

**EELLP - EIP Hearing Statement  
Session 2, Sovereign Harbour**

**Matter 1  
Location Suitability, Site Capacity,  
The Quantum of Development and the Development Mix**

**On Behalf of:**

**Sovereign Harbour Ltd**

**Date: 28 April 2016**

## Session 2, Sovereign Harbour

### Matter 1 Location Suitability, Site Capacity, The Quantum of Development and the Development Mix

#### Issue 2A – Whether the allocation of the Sovereign Harbour Sites is justified

##### Qu 2.1 As the Local Monitoring Report found that losses of office floorspace within and outside the town centre already considerably exceeded the losses anticipated in the ELLP, does that reinforce a need to allocate or reserve space for new office development at Sovereign Harbour?

- 1.1 No.
- 1.2 EBC's proposed allocations of 23,000sq.m. NIA is an over-provision based on assessed employment forecasts.
- 1.3 This more than compensates for any space that has already been lost from Class B1a use taking into account also EBC's confirmation that a very significant proportion of the space that has been lost was already redundant space and also space in fringe locations (EBC letter 15 April 2016).
- 1.4 EBC in that correspondence has also outlined that losses of office space have now reduced and they expect the space that is to be lost has already most likely been subject to proposals.
- 1.5 As per our response to Session 1b, Matter 4 we do consider any further losses should be monitored and the loss of quality accommodation should be kept under review and addressed through Article 4 directions if necessary.

##### Qu 2.2 Does the marketing history of Pacific House support SHL's contention that there is currently a lack of demand for B1 employment floorspace at this location and that what demand there is could be accommodated on Site 6?

- 1.6 Based on SeaChange's on-line News summaries:
  - Pacific House was completed in July 2015.
  - The first unit was let in September 2015.
  - An open door, drop-in marketing week was run during the second week of November 2015.
  - A further open door, drop in week is to run during w/c 20<sup>th</sup> May 2016.
- 1.7 Lettings information as at April 2016 (**Annex 1**) is understood to comprise:
  - 7 units have been let and 1 is under offer
  - 12 units are vacant including all of the larger units that are capable of being subdivided in order to accommodate a greater number of smaller firms – i.e. those that are the priority market for the innovation mall and that most closely reflect the Eastbourne office market.
  - In space terms just 28% of the available unit space was let or under offer.

- Marketing terms include rents but with business rates, service charges, IT & broadband connections and a share of all other outgoing costs, plus VAT to be added in order to reach the full occupancy costs to tenants.
- 1.8 Lettings are also understood to be available from 6 months upwards, meaning that tenants will be able to leave after short terms.
- 1.9 So whilst 2,344 sq.m. NIA of space has been available at Pacific House since July 2015 just 644sq.m. has been let / placed under offer. This equates to 27% of space but must be placed within the context of rentals achieved and other lettings terms.
- 1.10 SeaChange's submission for funding (see SHW representations to Draft ELLP Dec 2014-Jan 2015) assumed that 27% of target jobs to be accommodated within the building would be secured 2015/2016. They will be able to confirm if this has been achieved.
- 1.11 It also assumed that 25% take-up rental income at £17psf excluding service charge would be achieved in year 1, 50% in year 2, 65% year 3 and 90% year 4 onwards.
- 1.12 They will be able to confirm the rents achieved.
- 1.13 The take-up trajectory appears to be on track but this only equates to just 644sq.m. The trajectory assumes a 4 year plan to reach target 90% occupancy.
- 1.14 Representations to the Draft ELLP 2015-2016 submitted by Locate East Sussex, EBC's promotional partner who is charged with independently promoting and assisting companies in located within and to Eastbourne, have reported:
- Concern over the location, broadband connections and costs of accommodation at Pacific House;
  - Concern over the lack of suitable accommodation in the town centre.
- 1.15 **As outlined throughout the size and density of space that can be achieved on Site 6 is significant. The rate of take up and lack of commitment to moving forward with the next Phases demonstrates that Site 6 does provide a very significant long term delivery commitment.**
- 1.16 SeaChange has expressed interest in acquiring Sites 7a but:
- this is not required to meet employment forecasts or take-up trends.
  - Site 6 already provides a long term commitment that will meet a very substantial share of EBCs assessed jobs forecast.
  - SHL's own marketing of Site 7a, supported by EBC over a significant time, has only resulted in interest from non Class B1 use.
  - The jobs forecasts, size of the local market and viability of the SH does not support the further setting side of Site 7a for Class B1 uses.

