Submission Document CS53:
Employment Land Supply - Additional Evidence

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Employment Land Supply – Additional Evidence

The following paper sets out the Councils response to the questions raised by the Inspector in relation to the proposed employment land supply in the Core Strategy.

- **What is the requirement for employment land in Eastbourne to meet needs to 2027 based on the most up to date assessment of workforce forecasts and employment floorspace densities?**
- **What land should be identified at Sovereign Harbour for B1(A) office use?**
- **What alternative uses (if any) would be acceptable on land at Sovereign Harbour in the event it is not needed for B1(A) office use?**

1. Background

1.1 The paper considers the latest information on employment land supply, workforce projections and other factors which impact on the requirement for B1 employment space needs in Eastbourne to 2027.

1.2 The trend based population projections for East Sussex show an ageing population with an increase in the post retirement age groups and a decline in the working age groups (18 – 59). This decrease is mainly amongst those aged 35 – 49 due to a decline in fertility rates since the baby boom of the 1950s and 60s. There are also projected decreases in the age ranges 18 – 29 mainly due to a lower level of migration, and in the 0 – 17 age group due to a reduced number of women of fertile age, thereby impacting on birth rates. Eastbourne population is projected to grow by 1% over the period 2010 – 2026. The workforce is projected to decline by 5.6% in East Sussex as a whole.

1.3 At the 2001 Census Eastbourne Borough had the highest proportion in the East Sussex Local Authorities of people living and working in the district, at 73%. The travel to work census statistics within East Sussex show a net in-commuting to Eastbourne of 3,086, with 8,941 in commuters to 5,855 out commuters. The majority of in-commuters were from Wealden District (5,967). This was however balanced by higher out flows to areas outside East Sussex, particularly to Brighton and Hove and Greater London. Overall the in and out commuting was roughly in balance with a small net inflow of 378. In Sovereign Ward there was a significant imbalance with 2,397 of the wards 3,007 working residents travelling out of the ward to work.

2. What is the requirement for (B1) employment land in Eastbourne?

2.1 The table below shows a calculation of the additional B1 space floorspace requirement using the East Sussex in Figures (ESIF) trend based population projections to 2035. The table shows the peak requirement to be in 2020. This requirement can be calibrated at a range of employment densities: 10sq m/job (the HCA figure); 16sq m/job (the current employment density in Eastbourne); and 18sq m/job (the figure used in the ELR). This produces a wide range of floorspace requirements. as shown in the last row of the table. The figures using the median figure of 16sq m per employee, show a peak requirement of 13,550 sq m, below the figure of 35, 924 at 18 sq m per employee used in the ELR. At 10 sq m per employee there would be an oversupply of B1 space in all years.

2.2 Although it is accepted that latest (2010) HCA standards set the employment space ratio for B1 space at 10sq m per employee, it is considered imprudent to apply this very recent ratio as a standard for the Borough. It is impractical to apply this figure to existing floorspace since current employers cannot be 'required' to reduce their floorspace use, therefore current employers, unless planning relocation or major refurbishment, will tend to maintain their current premises and therefore space standards. There is undoubtedly financial pressure on the public sector which is resulting in lower employee/space ratios, of which Eastbourne Borough Council is an example, but this is not necessarily carried through to other employers especially where spacious offices indicate prestige. It is more prudent to wait and see if this standard is reflected in real terms before adoption as a definite benchmark for the next 15 years. The requirement is therefore most likely to sit somewhere within the range 10 – 18sqm per employee. The high end results in a peak requirement for 36,000 sq m of B1 space whilst the low end indicates there is an oversupply of 53,600sq m. of B1 space.

2.3 This paper is concerned primarily with the amount of B1 space required in the future. The amounts of B2 and B8 space are not disputed.

