of maintenance and the roads are relatively congested with significant on-street parking. Hayland Developments have developed some 2,320m² small unit new space (units mostly 200m²), and there is a further development phase currently under construction for a total of 4,150m². At the rear of the estate, on Ivyhouse Lane is a major undeveloped parcel of land with scope to provide some 10,000m².

Ashdown and West Ridge is a smaller employment area providing 15,500m² floorspace on 5 hectares (ha) and was fully let in February 2008. Plots have been developed over 30 years. Occupiers are predominantly trade counters and retail warehouses, with some vehicle repair activity.

There are two undeveloped land allocations here on Whitworth Road, which have yet to see planning applications. Southern Water Site (1.05ha with scope for 3,675m² or) and land owned by Hastings Borough Council (2.31ha with scope to provide 8,085m²). Both offer potential to support B1, B2 or perhaps B8 uses. We understand that these sites are linked by land owned by East Sussex County Council, and might be incorporated together to provide a major redevelopment site.

The **Broomgrove** area includes land around Ore Station, the former power station site and former Mount Pleasant Hospital. The area has been identified as a major focus for regeneration activity, involving mixed uses including residential, employment related uses (including retail, education & leisure), open-space and community space.

Smaller concentrations of small unit business space include: In the central area, **Britannia Enterprise Centre** is located on Queens Road, adjacent to Morrisons supermarket. This provides some 50 small units totalling 2,559m² let to a variety of predominantly business services occupiers. The **Earl Street area** is home to a mix of office and light production units.

There are other small elements of space located throughout the Hastings. These include **Roebuck Centre**, located in the Old Town. **Bridge Way** in Bulverhythe. **York Road Business Centre** is located in Silverhill, close to Ponswood. Other locations include Downs Farm, Duke Street, Symes Yard and Clive Vale.

Profile of Hastings Town Centre Office Area

The town centre office market is relatively undeveloped. There is little recently development space, with the majority of space comprising refurbished and un-refurbished space above shops or in period terraces, for example at Wellington Place and Wellington Square. Such space typically commands relatively low rents and presents problems for occupiers in terms of small clear floor areas (with offices on several floors within a building), difficulty supporting IT systems, image and parking.

The other key element of stock is a number of older, and outmoded, 1970s office blocks, examples including Rothermere House, Queensbury House in Havelock Road and Aquila and Cavendish House on the seafront. These present the further problem of not currently being Disability Discrimination Act (DDA) compliant.

The new Creative and Media Centre is located in the central area in Priory Quarter and provides more prestigious small unit space of notably higher quality in two separate blocks. This has attracted the BBC as well as a range of small and starter businesses in the creative/media sector.

Sector Definitions relevant to appendix 3a and 5a

A. Highest specification town centre offices/sites for major users

High profile environment and location, good level of dedicated parking, capable of supporting highest level IT/cabling, Disability Discrimination Act (DDA) compliant, good security.

B. Highest specification edge of town office/B1(b) development/sites for major users

Suited for offices, high tech and Research & Development (R&D). High profile environment and location; either stand alone or on a business park with consistent high quality space; excellent access to road system and good public transport access; high level of dedicated parking, capable of supporting highest level IT/cabling, DDA compliant, good security. Sufficient quality to attract in-moving businesses or accommodate prestigious local businesses.

C. Higher specification small to medium freehold office/B1(b) units (up to 5,000sq.ft.)

Suited for professional, high-tech/R&D and other businesses. Attractive environment and location, good access to road network and public transport, good level of dedicated parking, capable of supporting good level IT/cabling, DDA compliant, good security. Own front door.

D. Higher specification small to medium leasehold office/B1(b) units (up to 5,000sq.ft.).

Suited for professional, high-tech/R&D and other businesses. Attractive environment and location, good access to road network and public transport, good level of dedicated parking, capable of supporting good level IT/cabling, DDA compliant, good security. Either own front door or floors in larger buildings.

