



SEEDA

Hastings and Bexhill Five Point Plan

Final Report

March 2002



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A Final Report

by

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EXECUTIVE SUMMARY

1. This report details the Five Point Plan for Hastings and Bexhill which has been developed in order to secure the economic prosperity of the area following the decision by the Secretary of State, on the 12th July 2001, to withhold approval for the western and eastern bypasses around Bexhill and Hastings.
2. It should be read in conjunction with the earlier report and action plan produced for SEEDA by DTZ Pidea Consulting called, 'Prosperity for Hastings and Bexhill, October 2001'. This introduced a substantial package of measures which would lay the foundations for securing the prosperity of the area.
3. These measures have now been further developed, in association with the Hastings and Bexhill Task Force, to provide a comprehensive regeneration strategy for Hastings and Bexhill. They comprise of five interlinked initiatives, which aim to give a new impetus to the regeneration of the area. These initiatives of the Five Point Plan are outlined below.

Regeneration Measures for Urban Renaissance

Initiative One contains a range of projects that aim to:

- Regenerate the town centres of Hastings and Bexhill -
- Bring redundant buildings back into use -
- Recycle brownfield land -
- Bring forward key employment sites -
- Bring forward a range of brownfield mixed use projects under the Millennium Communities project
- Refurbish poor housing stock
- Supply new private and affordable housing units
- Regenerate the seafront of Hastings and Bexhill -
- Provide access to new parkland

**The Stimulation of
Business Innovation,
Enterprise, Creativity and
Technology Transfer**

Initiative Two aims to stimulate business innovation in Hastings and Bexhill by:

- Developing an 'Enterprise Gateway' in Hastings
- Providing accommodation and support for high-tech business start ups
- Providing accommodation and support for high growth businesses in high-tech sectors
- Providing support to increase the skills of the labour market
- Providing support to businesses on the use of IT and innovation
- The promotion of technology transfer from the new University to existing and new businesses in the area

**Excellence in Higher and
Further Education**

Initiative Three focuses on raising the higher-level skills base in Hastings and Bexhill by facilitating the development of a further education institution in Hastings. The institution will accommodate students on courses including New Media, IT and CPD.

**Broadband ICT
Infrastructure and
Applications**

Initiative Four aims to make Hastings the UK's first e-Town by:

- Rolling out broadband fibre optic networks to key employment sites, residential developments and community centres
- Increasing the availability of mass market broadband services (ADSL)
- Ensuring all primary and secondary schools are broadband enabled (in conjunction with the NGfL)
- Developing a range of content for a Hastings portal
- Offering a range of e-Learning courses via 'learn direct'
- Stimulating demand for broadband by opening a broadband demonstration centre in Hastings

**Transportation
Improvements**

Initiative Five will introduce a number of public transport initiatives which include:

- A reduction in the journey time on the Hastings to London rail service
- The development of a rapid rail transit system between Ore in the east and Bexhill in the West
- The construction of a new train station at Bulverhythe in order to provide access to existing and proposed developments.

4. A collection of projects, which meet the objectives of these five initiatives, have been identified by the Task Force partners, including SEEDA, and are detailed within this report. These projects have been selected to form part of the Five Point Plan as they aim to restore the confidence of businesses, investors and local people in the area. They have been identified as priority schemes because they were judged to be deliverable in the short to medium term, subject to additional public sector funding being secured.
5. These projects form part of a total ten year programme of development in the Hastings and Bexhill area, with the estimated total cost of investment being over £300 million. A significant amount of funding has already been identified from various sources including private sector funding, mainstream funding, SEEDA and capital receipts. However, a further £51million of 'net new money' over ten years is required in order to successfully complete the proposed programme of development. The Government has therefore recently agreed to provide a substantial £38 million over the next three years in order to assist this regeneration programme.
6. This report represents the status of the projects as at March 2002, however, it important to stress that this portfolio of projects and the estimated funding/outputs may change and develop as further work on the Plan is carried out by the Task Force partners.
7. The rest of this report sets out the Five Point Plan and details the projects that have been proposed as priority projects by the Task Force partners to achieve the objectives of the Plan. It is structured as follows:

Section 1: Provides contextual information and details the background of the Five Point Plan.

Section 2: Identifies the nature of the market failure in Hastings and Bexhill and the subsequent need for support.

Section 3: Details each of the projects in the Five Point Plan with regard to the existing situation, proposed intervention, strategic fit into the initiative, timescale and deliverability.

Section 4: Sets out the outputs and outcomes of the Five Point Plan.

Section 5: Details the funding schedule of the Five Point Plan.

Section 6: Identifies how the Five Point Plan will target intervention to support the most deprived communities in Hastings and Bexhill.

Section 7: Sets out the linkages the Five Point Plan has with other initiatives and consultants' work in Hastings and Bexhill.

Section 8: Details the forward strategy for the Five Point Plan which includes information on the implementation, management and delivery of the action plan.

Section 9 : Identifies the key actions of the Five Point Plan and sets out a risk assessment of the intervention.

1. INTRODUCTION AND BACKGROUND TO THE FIVE POINT PLAN

THE NEED FOR INTERVENTION

- 1.1 The Hastings and Bexhill Five Point Plan has been developed in order to address the severe levels of economic and social deprivation in Hastings and its surrounding environs.
- 1.2 The need for intervention is illustrated by the fact that the Borough of Hastings is the 27th most deprived district in England and falls within the top 8% of the most deprived districts in the country (DTLR, 2000). Placing levels of deprivation in Hastings in a regional context, the Borough is the most deprived in the South East.¹ The Borough is significantly more disadvantaged than districts such as Brighton and Hove (which is the 94th most deprived district in England).
- 1.3 Assessing average levels of deprivation across the whole Borough masks some substantial pockets of deprivation across the wards that constitute Hastings. Over 30% of the wards in Hastings fall within the 10% most deprived wards nationally.² This is over **three times the level that would be expected** if deprivation were evenly distributed across the country.
- 1.4 As can be seen from Table 1.1, 11 of the wards in the Borough are amongst the 20% most deprived wards in England. Both Central St. Leonards and Castle wards in Hastings are ranked within the 2.5% most deprived wards in England (191st and 203rd respectively) and rank above wards that are within European Community Objective One areas such as Dingle in Liverpool (215th) and Nether Shire in Sheffield (369th). Two wards in Bexhill, Central Rother and Sidley, are also ranked in the top 20% most deprived wards in the country