	2010	2015	2020	2025	2030	2035
Total Pop	96700	99400	102000	105000	108200	**111400**
Working Age Pop	58900	58800	58600	59000	59000	**59100**
Total Population	96700	99400	102000	105000	108200	**111400**
Jobs at 86% of working age*	50654	50568	52154	50740	50740	**50826**
B jobs at 33% of all jobs**	16716	16687	17211	16744	16744	**16772**
B1 jobs at 65% of all B jobs***	10865	10846	11187	10884	10884	**10902**
B1 space @ 18sq m/job ELR density rate	195570	195228	201366	195912	195912	**196236**
B1 Space @ 16sqm/job****	173840	173536	178992	174144	174144	**174432**
B1 Space @ 10sq m/job HCA density rate	108650	108460	111870	108840	108840	**109020**
2008 B1 space sq m	165442	165442	165442	165442	165442	**165442**
Additional B1 space @10sq m	**−56792sq m**	**−56982sq m**	**−53572sq m**	**−56602sq m**	**−56602sq m**	**−56442sq m**
Additional B1 space @16sqm	**+8402sq m**	**+8107sq m**	**+13550sq m**	**+8697sq m**	**+8697sq m**	**+8993sq m**
Additional B1 space@18sqm	**+30128sq m**	**+29786sq m**	**+35924sq m**	**+30470sq m**	**+30470sq m**	**+30794sq m**

ESIF definition of the trend based projections states:

These projections are an indication of the future trends in population by age and sex over the next 25 years. They are trend-based projections, which make assumptions about future fertility, mortality and migration levels based on trends in recent estimates, usually a five-year reference period. They show what the population will be if recent trends in these continue. These projections do not take into account local housing provision policies.

** this figure is based on the number of people available for work (economically active) in the population*

*** this is based on the number of B1 B2 and B8 type jobs as a percentage of all employment opportunities in Eastbourne in 2010 (based on economically active)*

**** this is based on the number of B1 type occupations as a percentage of all B-space jobs in Eastbourne in 2010 (based on economically active)*

***** this is based on the number of employees in B1 employment in 2008 divided into the amount of B1 space in 2008 in Eastbourne.*

2.3 The calculation of a basic floorspace requirement however, should also take into account a number of additional factors which have the potential to affect the long term sustainability of the employment market :

- The potential loss of existing 10,000sq m floorspace to alternative uses at the Dental Practice Board (current Free School proposal or mixed use including residential).
- The loss of existing B1 accommodation due to alternative uses and/or unsuitability for modern requirements. See below list.
- The projected increase in population in South Wealden on Eastbourne's boundary to the north with consequences for increased communting. In 2001 Eastbourne inward and outward commuting workforce was roughly the same with a small surplus of in-commuting, compared with net out-commuting from Wealden of 17,522, a large number of which are likely to be employed in Eastbourne.
- Population information from the 2011 census is due to be released from mid July 2012. This will require a re-calculation of projections. If current population figures prove to be an under estimate this will likely result in increased workforce projections.
- The first release of population and household information from the 2011 Census, released on 16th July, showed the population of Eastbourne as 99,400(an increase from 2011 of nearly 11%). The biggest increase was in the 15 – 29 age group with an overall increase in the working age groups (15 – 59years) of 14.54%.
- The Council's policy of improving sustainable living and working patterns leads to the promotion of a reduction in gross commuting levels and providing more job opportunities in sustainable locations, such as urban areas and population centres well served by public transport.
- The Inward Investment service in East Sussex is to be boosted with additional resources from the local authorities in the county. Eastbourne's contribution is proposed to increase from £10,000 per year to £30,000 per year.
- There is an expectation that the development of land at Sovereign Harbour in an available sustainable location will provide campus style office accommodation for regionally strategic employers. The Harbour development provides a range of accommodation to cater for in migrating workers.
- The Council is seeking to broaden and expand the economic base by providing higher skilled, higher paid employment to retain younger people emerging form the towns schools and colleges and to reduce reliance on low skill jobs in the tourist and leisure industries.
- Eastbourne Borough Council officers are part of the SPACES project to assist in relocating central government departments out of London

2.4 The SHLAA identified a number of sites within Eastbourne which were in B1 use (or last used). In total these equated to a potential loss of 22,225 sq

m floorspace. In addition to this the following sites, currently identified as in B1 use, are due to be lost to other uses or are unsuitable for modern requirements are:
a)1 Langney Road – 750 sq m. Former Job Centre, last occupied 10 years ago.
b)Esher House, 48-50 St Leonards Road – 1295 sq m. An office block built in the 1970s, and last occupied 11 years ago.
c) 68 Grove Road (ground floor) 565 sq m – current proposal for retail use.
The total potential loss of these sites equals 2,610 sq m.