E. Higher specification starter office/B1(b) units (freehold or leasehold)

Suited for professional, high-tech/R&D and other businesses. Attractive environment and location, good access to road network and public transport, good level of dedicated parking, capable of supporting good level IT/cabling, DDA compliant, good security. Own front door or may include serviced space provision.

F. Modern office/B1(b) space (town centre or edge of town).

Suited for professional and other businesses. Developed 1970s/80s/early 90s. Older space likely to have been refurbished or remodelled. Large single floor units, some dedicated parking. Reasonably attractive location with respect to services, transport and environment.

G. Refurbished/converted older office property in or close to the town centre

Quality and parking will vary, likely to be compartmentalised and may present some problems with DDA compliance. Single or multi-occupier, pure office users.

H. Lowest quality office provision

Likely to be above shops or older modern, converted space which has not been refurbished.

I. Higher specification light industrial space for medium/large users (10,000sq.ft. plus) B1(c)

Suited for light industrial businesses. Good environment and locations, good access to road network and public transport, good circulation space and dedicated parking. Disability Discrimination Act (DDA) compliant, good security. Good level of ancillary storage (>10%)

J. Higher specification light industrial space for smaller users (<10,000sq.ft. plus) B1(c)

Suited for light industrial businesses. Good environment and locations, good access to road network and public transport, good circulation space and dedicated parking. DDA compliant, good security. Good level of ancillary storage (>10%)

K. Highest specification B2/B8 industrial/warehouse premises/sites for medium to large users (>10,000sq.ft.)

Good environment and circulation space, either stand alone or on a business park with consistent high quality space; excellent access to road system and good public transport access; high level of dedicated parking, DDA compliant, good security and probably 24/7 access. Sufficient quality to attract an in-moving business or accommodate prestigious local businesses in the sector.

L. Good quality B2/B8 industrial/warehouse space for major users (>10,000sq.ft.)

Reasonable environment and building specification. Good level of dedicated parking and circulation space. May be some restrictions on hours of use and access. Likely to be in established industrial locations; reasonable access to road system and public transport; reasonable level of storage and parking space. Likely to be recently built or recently refurbished modern premises. Locations may present some problems/issues e.g. security problems, access limitation or conflict with other uses (residential). Freehold or leasehold.

M. Highest specification B2/B8 industrial/warehouse premises/sites for smaller users (<10,000sq.ft.)

Good environment and circulation space, either stand alone or on a business park with consistent high quality space; excellent access to road system and good public transport access; high level of dedicated parking, DDA compliant, good security and probably 24/7 access. Sufficient quality to attract an in-moving business or accommodate prestigious local businesses in the sector.

N. Good quality B2/B8 industrial/warehouse premises/sites for smaller users (<10,000sq.ft.)

Reasonable environment and building specification. Good level of dedicated parking and circulation space. May be some restrictions on hours of use and access. Likely to be in established industrial locations; reasonable access to road system and public transport; reasonable level of storage and parking space. Likely to be recently built or recently refurbished modern premises. Locations may present some problems/issues e.g. security problems, access limitation or conflict with other uses (residential). Freehold or leasehold.

O. Newly developed or refurbished small and starter unit space for light industrial and manufacturing uses.

Likely to be in established industrial locations or town centre locations; reasonable access to road system and public transport access; reasonable level of storage and parking space. Freehold or leasehold.

P. Older small unit space suited for light industrial and manufacturing uses

Reasonable quality, medium cost accommodation in established industrial locations or town centre. May present some problems with access/parking, ability to support cabling needs.

Q. Poorer quality general industrial/warehouse space

Range of sizes, many sites likely to be in need of refurbishment. Sites may present major problems e.g. restrictive working hours, or be incompatible with adjoining uses.

R. New and higher quality retail warehousing (Class A, Sui Generis)

Range of sizes, good customer access and parking. Probably purpose built.

S. Poorer quality retail warehousing and trade counters

Likely to include older stock, converted stock and stock with poorer environment, access and parking.