¹ Excluding London

² The **Index of Multiple Deprivation (IMD)** is an assessment of ward level indices of deprivation in England categorised into six main domains: income, employment, health deprivation, education, and geographical access to services. Each of the wards in England have been allocated a score and a rank for each of the six domains, with 1 being the most deprived ward in England and 8,414 being the least deprived ward in England. The six domains have also been aggregated in the IMD to give an overall deprivation score and rank.

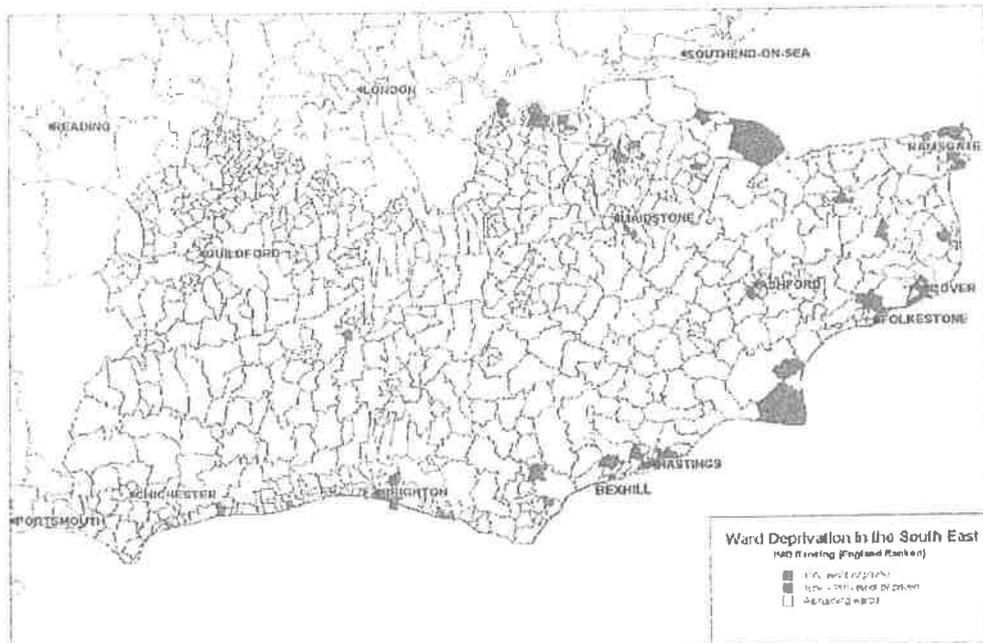
TABLE 1.1:
LEVELS OF MULTIPLE DEPRIVATION IN HASTINGS AND BEXHILL

Ward	Rank in England (out of 8,414)	Percentage Ranking in England
Central St. Leonards	191 st	2.3
Castle	203 rd	2.4
Gensing	483 rd	5.7
Hollington	569 th	6.8
Broomgrove	697 th	8.3
Mount Pleasant	896 th	10.6
Maze Hill	968 th	11.5
Ore	970 th	11.5
Braybrooke	976 th	11.6
Wishing Tree	1085 th	12.9
Central Rother	1,357 th	16.1
Old Hastings	1,467 th	17.4
Sidley	1,480 th	17.6

Source: Index of Multiple Deprivation, DTLR, 2000

- 1.5 Map 1.1 shows the relative concentration of deprivation in Hastings and Bexhill. The wards shaded dark red are ranked in the 10% most deprived wards in the country and the wards shaded red are ranked in the 20% most deprived wards.

Map 1.1: The 20% Most Deprived Wards in the South East, 2000



DTZ Peda Consulting, Economics
 Planning Ltd 1999 Economic Survey of the South East (2000) DTZ for HASTINGS BOROUGH COUNCIL

- 1.6 The wards in Hastings score particularly poorly in the inter-related domains of employment and income. Central St. Leonards ward ranks 35th in the country on the **employment** domain in the Index of Multiple Deprivation. As such, it falls within the top 0.5% of the most deprived wards in the country with regard to employment deprivation. With regard to **income**, Castle ranks as the 187th most deprived ward in the country, falling within the 2.5% most deprived wards in England.
- 1.7 Some of the wards in Hastings also score poorly on the education and housing domains of the Index of Multiple Deprivation. Hollington ward ranks as the 100th most deprived ward in the country with regard to **education**, falling within the 2.0% of the most deprived wards in England. On the **housing** domain, Hollington ward ranks as the 603rd most deprived ward in the country, falling within the top 7.5% of the most deprived wards in England.
- 1.8 Hastings and Bexhill also suffer from severe **structural economic problems** that have resulted in the economic and social deprivation detailed above. Throughout the past decade, employment growth in Hastings and Rother has stagnated, in stark

contrast to the high levels of employment growth experienced across the South East region. The stagnation of employment growth in the area is partly a function of the relative predominance of low growth sectors in Hastings and Bexhill, such as manufacturing and tourism, and partly due to the fact that Hastings and Bexhill have failed to capture mobile service sector projects that have tended to locate in more accessible areas of the South East.

- 1.9 In recognition of the structural economic problems facing Hastings, **seven wards in the Borough have been awarded Objective Two status** and therefore have access to European Regional Development Fund monies. The focus of the Objective Two programme in Hastings, which will run over the period 2000 to 2006, is on developing the indigenous business base in the area in order to integrate Hastings, economically and socially, with the rest of the South East.