- SH's critical location and connectivity constraints will not be overcome to significantly improve its relative standing against opportunities in Eastbourne town centre and the very strongly preferred A22 corridor.

**Qu 2.3 As the SD/28 office Delivery Report indicates that out of centre office development in Eastbourne would currently incur losses and provide no return to the landowner, in what circumstances could B1 development at SH be delivered during the plan period?**

- 1.17 Further B1 development will require funding support where other forms of cross-subsidy are not available and is therefore dependent on that support remaining available and being allocated to this location within a competitive market.
- 1.18 Funding support however must be backed-up by a feasible delivery plan with development, income and repayment trajectories.
- 1.19 Pacific House already is based on a 4 year take-up plan and the rest of Site 6 must be taken-up. To set aside Sites 4 and 7a for even longer cannot be justified and again is not required to meet jobs forecasts.

**Qu 2.4 Can the demand for, and economics of, B1 development at SH be predicated for the full remaining 11 years of the Local Plan?**

- 1.20 Sites 4 and 7a are not required for Class B1 space. Site 7a has only resulted in interest from non Class B1 occupiers.
- 1.21 SeaChange's interest in Site 6 already represents a significant and long term commitment to delivering new Class B space.
- 1.22 SeaChange's own funding plan for Pacific House is based on a 4 year trajectory, with the remainder of Site 6 also to be progressed through marketing, planning, building and letting. This is compounded by expressed market concerns, as reported by Locate East Sussex in their January 2016 representations, about the location, connectivity and cost of this space and as demonstrated by the Veritek case.

**Qu 2.5 If not does a need for B1 employment opportunities and insufficient alternative provision justify retaining Site 7a for B1 employment through the period (or until the new plan review if sooner)?**

- 1.23 Site 4 and Site 7a are not required to help meet Class B1a jobs forecasts.
- 1.24 Sufficient and much better located alternative provision can be very appropriately accommodated within the town centre allocation sites and alternative options can be promoted elsewhere in the centre and the A22 corridor.
- 1.25 These alternative sources of supply will not prejudice housing or other provisions from being met.

- 1.26 Site 7a has been readily available over a significant period. EBC reviewed this through the CSLP. They were given 2 years by the CSLP Inspector to review this again and produce a viable ELLP. They have failed to meet that deadline as they have sought to justify the on-going retention of land at SH.
- 1.27 Site 4 is only appropriate for small office space that must compete with The Waterfront and Pacific House. Lettings at The Waterfront have already started to take longer.
- 1.28 Site 6 represents a very significant source of supply in size, job capacity and delivery trajectory terms.
- 1.29 The retention of Site 4 and 7a for office space cannot be justified also when declared interests in other employment generating uses exist.

**Issue 2B – Whether the EELLP as worded would be effective in delivering the development allocation**

**Qu 2.6 Other than the above outline planning permission what planning permissions or reserved matters decisions have been issued on Site 6 for Pacific House or Other Development?**

- 1.30 For EBC and SeaChange to confirm.
- 131002 – Outline Permission
  - 130967 – Pacific House, 31 March 2014
  - 150221 – Pacific House, 21 May 2015 – reconfigured car park

**Qu 2.7 As the description of the outline Condition 10 states that Site 6 is to be developed for up to 15,000sq.m. of B1 floorspace and Condition 10 sets a maximum of 20,000sq.m. of B1 floorspace on sites 4, 6 and 7a, how would the EELLP determine the quantum of floorspace as stated in the proposed Minor Modification 4?**

- 1.31 EBC's proposed Minor Modification does not reflect the outline permission.
- 1.32 Outline permission Condition 10 states that Sites 6, 7a and 4 shall together provide up to a maximum of 20,000sq.m. of B1 space.
- 1.33 The description of outline development refers to Site 6 being for up to 15,000sq.m.
- 1.34 The s106 agreements requires that
- a minimum of 11,100sq.m. NIA of space is provided on Site 6.
  - Up to 8,900sq.m. NIA of B1 space is provided on Sites 4/7a or less following the ELLP allocation and / or if the community hall is to be provided on Site 7a.
- 1.35 On site basis Site 6 will provide at least 11,100sq.m. NIA. It is this figure that we consider should be carried forward and referenced in the ELLP.