T. Car Showrooms (Class A, Sui Generis)

Appendix 3b

Profile of Rother Industrial and Employment Areas

This section examines the current identified supply of employment land in Rother district. It considers both:

- a) Existing employment areas, and
- b) Sites proposed for business development, benefitting from either planning permission or Local Plan allocation

Areas and sites are assessed against criteria identified in the Government's 'Employment Land Reviews' guidance to ascertain:

- The degree to which areas and sites meet sustainable development criteria
- The likely level of commercial interest
- Their potential for intensification/redevelopment
- That there is a portfolio of sites to meet the range of likely demands over the Plan period
- That there is a good geographic distribution of supply
- Whether there are areas or sites that may be released to other uses, in whole or part

Information is collated on:

- a) Location and site name (if any)
- b) Status (developed/partially developed/permitted/allocated)
- c) Site area
- d) Age and Condition of area/buildings (general view of estate if developed)
- e) Vacant land/buildings
- f) Ownership (where vacant/undeveloped sites)
- g) Land condition (brownfield/greenfield; topography; contamination)
- h) Strategic and local accessibility, including by public transport
- i) Market segment/uses suitable for
- j) Known constraints

A minimum floorspace potential of 1,000m² is applied for undeveloped sites (in line with that of SEERA's employment monitoring). However, it is recognised that there are many smaller developments, including extensions and conversions that fall below this threshold and which may, cumulatively, provide a significant amount of additional floorspace.

In relation to existing sites, those areas that provide for a number of different occupiers are included. Information about these, including number of units and floorspace, is taken from the ESEP Sites Database.

Existing Employment sites

Industrial Estates	Location	Number of sites	Number of vacant sites	Total vacant floorspace	General age, nature and use of stock	Market position / function	Accessibility and development potential
Atlas Industrial Estate	Rye Harbour Road	24	0	0	Approx 20 + years. Standard small workshop units	Mixed workshop & storage / distribution	Good access from Rye Harbour Road close to A259. No further development potential
Beeching Park Industrial Estate	Bexhill	21	0	0	Approx 20 + years. Standard small / medium workshop units	Mixed workshop & storage / distribution	Central location close to A259 and Bexhill Town Centre. Some further development potential but would displace car parking
Beeching Road Industrial Estate	Bexhill	57	1	244	20 – 30 years. Mixed light industrial & showroom / trade counter premises	Mixed industrial and trading estate, medium sized units	Central location close to A259 and Bexhill town centre. Further development potential limited to demolition / rebuild on existing sites or use of car parking areas
Bodiam Business Park	Bodiam	5	0	0	10 – 30 years Mixed industrial and offices	Variety of single-occupied and multi-occupied units of varying quality	Rural Location, accessible to A21. Possible scope for further development
Brett Drive Industrial Estate	Bexhill	16	1	65	Approx 30 years. Mixed industrial / warehouse	Medium-sized units; likely to command relatively low values	Access from A259. Recent expansion of Ravenside retail park into area. Potential for demolition / rebuild
Castle Water Industrial Estate	Rye Harbour Road	3	0	0	Approx 20 years. Standard small workshop units	Mixed workshop & storage / distribution	Good access from Rye Harbour Road close to A259. Possible further development potential on the site