THE AIMS OF INTERVENTION

- 1.10 The Hastings and Bexhill Five Point Plan has been developed in order to combat the root causes of the severe levels of multiple economic and social deprivation that exist in the area. Each of the five initiatives in the Five Point Plan has been developed to complement the **Tier Two Regional Targets** for the South East. This reflects the fact that tackling the severe levels of deprivation in Hastings and Bexhill will require a multi-faceted approach to economic and social development. The Tier Two Regional Targets are outlined below.

1.11 Tier Two Regional Targets:

Sustainable Economic Performance	Provide the strategic framework to improve the sustainable economic performance of each region, measured in the trend in growth of GDP per capita, while also contributing to broader quality of life.
Regeneration	Work with Local Strategic Partnerships (LSPs) and other stakeholders to tackle poverty and social exclusion through promoting economic development in the most deprived areas, by reducing deprivation by 10% in those wards in the region that are currently in the bottom 20% of the Indices of Multiple Deprivation (IMD).
Urban	In line with Urban White Paper objectives, and working with LSPs, contribute to the renaissance of towns and cities through the delivery of the Regional Development Agency's regional strategies.

Rural	In line with Rural White Paper objectives and the Regional Development Agency's regional strategies, regenerate market towns in, or close to, priority rural areas, and achieve increases in employment, skills and new business formation levels in priority rural areas comparable with other priority areas.
Physical Development	Work with partners to ensure that: by 2008, 60% of new housing is provided on previously developed land and through conversion of existing buildings; by 2004, brownfield land is reclaimed at a rate of over 1,100 hectares per annum (reclaiming 5% of current brownfield land by 2004 and 17% by 2010).
Employment	Work with partners to increase the International Labour Organisation (ILO) employment rate over the economic cycle.
Skills	Work with Learning and Skills Councils (LSCs), National Training Organisations (NTOs) and other partners to improve the level of qualifications of the workforce in order to meet priorities as defined in regional frameworks for employment and skills and help to meet national learning targets.
Productivity	Work with regional partners to enable an increase in productivity measured by Gross Value Added (GVA) per hour worked in the region.
Enterprise	Work with the Small Business Service (SBS) and others to help build an enterprise society in which small firms of all kinds thrive and achieve their potential, with an increase in the number of people considering going into business, an improvement of the overall productivity of small firms and more enterprise in disadvantaged communities.
Investment	Make the region an attractive place for investment, to maintain the UK as the prime location in the EU for foreign direct investment, particularly by providing effective co-ordination of inward investment activities of regional and local partners.
Innovation	Make the most of the UK's science, engineering and technology by increasing the level of exploitation of technological knowledge derived from the science and engineering base, as demonstrated by a significant increase in the number of innovating businesses, of whom a growing proportion use the science base amongst other sources of knowledge.

THE NATURE OF THE INTERVENTION

- 1.12 The Hastings and Bexhill Five Point Plan is comprised of five inter-linked initiatives that contain a total of 37 projects. A brief summary of each of the projects is given in Appendix I and a more detailed assessment of the portfolio of proposed projects is provided in Section 3 of this report. In addition information, including photographs and location plans, on the site specific physical regeneration projects in Initiatives One, Two and Three forms Appendix III.

- 1.13 The nature of the market failure in Hastings and Bexhill and the subsequent need for intervention in the form of the Five Point Plan are outlined in detail in the next section of this report.

2. THE NEED FOR INTERVENTION AND THE NATURE OF MARKET FAILURE

2.1 The need for regeneration in Hastings, Bexhill and the surrounding areas is widely acknowledged. The Borough of Hastings is the most disadvantaged district in the whole of South East England, excluding London, and the 27th most deprived district in England, out of 354 authorities. Five wards within the Borough are among the 10% most deprived wards in England.

2.2 Figures 1-6 illustrate the need for intervention, based on the relative deprivation of Hastings and Bexhill compared to the Great Britain average and the rest of the South East.

2.3 **Unemployment** in the Borough is approximately 3 times the average for the South East and 2½ percentage points higher than the average for GB. The employment rate also lags behind the South East average, although is on a par with GB. In 2000 the average employment rate in the region was 80% compared to 74% in Hastings.

Fig. 1 Unemployment and Employment Rate 2000

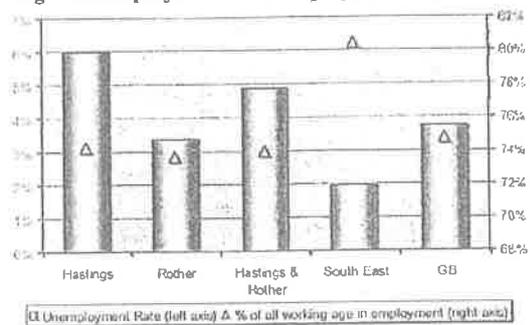
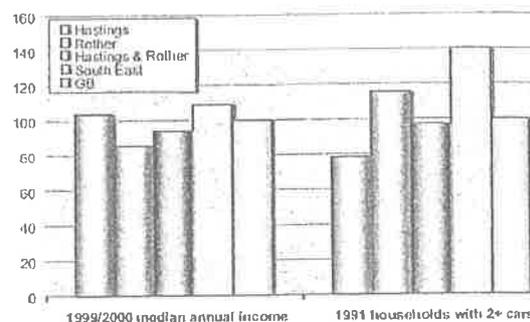


Fig. 2 Incomes and Car Ownership (GB=100)

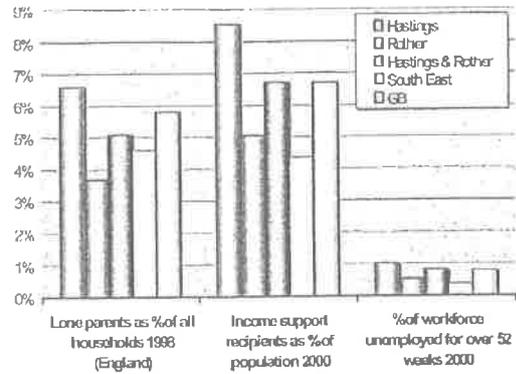
2.4 Fig. 2 shows how the **median annual income** is above the GB average, but slightly below that attained in the South East. However, average annual incomes are 25% below the average for GB, while those for the South East as a whole are 15% above the GB average. Wages are also below the South East and GB average.