**Qu 2.8 Is the wording of Policy EL4 that: Sovereign Harbour should provide 20,000sq.m. of additional B1 floorspace' sufficiently clear as to the amount of floorspace that is required including**

- **whether it is a minimum or maximum and**
- **what it is 'additional' to**
- **whether it is to be measures as net internal area or a gross external area?**

1.36 EBC's B1 space requirements and allocations are based on NIA (as derived from job density figures) albeit this is a very difficult measurement to apply in local plan policy setting and through outline planning or speculative development space testing.

1.37 For the purposes of policy setting the NIA figures should ideally be translated into GEA.

1.38 With that aside,

- EBC figures are NIA.
- EBC has confirmed that the community hall building must now be located within Site 7a, which reduces its capacity by 1,500sq.m.
- The s106 agreement confirms that this space must be discounted from the B1 space to be provided on Site 4/7a and EBC (26 April 2016) has confirmed that its Site 4/7a specified capacity is reduced to 7,400sq.m. NIA and the overall SH capacity to 18,500sq.m. NIA.
- This still means that Site 6 must provide at least 11,100sq.m. NIA – this still represents a significant amount of space and a long term supply opportunity such that EBC's proposed reduced allocation for Site 4 /7a is still not required to meet assessed requirements.

**Qu 2.9 Does the provision of Policy EL4 that no other uses may be provided until 20,000sq.m. of B1 floorspace has been delivered mean that it is a minimum figure whereas the outline planning permission set it as a maximum figure for SH and the s106 agreement sets separate minimum floorspace figures for Sites 6 and 7a?**

1.39 As drafted EL4 requires 20,000sq.m. NIA (or now 18,500sq.m. NIA) to be provided on the SH sites before any other uses will be considered.

1.40 The outline permission requires Site 6 to provide a minimum of 11,100sq.m. NIA with the other requirements for Sites 4 and 7a to be confirmed through the EELLP.

1.41 The allocation of a minimum of 11,100sq.m. NIA on Site 6 only is appropriate in view of the scale of this relative to forecast requirements, the size of the local market and the need to balance new provision elsewhere in the town. This is appropriate for policy setting and the s106 allows for Sites 4 and 7a to be fully freed from any B1 delivery requirements by the findings of the EELLP process.

**Qu 2.10 What is the purpose of the provision at 4.2 of Schedule 4 of the s106 Obligation concerning other B1 development at SH and to what land does it relate?**

- 1.42 This provision acknowledges that other development opportunities sites exist within Sovereign Harbour. Including a number of already developed non residential sites. These sites include Sites 2 (a car park), Site 3 (currently set aside for a fisherman's facility) and existing commercial sites.
- 1.43 The purpose of this provision is to ensure that should any other Class B1 schemes come forward elsewhere within the Harbour these would count towards the overall SH ELLP allocation.

**Qu 2.11 As Provision 4.2.3 of Schedule 4 of the S106 obligation is expressed in terms of the land area of the community hall and 4.2.2 is expressed in terms of sq.m. of B1 floorspace, how would the reduced B1 floorspace requirement be calculated if the site is developed for a community hall?**

- 1.44 The land area for the community hall on Site 7a totals 1,518sq.m. NIA. EBC has confirmed that it is appropriate to remove this from the site capacity for Sites 4/7a (EBC 26<sup>th</sup> April 2016).
- 1.45 The Site 7a community hall site was defined based on a community hall building of 750-800sq.m. GEA and to allow for site access and parking areas. The same area of land if developed for Class B1a/b space can be developed up to 3 storeys in height based on approved design parameters for Site 7a. This would accommodate significantly more than a community hall building and hence it is appropriate to reduce the Site 7a capacity by 1,500sq.m.

**Qu 2.12 Does Policy EL4 as worded allow for the development of a community hall on Site 7a in the circumstances described in the s106 agreement and, if not, does it require modification?**

- 1.46 The requirement for the community hall to be located on Site 7a has now been confirmed and this must be reflected in Policy EL4.