ChurchField Industrial Estate	Rye Harbour Road	2	0	0	Approx 5 years. Modern warehouse plus 20 + years workshop	Storage / distribution on part of former Spun Concrete site.	Good access from Rye Harbour Road close to A259. Potential for demolition / rebuild of older unit
Rutherfords Business Park	Battle	17	7	589	20-30 years old. Small single-storey office and low-grade light industrial buildings	Mixed office and industrial uses	Site has potential for comprehensive redevelopment. Scope for expansion onto adjoining land
Rye Industrial Estate	Rye Harbour Road	54	4	1383	Variety of structures, mostly 20+ years old, mainly large units	Large B2 & B8 Industrial and storage / distribution	Good access from Rye Harbour Road close to A259. Potential for demolition / rebuild of older units. Some brownfield sites with development potential
Station Approach Industrial Estate	Battle	13	0	0	Range of buildings of varying ages and types of construction	Modern offices; Remainder workshops, industrial and storage	Potential for further redevelopment / site rationalisation. Good location adjacent to railway station.
Strand Quay and Rock Channel	Rye	25	0	0	Range of buildings of varying ages and types of construction	Mix of light industrial & workshop uses; some marine related	Potential for redevelopment; subject to SPD
Sutton Industrial Park	Winchelsea	15	2	143	20+ years old. Small-medium standard light industrial units	Workshop / storage	Close to A259 but in remote location. No further development potential.
The Maltings	Peasmarsh	6	1	45	10 – 15 years old (?) small standard light industrial units	Workshop / storage	Rural location close to residential. Suits small local businesses. No further development potential

Westlake Industrial Estate	Rye Harbour Road	2	0	0	0-5 years / 20+ years. New or refurbished workshop, storage and office	Focus on hi-tech businesses	Potential for further development on site
Wheel Farm	West-field	15	1	90	Part converted agricultural buildings; plus 3 modern workshop buildings	Light industrial / workshop uses.	Rural location; close to Hastings and accessed via A28. Scope for further expansion on adjoining land
Winchelsea Road Industrial Estate	Rye	20	1	51	30+ years old. Pallette depot and industrial building sub-divided into small business units	Depot and business park housing a variety of workshop / storage users, predominantly woodwork-ing trades	Adjacent to A259 close to Rye town centre. Site constrained and no scope for further development. Possible demolish / rebuild in long term.

Source: Locate East Sussex

It is noted that there are also a number of smaller concentrations of business activity across the rural areas of Rother that cumulatively contribute to the economy of the district. These include:

Bodiam Business Park	Brightling (Long Reach Farm)
Icklesham (Little Sherwood)	Iden (Coldharbour Farm)
Northiam (Coppards Lane)	Dallington (Coldharbour Farm)
Peasmarsh (The Maltings)	East Guldeford (Salts Farm)
Robertsbridge (adj. The Ostrich)	Burwash (Socknersh Farm)
Ticehurst (Gibbs Reed Farm)	Burwash (Perrymans)
Udimore (Old School)	Battle (Beech Farm, off Netherfield Road)
Westfield (Wheel Farm)	Ticehurst (Parsonage Farm)
Whatlington (Vinehall Farm)	Bodiam (Dagg Lane)
Winchelsea Beach (Suttons)	Mountfield (Hoath Farm, Solomans Lane)
Flimwell (adj. Seacox Farm)	Burwash (River Dell Farm)
Marley Lane, Battle (Rutherfords)	Johns Cross (Johns Cross Farm)
Marley Lane, Battle (DB Earthmoving)	Mountfield (Container site between Johns Cross/Robertsbridge)
Marley Lane, Battle (former Blackman Pavie & Ladden Site)	Netherfield (White House Poultry Farm)
Broad Oak (Chitcombe Road)	Brightling (Browns Oak Farm)

Source: Rother District Council Planning Policy Team

Appendix 4a

Completions in Hastings 2005-2007 involving development, changes of use and extensions to employment land (B1, B2 and B8)