2.5 There is a significantly lower percentage of households with two or more cars in Hastings and Rother than on average in the South East and GB.

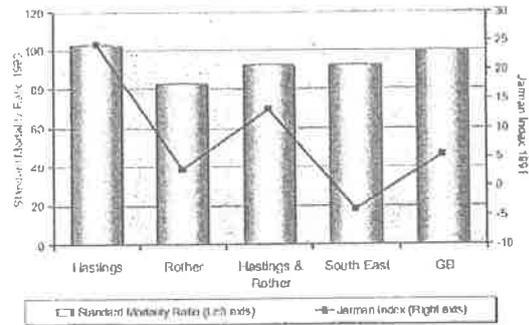
2.6 Deprivation indicators reflect the evidence of considerable social need. The town has large numbers of single parents; large numbers of people dependent on income support; and compared to other areas, high levels of long term unemployment

Fig. 3 Deprivation Indicators



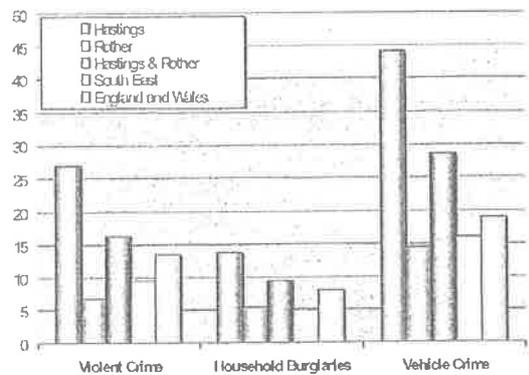
2.7 Residents of Hastings are less healthy on average than those elsewhere in the South East as measured by the Standard Mortality Rate and the Jarman Index, a measure of health needs, where high scores indicate high needs.

Fig. 4 Health



2.8 Severe social need is often accompanied by high levels of crime. Crime Rates in Hastings are markedly higher than elsewhere in the South East and GB.

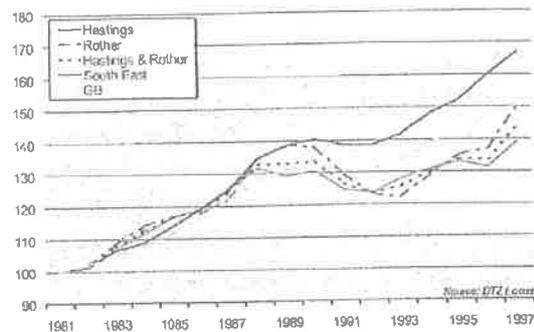
Fig. 5 Criminal Offences 1999/2000 (Per 1,000 population)



Past Performance of the Economies of Hastings and Bexhill

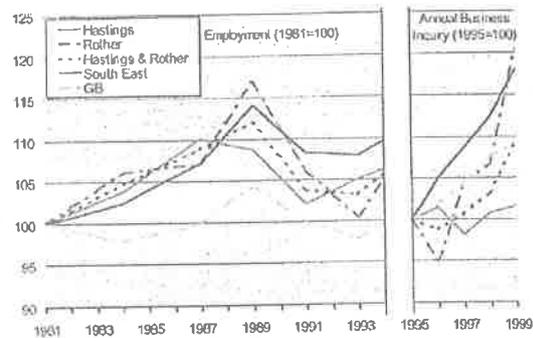
2.9 GDP in Hastings grew at the same pace as the rest of the South East throughout much of the 1980s. However, since 1988 GDP growth in Hastings has stagnated. Hastings was hit hard by the recession of the late 1980s/early '90s which adversely affected the manufacturing sector in particular. The area had a greater dependency in this sector than other towns in the South East.

Fig. 6 GDP Change 1981-1997
(1981=100)



2.10 A review of the **employment growth**¹ in Hastings over the last two decades presents a similar story. Employment grew throughout the early 1980's but then started to stagnate as the recession developed. Subsequently, employment declined during the 1990s. This is in total contrast to the growth paths of Rother, the South East and GB, which have all grown rapidly since the early 1990s.

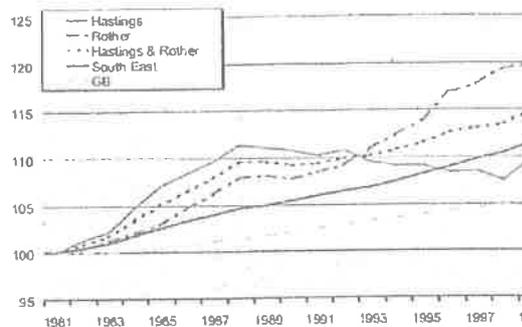
Fig. 7 Employment Change 1981-1999



¹ Annual Business Inquiries used from 1995

2.11 **Population change** reflects the trends observed in the other economic indicators. Growth in population was above the regional/national rate through the 1980s, but then stagnation occurred followed by gradual decline, contrary to growth patterns in the wider region.

