

<p>Lisa Rawlinson, Eastbourne Borough Council, 68 Grove Road, Eastbourne, BN21 1DF</p> <p>May 27, 2016</p> <p>Doc. Number ID-9</p>	<p style="text-align: right;"><b>Eastbourne Borough Council</b> <b>Employment Land Local Plan</b> <b>Examination</b></p> <p style="text-align: right;"><b>Inspector</b> Inspector Robert Mellor BSc DipTRP DipDesBEnv DMS MRICS MRTPI</p> <p style="text-align: right;"><b>PROGRAMME OFFICER:</b> Mrs Claire Jones-Hughes c/o 6 Brading Road Brighton East Sussex</p> <p style="text-align: right;">Tel: 01273 381518 Mobile: 07737 786425 Email: bankssolutionsuk@gmail.com</p>
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Dear Ms Rawlinson,

**Policy EL4 Sovereign Harbour Allocations**

**Interim Conclusions to Support the Suggested Action Points from Session 2**

**1. Deliverability**

1.1 From the hearing statements and discussion it is evident that:

- Viability evidence provided by Bilfinger GVA for the Council and by Stiles Harold Williams (SHW) for Sovereign Harbour Ltd (SHL) indicates that speculative B1a office development would not be commercially viable in an out of centre location such as Sovereign Harbour.
- The SHW evidence indicates greater losses than the Bilfinger GVA evidence, mainly because of lower forecast rents and increased contingency and fees sums. However the rents that have been achieved at Pacific House are significantly higher than those assumed by SHW and marginally higher than those assumed by Bilfinger GVA. They are similar to rents achieved for Grade A office space at Chaucer Business Park in a commercial development.
- Sea Change Sussex (SCS) intends that the balance of Site 6 (disregarding the existing Pacific House) would be developed on a bespoke or prelet basis to identified business occupiers including owner occupiers.
- SCS wishes to acquire Site 7a using funds that would be provided by the County and/or Borough Councils. SCS intends to develop one block similar to Pacific House on site 7a and otherwise to develop Site 7a for prelet and/or bespoke development similar to that on Site 6 but without including B1c space.
- SCS has secured a grant of £0.6m as infrastructure investment for site servicing for Site 6.

- SCS otherwise intends to develop Site 7a and the remainder of Site 6 using funds borrowed on commercial terms.
- 1.2 According to a Report to the South East Local Enterprise Partnership in support of the £0.6m infrastructure investment, the first occupancy in a further building on Site 6 could take place in 2017. Full occupancy of that site is anticipated to be reached by 2024, only 3 years before the end of the plan period.
  - 1.3 The Report suggested that Site 6 is the only employment land allocation in Eastbourne. But that is incorrect since Site 7a has the same status. Site 4 is also allocated for mixed development which may include business floorspace. Moreover the EELLP also proposes the redevelopment of other sites in the town centre and the industrial estates to include business employment.
  - 1.4 The EELLP period runs to 2027. It follows that if development proceeds at the anticipated rate on Site 6 and if that site is accorded 'priority', as SHL would wish and the S106 agreement indicates (albeit that there is no phasing requirement) then the subsequent development of Site 7a is unlikely to be completed within the EELLP period. If Site 7a is developed in parallel to Site 6 then development on Site 6 may proceed more slowly than anticipated in the above report and the development of one or both sites may not be completed within the plan period. However the emerging Eastbourne Local Plan and Wealden Local Plans would run to 2035 and the employment requirements for those 2 plans have yet to be identified.

## **2. Overall Floorspace Allocation**

- 2.1 Policy EL4 provides firstly that:
 

*'Sovereign Harbour should accommodate 20,000sqm of additional B1 floorspace. This should be delivered predominantly on Sites 6 and 7a, however Site 4 could accommodate a small amount of office space'.*
- 2.2 Policy EL2 is more explicit in setting a target. Policy EL3 also makes inappropriate use of the word 'should' as previously advised. In Policy EL4 use of the word 'should' implies uncertainty as to whether this is a target or aspiration. However subsequent wording indicates that it is a minimum requirement which must be met before any other development is considered.
- 2.3 Having regard to the submitted viability evidence, the previous slow take up of this longstanding allocation and the slow pace of B1a/b development across Eastbourne together mean that it remains uncertain whether the Sovereign harbour sites will be fully developed within the plan period. On the other hand there is evidence of only limited availability of alternative employment land in Eastbourne. Eastbourne Borough Council and Wealden District Council will shortly need to identify employment requirements to support further housing and other growth in Eastbourne and in Wealden District beyond the plan period up to 2035.

- 2.4 The viability constraints for commercial development are similar or possibly greater on other identified sites and yet there is some evidence of successful commercial development on an out of centre site at Chaucer Business Park. Moreover there is a recent and extant planning permission for employment development at Sovereign Harbour that accords with the policy and which has been part implemented at Pacific House using a different development model. The permission allows that development will take place over a long period of 10 years or more.
- 2.5 It would thus be premature at this time to delete Site 7a from the allocation or to otherwise reduce the floorspace allocation. The only exception would be to accommodate the community centre development which would require a reduction of 1,500sqm in the floorspace allocation (from 20,000sqm (NIA) to 18,500sqm (NIA)).
- 2.6 There was discussion at the hearing as to whether either Site 6 or Site 7a should be subject to a minimum individual floorspace requirement. The S106 agreement already specifies a minimum requirement of 11,100sqm (NIA) for Site 6 which is suggested to be the priority site. However there is no obvious policy reason for including such a requirement. Also to do so would reduce the flexibility which the policy seeks and which is likely to be needed to accommodate the varying requirements of different occupiers in the layout.