Site	Scheme	Use Class	Floorspace	Completion Year
Business Innovation Centre, Highfield Drive	Business incubator units	B1a	2,031.8m ²	2006/07
Media Centre, Robertson Street	Media Centre - Offices	B1a	1,231m ²	2006/07
12-15 Wellington Place	Change of use to offices	B1a	488m ²	2006/07
14 Cross Street	Change of use to offices	B1a	152m ²	2006/07
402 The Ridge	Change of use from shop to office accommodation	B1a	255m ²	2006/07
Christchurch Hall, London Road	Church hall to offices	B1a	950m ²	2006/07
Plot b/c, Drury Lane	Erection of industrial building	B1a	950m ²	2006/07
2 Haywood Way	Extension to office block	B1a	93m ²	2006/07
15 Fearon Road	Warehouse to Computer business offices	B1a	656m ²	2006/07
Western Road	Change of use from a retail unit to a recording studio	B1b	148m ²	2006/07
Business Innovation Centre, Highfield Drive	Business incubator units	B1c	1,123.2m ²	2006/07
Plot Z Menzies Road	Change of use from storage to light industrial	B1c	1,244m ²	2006/07
Land Between Haywood Way and The Ridge	Construction of B1c/B8 units	B1c	up to 2,130m ²	2006/07
Perimeter House, Napier Road	Erection of new industrial unit - chemical batching	B2	711 m ²	2006/07
Plot b/c, Drury Lane	Erection of industrial building	B2	3,135m ²	2006/07
55-65 Castleham Industrial Estate	Change of use from storage to production	B2	5,350m ²	2006/07
Plot LX, Highfield Drive	Erection of new building	B2	180 m ²	2006/07
Unit 1B, Ridge West	Proposed Garage Workshop	B2	51 m ²	2006/07
Plot A, Drury Lane	Food Production Factory	B2	119m ²	2006/07
1-2 Brook Way	Extension to factory	B2	781m ²	2006/07
Plot g, Elizabeth Road	Proposed extension of industrial unit	B2	283 m ²	2006/07
Plot small b, Drury Lane	Extension for B2 business	B2	483m ²	2006/07

Land Between Haywood Way and The Ridge	Construction of B1c/B8 units	B8	up to 2,130m ²	2006/07
Rear of 93/97 Bohemia Road	Change of use from workshops to storage	B8	81m ²	2006/07
312a Bexhill Road	Change of use to motor workshop	B1c	171m ²	2005/06
14 Brunel Road	Ancillary office space to car repair shop	B1c	28m ²	2005/06
55-65 Castleham Road	Erection of chiller units	B8	1589m ²	2005/06
14 Haywood Way	Erection of storage building	B8	119m ²	2005/06
Plot B, Drury Lane	Extension of factory unit	B8	104m ²	2005/06

Source: Hastings Borough Council Forward Planning Team

Employment Land Losses in Hastings 2004 - 2007

Site	Scheme	Old Use Class	Floorspace	Site Area	Completion Year
Rear of 84 Bohemia Road	Demolition of commercial Premises, erection of 3 houses	B1a/B1c	97m ²	0.02	2006/07
43 Earl Street	Demolition of existing building	B2	1100m ²	0.06	2006/07
The Misson Hall, Market Passage	Conversion into a self contained flat	B8	95m ²	0.01	2006/07
52 Gensing Road	Workshop used for making coffins into a dwelling	B2	48m ²	0.01	2006/07
Rear of 66 Southwater Road	Garages/Workshops into 4 houses	B1c	322m ²	0.04	2006/07
5 Whitefriars Road	Conversion of existing buildings to form cottages	B1c	67m ²	0.01	2006/07
50 High Street	Part change of use from office to residential	B1a	48m ²	0.01	2006/07
Rear of 86-87 Queens Road,	Conversion of existing warehouse to a two bedroom house.	B8	213m ²	0.02	2006/07
2/2a Mount Pleasant Road	Conversion to flat	B1a	85m ²	0.01	2006/07
Stills Factory, Fellows Road	Demolition of stills factory	B2	8105m ²	1.67	2006/07
26a Kings Road	Change of use to apartments	B1c	108m ²	0.01	2006/07
Burton Buildings, Saxon Street	Dwelling to replace original building	B1c	200m ²	0.01	2006/07
284 Harold Road	Change of use to dwelling	B8	76m ²	0.01	2006/07
Grosvenor House, Grosvenor Gardens	Change of use from office to care home	B1a	95m ²	0.01	2006/07
Rear of 42 North Street	Workshop to dwellings	B1c	380m ²	0.04	2005/06
Rear of 7-15 Silchester Road	Conversion to Town House	B1c	760m ²	0.04	2005/06