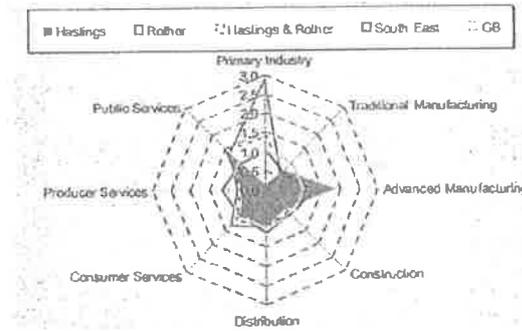
Fig. 8 Population Change 1981-1999 (1981=100)



Emerging Trends

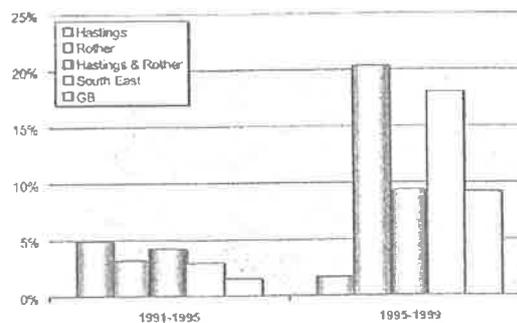
2.12 In terms of **sectoral specialisation**, Hastings has above average (relative to South East and GB averages) specialism in advanced manufacturing, public services and traditional manufacturing. It was equal to the South East in terms of its specialism in consumer services and distribution. The area is under-represented in producer services, primary industries and construction, relative to the benchmark areas.

Fig. 9 Broad Industrial Structure Strengths 1999 (Levels of sectoral specialisation, GB=1)



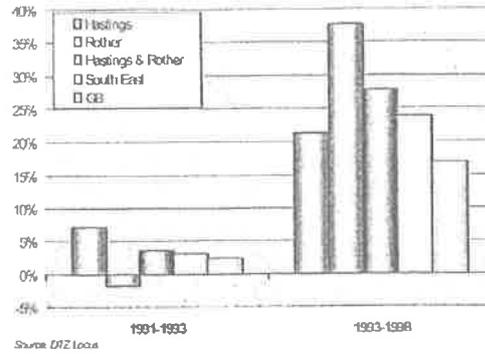
2.13 **Employment growth** occurred in Hastings between 1991-1995 at a faster rate than either the South East or GB. However, since 1995 the rate of growth in employment in the Borough has stagnated whilst regionally and nationally it has grown very rapidly. The average growth rate between 1995-'99 in Hastings was 1.6% compared with 18.0% in the South East over the same period.

Fig. 10 Employment Change 1991-1999



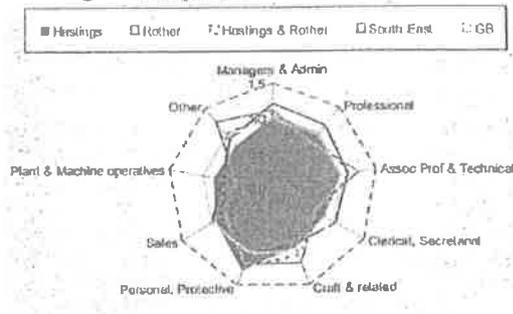
2.14 **GDP change** reflects a similar pattern. Between 1991 – 1993 Hastings had a higher rate of GDP growth than the average for the region and country. However, since 1993 the rate of growth in GDP in the South East has been greater than that for Hastings, although not by the same magnitude as employment growth. Hastings saw a 21.3% growth in GDP over this time period compared to 23.8% for the South East. Both outgrew the GB average.

Fig. 11 GDP Change 1991-1998



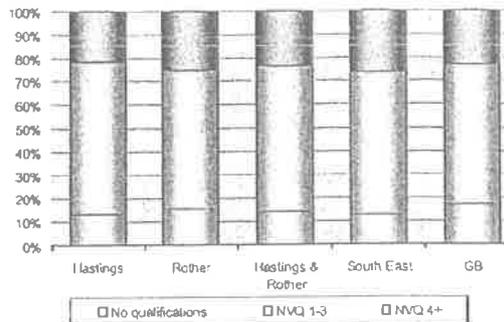
2.15 **Occupational structure** shows under-representation in the Borough in management and administration, professional and clerical/secretarial employment groups relative to the South East.

Fig. 12 Occupation Structure 1999/2000



2.16 **Workforce skills** are generally on a par with the South East, although less people are educated to NVQ 4+ (21.6% in Hastings compared to 26.4% in the South East).

Fig. 13 Workforce Skills 1999/2000



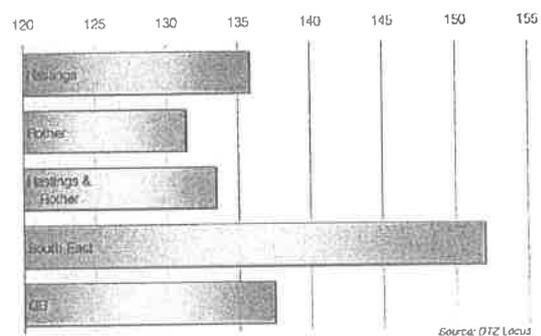
2.17 Addressing the question of why growth in the town has stagnated and hence why intervention is needed can, in a large part, be explained by the failure to attract new economic activity in the 1990s. The main reason behind this can be found in the radical changes in the geography of the South East in the 1990s.

2.18 Hastings has been regarded as inaccessible for more than just the last decade, however, prior to the 1990s the town was no more **inaccessible** to London and other parts of the South East than many other towns of similar size. However in the space of a few years, road access to many parts of the South East was transformed, although not in Hastings. It therefore missed out on the growth in service sector employment that was such a feature of the last decade.

2.19 The stagnation of employment and the decline of the tourist trade have also had an impact on patterns of migration. In common with many seaside resorts, limited job opportunities have led people to move away in search of work. At the same time the plentiful availability of relatively cheap rented accommodation has attracted in-migrants, many of them dependent on benefits. The fact that a relatively large number of asylum seekers have been housed in Hastings is a reflection of the relatively plentiful supply of cheap housing.

2.20 The development of new industry in Hastings has also been constrained by a shortage of employment land. The boundaries of the town abut the High Weald Area of Outstanding Natural Beauty (AONB) which has seriously restricted opportunities for development of greenfield employment sites; while access problems have constrained the development of sites outside the AONB.