2.5 These sites plus the 10,000 sq m at the Dental Practice Board site equates to a total potential loss of 12,610sq m. of existing B1 space. When added together with the SHLAA sites, to the peak requirement of 13.550sq m, the requirement for B1 space to 2027 is 48,385sq m. The other factors identified in paragraph 2.3 above, provide an additional justification to plan for providing above this figure. The total requirement for B1 space having revisited the workforce information and also taking account of other factors set out above, should therefore be set at a total of at least 50,000 sq m.

3. What land should be identified at Sovereign Harbour for B1(A) use?

3.1 The Core Strategy paragraph 4.2.8 indicates a policy growth requirement for an additional 33,205 sq metres business space (B1). This scenario is based on policy population projections which (unlike the trend based projections used in the table above), take into account local housing policies and therefore tend to be lower than trend based projections in the South East where housing growth is constrained. Previous estimates of employment floorspace requirements from the Employment Land Review(ELR) 2008, which forecast an increase in working age population of 5,400 between 2005 and 2026, with total jobs forecast to increase by around 4,000. The projections showed that the employment growth would fall short of the growth in the working age population. The ELR calculations for employment office space were based on the calculation of 18sq m per employee. This resulted in a figure of 219,293 sq m B1 floorspace requirement by 2026. The ELR Addendum 2010 revisited the projections and concluded that these projections for a significant increase in population and therefore jobs, had been overly optimistic and it therefore identified a revised policy growth scenario with a overall B1 floorspace requirement of 33,205 sq m, again based on 18sq m per employee. This was added to the 22,225sq m identified in the SHLAA to produce a total figure for employment floorspace of at least 55,430sq m.

3.2 The Core Strategy proposes that the 55,430 sq m should be met by the development of 30,000sq m of B1(A) at Sovereign Harbour, 3,000sq m B1(A) through redevelopment opportunities in the Town Centre, and the remaining 27,500 sq m through the intensification of development at three existing industrial estates. The Sovereign Harbour site therefore represents the only large vacant site in Eastbourne capable of providing high quality business space and is therefore a valuable resource for fulfilling the Councils aims of diversifying and improving the local jobs market. Although the 2001 Census showed a general balance between in and out commuting, it indicated that 10,000 local residents were travelling outside of the Borough to work. A wider range, and better quality, of employment opportunities within Eastbourne has the potential to reduce this making Eastbourne a more sustainable community.

3.3 The latest HCA figures suggest employment space/employee ratios are reducing and this has consequences for how much employment land local authorities need to plan for. As set out in paragraph 2.2 however, it would be premature to expect these ratios to become applicable throughout the total supply of B1 immediately or to assume they represent an industry standard for all employers. Prestige office space and headquarters buildings for example, use space to reflect status and quality rather than as a basic tool for allocating work stations to employees.

3.4 Using the figure of 16 sq m per employee as a basis, for the peak year of 2020, the requirement for B1 space in Eastbourne should be at least 50,000sq m. The Council wishes to divide this requirement to provide a balance between the allocation of vacant land at Sovereign Harbour with the redevelopment opportunities in the Town Centre, and the densification of the existing industrial estates. This has been challenged by Sovereign Harbour Ltd. The potential options are:

Option 1: 30,000sq m of B1 space at Sovereign Harbour, 3,000 at the Town Centre and the remainder through intensification.
This is the current Core Strategy position which places reliance on the development of the Sovereign Harbour site to deliver the bulk of the employment requirement.