### **3. Capacity of Sites 6 and 7a**

- 3.1 Policy EL4 includes an overall floorspace figure but does not specify how much floorspace should be accommodated on each of three sites (4, 6 and 7a).
- 3.2 From discussion at the hearing and the provision of indicative site layouts by SCS, it has been demonstrated that it would be physically possible to accommodate 18,500sqm (NIA) on Sites 6 and 7a. However there remains uncertainty about capacity because:
- The layouts make assumptions about the ratio of Net Internal Area to Gross External Area which may vary in practice;
  - All development shown would be of 3 storey office-type floorspace whereas the Policy EL4 wording seeks flexible format space for all types of B1 development as follows:  
  
*'The B1 floorspace should be delivered in a flexible format that will allow businesses to adapt their operations depending on circumstances.'*
  - The explanatory text to Policy EL4 at paragraph 4.38 suggests that the Innovation Mall (Pacific House) is an example of flexible hybrid space. However Sea Change Sussex acknowledged at the hearing that it is mainly occupied as office space and that it would be developing other forms of business on the adjacent land.

- 3.3 Any variations from the indicative layout could have implications for site capacity and the overall delivery of floorspace.
- 3.4 Increased flexibility could be achieved if the floorspace figure in the Policy is expressed as a target rather than a minimum.
- 3.5 The SCS layout includes the retention of trees covered by a Tree Preservation Order. Sovereign Harbour Ltd (SHL) suggested that they had previously agreed with the Council some reduction in the area retained for the trees which might allow more room for development as set out in the parameter plans for the outline permission. However as the trees protected by the TPO currently screen the site from the adjacent Pevensy Bay Road and because neither layout includes other significant landscaped areas, I do not consider that the removal of the trees should be assumed when assessing site capacity.
- 3.6 Policy EL4 provides finally that:
- 'Other employment generating uses that are compatible with the residential area (with the exception of class A1, A3 and A5 uses) will be acceptable on any remaining land on Sites 6 and 7 following the delivery of the 20,000sqm of B1 floorspace'.*
- 3.7 The capacity evidence indicates that to reach the reduced 18,500sqm target (plus the community centre) both sites are likely to be fully occupied by B1 floorspace. It is unlikely that there would in practice be any remaining land. Neither is it probable that both sites would be fully built out before the end of the plan period.
- 3.8 Any proposals for alternative development would preferably come forward through the emerging Local Plan by which time there would be better evidence as to the progress on development of Site 6 and in the town centre and also the extent of employment needs for the period beyond 2027.
- 3.9 The floorspace figure in the above sentence needs to be amended to accord with other changes. The sentence should also refer to Site 7a rather than Site 7.

#### **4. Type of B1 Floorspace**

- 4.1 Policy EL2 only refers to the provision of B1 floorspace and makes no distinction between Sites 6 and 7a in that regard. However the outline planning permission limits Site 7a to Use Classes B1a and B1b whilst allowing that Site 6 could also include B1c space (for which it is more suited as it does not closely adjoin residential development and is better located for servicing by larger vehicles).
- 4.2 As the Council has previously determined that Site 7a should not include B1c development (and has issued a planning permission to that effect) that ought

to be made clear in the policy in order to provide appropriate certainty for prospective developers and neighbouring residents.

- 4.3 Whilst Policy EL2 is explicit that there is a target for the Industrial Estates to develop 20,000sqm floorspace Gross External Area, Policy EL4 and the explanatory text do not similarly make clear that the 20,000sqm figure (or 18,500sqm as proposed to be modified) is intended by the Council to be measured as Net Internal Area.
- 4.4 There would be advantages in converting the Policy EL4 figure to Gross External Area, particularly as the development is not to be limited to B1a office floorspace but is intended to allow for B1b space and for B1c floorspace (on Site 6). However there is no fixed formula for converting NIA to GEA.
- 4.5 The SCS indicative layouts REP/10/02 and REP/10/03 could provide an approximation but they are annotated as NIA or GIA (Gross Internal Area) which would exclude external walls.
- 4.6 It would be helpful if EBC and SCS could agree what the GEA figure would be for the indicative layouts.

## **5. Community Centre**

- 5.1 In the hearing statements, and as agreed by EBC and SHL at the hearing, it is now proposed that Site 7a will accommodate a community centre and consequently the site floorspace allocation should be reduced by 1,500sqm (NIA).
- 5.2 That change would also be in accordance with the provisions of the S106 agreement that is linked to the extant outline planning permission.
- 5.3 The Policy should stipulate the site area required for the community centre but need not define its location within Site 7a. This is in order to allow flexibility in layout design.
- 5.4 Consideration is needed by EBC as to whether the Policy or the explanatory text should refer to any provision of parking for the Community Centre including whether there would be a need to share parking with development on other parts of the site as discussed at the hearing.
- 5.5 In the Action Points EBC is requested to propose a formal main modification to Policy EL4 and the explanatory text which amends the references to the floorspace allocation and also explains that Site 7a is to accommodate a community centre.

## **6. Site 4 Mixed Development**

- 6.1 The extant outline planning permission allows 10 years for the submission of detailed reserved matters for business development on Sites 6 and 7a but only 3 years for the submission of reserved matters for the mixed development on Site 4 (which may or may not include business floorspace).
- 6.2 If 18,500sqm is a minimum requirement to be delivered across sites 4, 6 and 7a, it would not be known until the end of the plan period whether the target floorspace had been accommodated on Sites 6 and 7a and consequently whether any B1 floorspace was needed on Site 4 to reach that target. It would thus be impractical to use Site 4 as a reserve site in case of reduced delivery on Sites 6 and 7a. However, should any office floorspace be delivered in Site 4 or other sites at Sovereign Harbour then it would remain reasonable to count such floorspace against the Policy EL4 target.

Yours sincerely,

Mr R Mellor

**Inspector**