40 Grove Road	Warehouse demolition	B8	178m ²	0.05	2005/06
44,45,45a Robertson Street	Demolition of building	B1a		0.02	2004/05
33-35 Earl Street	Change of use from warehouse to 10 dwellings	B8		0.70	2004/05
37 Earl Street	Change of use from warehouse to karate teaching hall	B8		0.02	2004/05
Seaboard Depot, Parker Road	Change of use from warehouse to form construction teaching workshops	B8		0.10	2004/05
8-10 Wellington Mews	Change of use from Storage to dwelling	B8		0.01	2004/05
66 George Street	Change of use from Storage to dwelling	B8		0.01	2004/05

Source: Hastings Borough Council Forward Planning Team

Appendix 4b

Rother Completions

Completed Development (m²) of developments of more than 1,000m²

Year	Site	Ward	Gross area (m ²)	*PDL	Use class(es)	Total (m ²)
2001/02						2,542
2002/03	-	-	-	-	-	0
2003/04	Station Approach, Battle	Battle	1,000	Y	B1	1,000
2004/05	Six Acres – rear of Stoddards Lane	Rother Levels	202	Y	B1	3,912
	Catlepost Farm Products, Harbour Road	Eastern Rother	245	Y	B2	
	Rye Wharf, Harbour Road	Eastern Rother	1350	Y	B8	
	The Mint	Eastern Rother	-208	Y	B1 to C3	
	Parsonage Farm	Ticehurst and Etchingham	545	Y	B1	
	Wheel Farm Business Park. Wheel Lane	Brede Valley	260	Y	B1	
	Bodiam Business Park	Salehurst	440 (250 Net)	Y	B1	
	Higher Nature plc, Burwash Common	Darwell	202	Y	B8	
	Tudor Oak Ltd	Ticehurst and Etchingham	419 (159 Net)	Y	B8	
	45 Turkey Road	Sidley	755 (670 Net)	Y	B1	
	Bodiam Business Park	Salehurst	237	Y	B1	
2005/06	-	-	-	-	-	0
2006/07	-	-	-	-	-	0

Source: Rother District Council Planning Policy Team

*Previously Developed Land (PDL)

Note: A minimum floorspace potential of 1,000m² is applied for undeveloped sites (in line with that of SEERA's employment monitoring). However, it is recognised that there are many smaller developments, including extensions and conversions that fall below this threshold and which may, cumulatively, provide a significant amount of additional floorspace.

Appendix 5a

Hastings: Site Review of existing employment allocations and sites with planning permission and potential sectors served

Major Regeneration Projects – Hastings Town Centre				
Site name/location	Size	Potential Sectors*	Status	Development Issues
Lacuna Place (the gap site)	8,885m ²	A, C, D	Office with retail	Due for completion in 2008, to be built speculatively by Sea Space.
Priory Quarter	22,960 (Office element)	A, C, D	Outline planning permission subject to S106 for comprehensive development for mixed land uses including B1 offices, education, retail, leisure, car parking, new pedestrian bridge, links and other improvement works, 37,725m ²	
Total	31,845			
Major Regeneration Projects – outside of Hastings Town Centre				
Site name/location	Size	Potential Sectors	Status	Development Issues
Queensway South, (Marline Fields) Queensway	3.77ha, about 9,300m ²	B, C, D, K, M	Local Plan allocation now with planning permission	
Queensway North, Queensway	4.73ha, about 9,800m ²	B, C, D, K, M	Seaspace developing proposals for the site, part of the Enviro21 Innovation Parks scheme.	
HBC Land, Whitworth Road, West Ridge	2.31ha, about 8,085m ²	R, C, D, B, I, J, M, O	Allocated for B1, B2, B8	No current development plans identified. Given adjoining uses may face pressure for retail warehousing, access permitting.
Southern Water Land, Whitworth Road, West Ridge	1.05 ha, about 3,675m ²	R, C, D, B, I, J, M, O	Allocated for B1, B2, B8	No current development plans identified. Given adjoining uses may face pressure for retail warehousing, access permitting