Fig. 14 DTZ Accessibility Index²



² The DTZ Pieda Accessibility Index is a measure of how accessible an area is to urban centres, main transport routes, airports and sea ports. The index is an objective measure and we have included a variety of indicators to calculate a final index. These include distance to airports, motorway junctions, mainline train stations, journey times to London and distances to major urban centres.

3. PROJECT PORTFOLIO

INTRODUCTION

- 3.1 In December 2001, a number of potential regeneration projects in Hastings and Bexhill were compiled, following detailed discussions with a broad range of consultees. These projects were allocated under the five initiatives of the Five Point Plan. Recent work has involved further detailed discussions with consultees regarding these projects to refine this list, and consider additional projects, in order to produce a short list of schemes that could be delivered, or commenced, within the next three years. These would all obviously be subject to detailed appraisals being carried out. This process has involved identifying the amount of 'net new money' required to deliver these projects, potential partners that would be involved, project costs, funding sources, risks, outputs, outcomes and the ability of the projects to tackle deprivation.
 - 3.2 Discussions with a large number of consultees have taken place including a broad range of representatives from SEEDA, Hastings Borough Council and Rother District Council. All these consultees are part of, or work in close partnership with, the Hastings and Bexhill Task Force and are detailed in Appendix II of this report.
 - 3.3 DTZ Piedad Consulting was also provided with a number of reports drafted by other consultants which have been commissioned in relation to these projects. Information included within these reports has formed part of our overall study and has been relied upon where necessary.
 - 3.4 Projects to be included within the Five Point Plan were primarily assessed upon the basis of their deliverability and the potential regeneration outputs in relation to SEEDA Outcomes and Outputs. Details of these can be found in Section 4 of this report.
 - 3.5 The following section identifies the proposed projects that form part of the Five Point Plan and is divided into the five different initiatives. Appendix III includes a proforma and location plan for each of the projects, giving further information on these proposed schemes.
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ACTION PLAN PROJECT SUMMARIES

Initiative One – Regeneration Measures for Urban Renaissance

- 3.6 Initiative One contains a range of projects that are aimed at regenerating the town centres of Hastings and Bexhill, bringing forward key employment sites, providing access to parkland, seafront regeneration and housing regeneration. Projects that fall within this initiative are detailed below.

Queensway Business Park Development (Hastings)

Existing:	The site comprises two undeveloped plots of land to the north west of central Hastings. Hastings Borough Council owns the south site and approximately half of the north site. East Sussex County Council owns the remainder of north site. These sites are effectively greenfield and are located adjacent to the B2092, the proposed route of the Bexhill – Hastings link road.
Proposed:	The development of a business park on one or both of the two sites to provide up to 24,000 m ² of high quality employment space.
Strategic Fit into Initiative One:	The project will assist in the regeneration of greater Hastings through the creation of jobs, although not directly targeting regeneration through the reuse of brownfield land. Approximately 6.1 hectares of currently undeveloped land would be developed for employment use and over 900 gross jobs could be created.
Timescale:	The project could be brought forward for development, subject to planning (see below) and suitable highways access, as the sites are currently unused and greenfield. The scheme could start in 2004 which could provide sufficient time for planning and highways issues to be addressed and market testing to be completed. In addition, the properties are owned by Hastings Borough Council and East Sussex County Council, which should make site assembly relatively easy.
Deliverability:	The sites are currently allocated in Draft Local Plan for employment use. Although the Local Plan inquiry is to be heard in spring this year, it is hoped that this allocation is confirmed soon. Land ownership issues should be straightforward on the sites but obtaining suitable highways access to a new, large-scale business development could create a possible delay. A detailed feasibility study by GL Hearn has shown that the development scheme is unlikely to be viable in the market and therefore public funding of some form will be necessary. The report highlighted and quantified many of the potential risks involved.

Sidley Goods Yard (Bexhill)

Existing:	The site is a redundant railway goods yard which is currently used for open storage and light industrial/warehouse uses. It is largely an open site with a collection of small/medium sized, old buildings and is immediately adjacent to the proposed Bexhill – Hastings link road.
Proposed:	The remediation of the site, improvement of vehicular access and construction of business space of small/medium sized business units of light industrial B1(c) style. It is envisaged that these units would be leased to local/regional companies on flexible terms.
Strategic Fit into Initiative One:	The project will directly assist regeneration in Bexhill both in the form of employment creation in the north part of the town and in directly regenerating a brownfield site which historically included a goods yards and coal depot. The area is currently used as an employment site but a well designed redevelopment of the land could increase business capacity on the site to a greater extent to provide approximately 123 gross jobs. A significant demand for small units of 100-200 m ² , has been identified in the area and the scheme would target this demand.
Timescale	The site is currently owned in its entirety by Rother District Council and existing tenants occupational rights can be terminated with only 6-12 months notice. Existing tenants could be given notice as early as 2002/2003 but key timing limitations are likely to involve the potential major 'abnormals' upon the site (such as contamination, poor ground conditions etc). Significant works upon the site are unlikely to start before 2003/2004.
Deliverability:	Tenure and tenancy issues should not be significant problems for the deliverability of this project, as discussed above. The key deliverability constraints are likely to involve the enabling works on the site and possible road access issues onto Holliers Hill to the east. The route of the proposed Bexhill Feeder Road passes along the southern boundary of the Sidley Goods Yard site and if the development of this road project goes ahead, it is likely that a southern section of the site will be lost. Although this would effectively reduce the net area for development within the site, it could improve accessibility to the site from surrounding areas and provide better linkages to the main road network in the Bexhill and Hastings areas.