Option 2: 15,000sq m of B1 space at Sovereign Harbour with 15,000 released for other employment generating uses, + 3,000sq m at Town Centre plus the remainder through densification.
This is the proposal by Sovereign Harbour Ltd which reduces the B1 space in favour of other employment generating uses based on a reduced requirement using the HCA ratio of 10sq m per employee.

Option 3: Maintain the existing Core Strategy position but include revised wording about an early revision of the viability of the Sovereign Harbour site allocation once the full results of the 2011 Census are known, which will provide more up to date figures on working age population and travel to work flows,
The workforce projections used in the ELR and Core Strategy are based on historic data (2001 Census), and there is also uncertainty over the financial viability and deliverability of the site. The review would take account of site development costs and the availability of finance. If it is clear the viability

and workforce projections evidence do not justify the retention of the site, part of the land could be released for alternative employment generating uses.

3.7 The favoured option is Option 3, which maintains the Core Strategy whilst addressing the issue raised at the Examination in Public by Sovereign Harbour Ltd that the latest information available does not support the retention of the Sovereign Harbour employment allocation. Early results from the 2011 census show a significant increase in the working age groups which tend to support the need for maintaining the employment provision proposed in the Core Strategy. A revised wording to paragraph 4.2.14 is suggested for consideration as follows:
'Land is identified for B1(A) use in Sovereign Harbour (30,000 square metres). This should take the form of a high quality business park to supplement local employment choice and provide complementary development to the residential uses at the Harbour. An early review of the employment land supply will be undertaken once the results of the 2011 Census are known and can provide up to date evidence of local workforce projections. This would include an assessment of the viability of business space development on the site for the Plan period. In the event of this showing that the retention of the land is not justified the Council will consider permitting appropriate alternative employment generating uses within use classes A2, C2 and D1.'

4.What alternative uses (if any) would be acceptable on land at Sovereign Harbour in the event it is not needed for B1(A) office use?
4.1 The NPPF provides guidance on the preparation of local plans, which must be prepared with the objective of contributing to the achievement of sustainable development (paragraph 152). As part of this the plan '*should set out the opportunities for development and clear policies on what will or will not be permitted and where'* (paragraph 154). Paragraph 22 encourages the release of employment land for alternative uses '*where there is no reasonable prospect of a site being used for that purpose', and 'applications for alternative uses should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable communities'.* There is a requirement, however, for local authorities to ensure the vitality of Town Centres and follow a sequential approach in assessing proposals for uses which would be considered as 'main town centre uses'.

4.2 The Council wishes to improve the sustainability of the Sovereign Harbour neighbourhood without allowing development which would either conflict with the planned completion of the community as set out in the draft Sovereign Harbour draft Supplementary Planning Document (SPD), or adversely impact on the vitality of the Town Centre. The SPD has clear proposals for community, retail and refreshment facilities on sites close to the existing Waterfront and retail park. The additional residential provision has been set at a maximum of 150 dwellings, which will provide the necessary cross funding for the provision of community facilities and openspace, without leading to an over development of the neighbourhood.

4.3 If therefore, the review concludes there is a case for the release of some of the site, it is considered that the alternative employment generating uses which would be acceptable should exclude:
A1 Retail – this would potentially conflict with the retail provision on the existing retail park and exacerbate competition between the 'out of town centre' and Eastbourne Town Centre.
A3 restaurants and cafes(except where ancillary to a main acceptable use) – provision is identified for these uses within the Sovereign Harbour commercial areas.
A5 hot food takeaway – As with A3 use this use is more appropriate in the retail/commercial areas; such uses can be generators of anti social behaviour which would detract from the aim of creating a high quality environment.
B2 general industrial – this would not be appropriate close to and sharing access routes with residential properties'
B8 storage and distribution - this would also cause potential conflict with residential and other uses by reason of the associated potential for large vehicles, refrigeration units, lighting and noise. Large sheds would be highly visible on the land at the entrance to the neighbourhood.
C3 residential – the Harbour residents have been part of considerable community involvement in the preparation of the Core Strategy and the Sovereign Harbour SPD which has resulted in a maximum of 150 dwellings being proposed in the neighbourhood.