Ivyhouse Lane, Northern Extension	5.8ha, about 10,000m ² B1, B2, B8	O, C, D, E, I, J, K, M	Allocated in local plan and identified as key Hastings expansion site. Although 10,000m ² is in Hastings, site forms part of a larger parcel, the remainder of which is located in Rother and AONB. The remaining land initially proposed for, but not ultimately included in the Rother Local Plan.	
Total	40,825			
Development opportunities within existing employment areas				
Site name/location	Size	Potential Sectors	Status	Development Issues
Site NX2 and NX3, Sydney Little Road, Churchfields	NX2 – 0.2 ha, about 770m ² NX3 – 0.2 ha, about 920m ²	C, D, E, I, J, M, O	1994 permission stands for 773m ² B2 development as five units. 1990 permission for 922m ² B1, B2, B8	Site slope may affect development configuration and cost
Site SX, Sydney Little Road, Churchfields	1.035ha, about 1000m ²	C, D, E, I, J, M, O	Recent permission for 1,000m ² B8, extension to warehousing and storage (Marshall Tufflex?)	
Sites PX and QX	1.66ha, about 6,900m ²	C, D, E, I, J, M, O	Allocated for B1, B2, B8 6,961m ²	Sites belong to Marshall Tufflex, held for potential future expansion
Site RX2, Sydney Little Road	0.26ha, about 910m ²	C, D, E, I, J, M, O	Allocated in local plan. Sites either side have been developed by Tunneling Accessories but central site left undeveloped.	
Plot M Gresley Road, Castleham	0.12ha. about 1,200m ²	B, I, K	Lapsed outline permission for 1,210m ² B1, B2, B8	
Land at rear of Drury Lane, Ponswood	0.22ha, about 770m ²	N, O	Allocated for B1, B2, B8	Site has access problems
31 Gresley Road, St Leonards	0.2ha, 858m ² net	K	Recent permission for a B2 unit. Of 1,229m ² gross (involves some demolition)	
Land east of units 1 to 21 Stirling Road	1,000m ²	O	Micro/start-up incubator units, (B1) Ranging from 27m ² to 105m ²	Speculative build due for completion in Oct/Nov 2008
Land between the Ridge and Haywood Way	4,150m ²		Phase 1 completed in Mar 2006. Phase 2 granted Oct 2006 for light industry and warehousing B1c/B8	Phase 2 under construction

Land East of Burgess Road	0.4ha, about 1,400m ²	O, C, D, E, I, J, K, M	Allocated in local plan B1, B2, B8. Site extends into Rother. Draft Rother Local Plan identified adjacent land for employment uses.	
Total	19,878			

Source: Hastings Borough Council Forward Planning Team

*For definition of potential sectors, see explanation on page 93

Appendix 5b

Rother: Site review of existing allocations and sites with planning permission

A Sites with planning permission (as at April 2007)

Under Construction

Location	Ward	Floor-space (m ²)	B/G	Uses	LPA Ref No.	Market attractiveness	Sustainable development	Strategic Planning
Woodland Enterprise Centre, Hastings Road, Flimwell	Ticehurst and Etching-ham Ward	1,080	N	B1/B2 – 12 small work-shops	RR/2005/395	Adjacent to A21, close to A28	Supports woodland sector.	Role in develop-ing local products
Spun Concrete, Harbour Road, Rye Harbour	Eastern Rother Ward	8,385	Y	B2/B8, B2, B8	RR/2004/77 RR/2006/973 RR/2006/974	Residual part of former concrete works, partially developed.	Brownfield site; In FZ3, although protected; Local access limitation	Part of the main employ-ment area for Rye and eastern Rother
Total		9,465						