Rutherfords Business Park (Bexhill)

Existing:	The site comprises an existing business park of approximately 2.2 ha, near Battle, which has been developed over a number of years and is under the single private ownership of Graham Rutherford. Many of the buildings are now dated although a number have recently been refurbished. The existing business park provides in the order of 4,645-6,500 m ² of commercial accommodation. Mr Rutherford also owns an adjacent site of approximately 2.2 ha to the west upon which he has planning consent for an extension of the business park to provide a further 4,180 m ² . We understand that he does not have the capital to develop this scheme and is unlikely to be able to borrow these funds.
Proposed:	The acquisition of the existing business park and redevelopment of the site to provide approximately 5,000 m ² of modern light industrial/business park style accommodation. Land neighbouring the site, which is also owned by Mr Rutherford, has existing planning consent for a further business park development which could be undertaken as a 'Phase II' of the development. For this 'Phase II' part of the scheme, it is likely that improved highways access would be necessary to the site. It is unlikely that the market would deliver these schemes as the existing market values for such a product in the area would make the development non-viable in economic terms. The site is located within a rural priority area and Redundant Building Grants have been used to bring existing buildings back into use.
Strategic Fit into Initiative One:	Approximately 2.2 ha of existing business park land is to be redeveloped to provide approximately 5,000 m ² of high quality new employment space. The scheme could potentially form a rural enterprise hub with the existing businesses on site and potential public ownership interests could create spin-off benefits.
Timescale:	The commencement of the project is likely to be delayed by negotiations to acquire the property from the existing owners. Negotiations could commence in 2002/2003 but significant works are unlikely to start on the site until mid/late 2003. The site is surrounded by an AONB, therefore it could be hard to develop beyond the confines of the existing site. Rother District Council has not considered costs in detail or their potential level of investment.
Deliverability:	The owner is likely to demand an inflated value for the existing business park and the extension site. He has owned the site for a significant period of time and has made no indication that he would be willing to sell his business. The land could therefore cost a significant sum to acquire and negotiations could be protracted. Upon purchase of the site, the existing estate could either continue to be run as a going concern or it could be redeveloped to provide flexible, modern light industrial accommodation. Our appraisal is upon the basis that the estate is demolished and rebuilt as a new business park. As a longer term strategy, the extension site could be developed to increase the accommodation provided in the estate by approximately 100%. However, the extension would be on greenfield land and therefore is only likely to be favoured once all/majority of available brownfield site in the area have been developed. Road access improvements will be needed in order to facilitate the Phase II extension.

Bexhill Town Centre Improvements

Existing:	Bexhill Town Centre is currently in need of investment and modernisation in order to improve the environment, business development, infrastructure and promotion. One of the key issues in the town centre to be addressed, is the division of the centre by the railway line, which effectively bisects the town.
Proposed:	A capital and revenue investment programme broadly split between 'low' and 'high' level investment. The low level investment programme ('Making Bexhill Better'), which includes £422,000 already allocated by Rother District Council, is being delivered in partnership with local stakeholders. The scheme aims to act as a catalyst to attract private sector investment. The high level programme will involve the development of a programme to encourage major private investment concentrating on the railway corridor to help link the two sides of the town centre.
Strategic Fit into Initiative One:	This project will directly impact upon the regeneration of Bexhill town centre and seeks to improve the environment, encourage business development and private sector investment into the town centre.
Timescale:	The 'low' level part of this scheme is already underway and projects have already commenced. Some funding and a degree of match finding is already in place. However, the 'high' level part of the scheme has not yet commenced and it is reliant on a significant level of funding and private sector investment. Some of the projects envisaged for the 'high' level scheme are large scale engineering projects which will form longer term projects, unlikely to start before 2003/2004.
Deliverability:	Rother District Council is supporting this scheme and a degree of funding is in place. The 'high' level projects will require significant public funds and potentially heavy private sector investment promoting this scheme. The more ambitious engineering schemes will involve feasibility studies and, no doubt, structural reports. The 'high' level scheme is therefore less certain in terms of timing, funding and viability than the low level scheme which is already being delivered.

The Grand Hotel Refurbishment (Bexhill)

Existing:	The Grand Hotel is a period hotel building close to Bexhill Station with listed façades on two main frontages. The building is vacant and in a poor state of repair. A planning application has been lodged by the current owners for a purely residential scheme. We understand that within the last five years the building has gone into receivership and the current owners are rumoured to be seeking a price of approximately £1m to dispose of the building.
Proposed:	The proposed scheme will involve the refurbishment of the building to provide a business/community centre on the lower floors providing modern accommodation suitable for 'innovation centre' type users. The upper floors would comprise apartments including penthouse apartments on the top floor.
Strategic Fit into Initiative One:	The redevelopment of this vacant and run-down period landmark building, near the station in Bexhill town centre, would directly impact upon the regeneration of Bexhill. The scheme would assist in broadening the economic base of Bexhill and create approximately 50 jobs in the town, many of which it is hoped would be of a hi-tech/'innovation centre' nature.
Timescale:	The property is owned by private investors who wish to redevelop the building for entirely residential use although the Local Authority is currently resisting consent for this use. Negotiations to acquire the building could commence in 2002 with a view to acquiring the building and starting the project in 2003. The speed of progress of this project is likely to be dependent upon the structural condition of the building.
Deliverability:	The main restriction to the deliverability of the scheme is the acquisition of the building from the existing owners. If the negotiations become protracted the project could be delayed. The building is in a poor state of repair and the costs of conversion and undertaking any structural repairs could be very high. The proposed scheme is unlikely to be economically viable in the existing market conditions although the residential scheme proposed by the existing owners is likely to be more viable on the basis of current property values.