**Qu 2.13 Could Sites 7a and 4 accommodate 8,900sq.m. (NIA) of B1 space and still leave space for other development?**

- 1.47 Site 7a and 4 can no longer accommodate 8,900sq.m. NIA this is now 7,400sq.m. in view of the community hall requirement. This does not allow for other uses within these sites with the exception of other commercial uses on the ground floor only on Site 4.

**Qu 2.14 In accordance with the wording of para 4.46, should the second part of Policy EL4 refer to other development on any remaining land on Sites 6 and 7a rather than to Sites 6 and 7?**

- 1.48 Policy ELR should be drafted as set out in our main representations. Our preference however is that the NIA figure is translated to GEA.

**Qu 2.15 Having regard to the SPD and the outline permission description could Site 6 accommodate more B1 development that is currently proposed?**

- 1.49 SeaChange's marketing materials only refer to 9,717sq.m. NIA being achievable.
- 1.50 The outline permission requires a minimum of 11,100sq.m. NIA to be provided which points to additional capacity being possible subject to efficient site planning.
- 1.51 EBC has reconfirmed this requirement (26 April 2016) and we would expect EBC to require this in the interest of securing the best use of land.

**Qu 2.16 As all types of B1 development are by definition those uses which are suitable to be carried out in any residential area without detriment to the amenity of that area are Sites 6 and 7a both suitable for all types of B1 development?**

- 1.52 Site 6 is located adjacent to the Sovereign Harbour Retail Park and behind a shingle mound. It is heavily screened. Site 7a is more open, presents a more open aspect onto Pevensey Bay Road which EBC has been eager to define as a gateway into and from Eastbourne town. It also neighbours residential development. The design and amenity led principles for the two sites as set out in the SH SPD and the outline planning permission with the linked approved design parameter plans for the sites are therefore quite different.
- 1.53 Site 7a is therefore not considered appropriate for light industrial shed type space that can attract more and larger delivery and service vehicles.

**Qu 2.17 What are the site areas of Sites 4, 6 and 7a?**

- 1.54 These are:

Site 6	-	3.393ha
Site 4	-	0.383ha
Site 7a	-	2.193ha
Total	-	5.969ha



## ANNEX 1 – PACIFIC HOUSE LETTINGS



### Pacific House, Sovereign Harbour Innovation Park

Floor	Unit	Size		Car parking spaces	Rent pax
		Sq.ft	Sq.m		
Ground	1	936	86.91		LET
	2	635	58.99	3	£10,478
	3	635	58.99	3	£10,478
	4	635	58.99		LET
	5	627	58.28		UNDER OFFER
	6	629	58.42		LET
	7	630	58.54	3	£10,395
	8	627	58.26	3	£10,346
	9	627	58.26	3	£10,346
	10	635	58.99		LET
	11	952	88.47		LET
First	12	1,897	176.24	7	£32,249
	13	1,268	117.80	6	£21,556
	14A	629	58.42		LET
	14B	629	58.42	3	£10,693
	15	1,893	175.89		LET
	16	1,268	117.78	6	£21,556
	17	1,269	117.93	6	£21,573
Second	18	4,402	408.96	20	£74,834
	19	4,412	409.88	20	£75,004

**Please Note:**

- Units can be combined to suit occupiers' size requirements. All the above floor areas are on a net internal basis and have been taken from current plans. These may be liable to alterations during the construction works. All potential tenants must satisfy themselves as to the actual floor areas by on-site measurements upon completion of the building works.
- An additional 15 parking spaces will be designated for visitors and blue badge holders.
- All rents are exclusive of business rates, VAT, service charge and all other outgoings and are to be paid quarterly in advance by direct debit or electronic transfer.
- Service charge is payable by each tenant towards the cost of the day to day management and maintenance of the building, common parts and external areas. Includes central heating costs for each unit.
- VAT will be payable upon rent and service charge.
- Tenants pay direct to suppliers for all utilities used within the unit (except central heating) and for telecoms/broadband.
- Tenants to provide a deposit equal to a minimum of 3 months rent, to be held for the whole term.
- Each unit to be separately assessed for business rates and tenant pays direct to local authority