Not yet started

Location	Ward	Floor-space (m ²)	B/G	Uses	LPA Ref No.	Market attractiveness	Sustainable development	Strategic Planning
Old Mears Site, Harbour Road, Rye Harbour	Eastern Rother Ward	1,620	Y	B8 – port-related	RR/2006/258	Backland site; risk of contamin-ation.	Brownfield site;	Role in maintain-ing Port of Rye
Rye Wharf, Harbour Road, Rye	Eastern Rother Ward	1,642	Y	B1,B8 - wharf	RR/2000/1041	For current wharf operator	Brownfield site;	(As Spun Concrete
Blackman, Pavie & Ladden Site, Marley Lane, Battle	Battle Town Ward	2,400	Y	B1, B8 – single unit	RR/2006/3467	Being promoted by owner; adjacent A21	Brownfield site; poor p/t;	Central position in rural area
Long Products Rye Harbour Road, Rye.	Eastern Rother Ward	2,442	Y	B1,B2 24 small units	Outline RR/2003/1165	Backland site; outline only	Brownfield site;	(As Spun Concrete
Total		8,104						

Source: Rother District Council Planning Policy Team

B Local Plan Allocations

Sites allocated in the Local Plan are identified below.

The criteria applied in their assessment relate to a range of factors covering:

- **Market Attractiveness** – time allocated; development interest; availability; ownership issues and other constraints; viability
- **Sustainable Development** – does it still accord with accessibility, environmental considerations; brownfield/greenfield?
- **Strategic Planning** – is it a regeneration priority area?; is it for key uses?; is it part of an integrated proposal/strategy?; are any infrastructure constraints likely to be overcome?; are there other material policy objectives to consider?

Site name / location	Gross area	Floor-space potential	Local Plan policy	Potential Sectors / Uses	Market attractiveness	Sustainable development	Strategic Planning
West of Link Road, Bexhill	c10ha	28,000m ²	BX3	B1, B2, B8	Dependent on Link Road; not available until 2011/12	Part of mixed use scheme; good transport links	Strategic site for Bexhill and Hastings
East of Link Road, Bexhill	c8.8ha	23,900m ²	BX2	B1, B8	Dependent on Link Road; not available until 2011/12	Part of mixed use scheme; good transport links	Strategic site for Bexhill and Hastings
R/o Culverwells, Robertsbridge	1.0ha	1,300m ²	VL8	B1 light industry; workshops; small offices	Land ownership constraint; extended period allocated	Rail access; large village; Mixed-use scheme;	One of few rural opportunities
Land off Burgess Road, The Ridge	1.0ha	3,000m ²	HF1	B1 and general manufacturing	Developer promoted; marginal viability; trees; levels	Tidies urban fringe; rationalise accesses; woodland impact	Supports Hastings regeneration; achieves fringe management
Land West of DB Earthmoving, Marley Lane, Battle	0.6ha	1,900m ²	EM5	B1 and storage/depot-type uses	Ownership; Adjacent to A21; needs improvement to A21	Brownfield site; overlaps FZ3; exposed site	Potential to assist local economy and integrate site in setting

Site name / location	Gross area	Floor-space potential	Local Plan policy	Potential Sectors / Uses	Market attractiveness	Sustainable Development	Strategic Planning
Rutherfords Business Park, Marley Lane, Battle	0.7ha	2,700m ²	EM4	B1 – range of occupiers depending on upgrading	Access - needs improvement to A21 and weight restriction; behind low-key buildings	Greenfield extension to under-utilised site; close to Battle, but poor public transport	Larger site to support Battle workforce and wider area.
Castle Water, Rye Harbour Road, Rye	0.8ha	2,800m ²	RY7	B1, B2, B8	Part of Rye Harbour Road area, which has good current development activity	Flood zone 3, but protected; adjacent to SSSI	Part of the main employment area for Rye and eastern Rother
Wheel Farm Business Park, Westfield	0.3ha	1,000m ²	VL10	B1 – small functional units	Rural location; part of established business area	Greenfield extension; Close to A28 and Hastings, but narrow approach;	One of few acceptable sites to encourage rural employment

Source: Rother District Council Planning Policy Team