Belvedere and Harold Place Town Centre Improvements (Hastings)

Existing:	Harold Place is a main thoroughfare leading from the town centre at the site of the old memorial to the seafront. Immediately to the east of the road there are public conveniences. This is the proposed location of a new bar/restaurant/café. Immediately to the south of Harold Place, accessed via a pedestrian underpass, is the seafront and beach. This is the location of the proposed Belvedere.
Proposed:	<p>The proposed scheme involves two projects:</p> <ul style="list-style-type: none"> • Harold Place: relocation of public conveniences and the redevelopment of this main thoroughfare from the town centre to the waterfront. After the removal of the public conveniences, the redevelopment of the site will include commercial development such as a pub or restaurant. • Belvedere: a jetty/platform on the Hastings waterfront over the beach adjacent to Harold Place. This platform would create an architectural feature as an identifiable point on the seafront and would include a café or kiosks with outdoor seating.
Strategic Fit into Initiative One:	The projects would assist in the regeneration of Hastings town centre, especially as they are situated in Castle ward which has been identified as one of the most deprived wards in Hastings. The scheme would improve an important thoroughfare between the town centre and the seafront. Jobs would be created from the developments on the Belvedere and within Harold Place.
Timescale:	The sites are both currently under the ownership of Hastings Borough Council which is supportive of the scheme. If funding was secured from SEEDA and planning consent was obtained the scheme could progress, realistically commencing in 2003.
Deliverability:	The scheme should be deliverable without major obstacles. Planning consent and ownership risks are unlikely to pose major problems. Some funding should be available from the SRB6 money already allocated to the town centre and a proportion of private funding could be available from prospective occupiers of the projects, such as national café, bar or restaurant operators.

Hastings Town Centre Public Realm Improvements

Existing:	Hastings Borough Council recognises that areas of the town centre could benefit from investment, regeneration and a general improvement in environment. Particular areas highlighted include the site of the old town centre memorial, upper Queens Road (a run-down area on one of the main thoroughfares into the town centre) and pedestrian linkages in the centre.
Proposed:	<p>Three main schemes are proposed to improve the town centre:</p> <ul style="list-style-type: none"> • The replacement of the old memorial at the northern end of Harold Place with a significant feature of public art - this would act as a central focus in the town. SRB6 funds have already been identified to assist this project. • Upper Queens Road improvements – the improvement of a run-down town centre area on one of the main approach roads to the town centre. A better mix of retail units on the street is hoped to improve the viability of the southern section with the northern group of units reverting back to residential/office uses. • Improved pedestrian links/network: to create a series of trails through the town centre especially between points of importance such as the station, Priory Meadows shopping centre and the seafront.
Strategic Fit into Initiative One:	The projects would assist in the regeneration of Hastings town centre especially as they are situated in Castle ward which has been identified as one of the most deprived wards in Hastings. The Queens Road scheme would regenerate a key thoroughfare and improve the urban environment with better tenant mix, new paving, street furniture and improved lighting. The commissioning of a new town centre 'public art' feature on the site of the old memorial would create a central focus for the urban environment. This town centre initiative, and its concentration on links to the station, could also achieve better pedestrian access through the centre.
Timescale:	The public realm works could, in principle, commence quickly with the backing of the Council and with sufficient funding in place (SRB6 money which is already allocated to the town centre could be utilised). The improvement of pedestrian links could progress rapidly (2003) with secured funding, as initial stages could involve only limited works/investment. The replacement of the memorial is likely to be a longer term project, although commissioning public artists to provide designs could also commence in 2003 with a view to undertaking the development in 2004. The Queens Road initiative could become a longer term objective due to existing tenants' occupational rights, although preliminary works could commence in 2003.
Deliverability:	The schemes would largely be reliant on sufficient public funding, the majority of which has not yet been secured. Ownership issues should not be a problem for much of the works (except perhaps for Queens Road). Only very limited private funding may be expected for these works.

Regenerating the Seafront (Hastings)

Existing:	<p>This project comprises a comprehensive package of physical improvements to a number of different areas on Hastings seafront. These include Pelham Boulevard, Bottle Alley and the Stade Maritime. They are all areas in decline that need regenerating to improve the seafront area.</p> <ul style="list-style-type: none"> • Pelham Boulevard – this existing section of the A259 from its junction with Albert Road to Rock-a-Nore Road poses problems in respect of pedestrian movement. Pedestrians wishing to move from the town centre to the beach and car parks must cross a busy road, and pedestrian crossings are positioned at some distance from desire lines, discouraging them from entering the main retail areas. • Bottle Alley – a concrete promenade along the seafront that creates a hostile environment and is presently an under-utilised area discouraging visitor movement westwards towards the pier. • Stade Maritime - the Stade is not an attractive arrival point for the seafront and the western gateway is poor and ill-defined, consisting of a wasteland of roads and parked coaches and cars. The existing TIC and toilet block is in poor condition, the coach-park is an eyesore, and signing throughout the Stade is very limited.
Proposed:	<p>The proposed scheme includes the following:</p> <ul style="list-style-type: none"> • Phase 2 of the Pelham Boulevard Development – the wider project is to alter the A259 into a single carriageway only running along the southern carriageway to establish the relationship between the buildings and the seafront, and to ensure an enhanced pedestrian route between the Old Town and the Town Centre. The establishment of a wide “Boulevard” footway on the north of the carriageway is a key part of the project, as well as changes to bus priorities and pedestrian permeability and connectivity. Phase 2 involves work to the easterly section of the project from Albert Road to Rock-a-Nore and the creation of a seafront cycle track. • Environmental Improvements to Bottle Alley – these involve the remodelling of the length of the lower promenade structure, not only by carrying out repairs, but by improving the function and appearance of Bottle Alley. The work involves the partial removal of the roof and creating an area that could be potentially used for seasonal retail and leisure activities. • The Stade Maritime Project and Environmental Improvements – the development of a multi-functional landmark building that will interpret the maritime interest and act as a signpost to other facilities. This visitor centre will comprise the TIC, interpretation, maritime craft workshops, a high quality fish restaurant, a cafeteria type facility and a retail unit. This will involve the redevelopment of the existing TIC block. The project will also include the co-ordinated repair, improvement, interpretation and upgrading of coastal features, and the provision of a coach drop off point, linked to a new coach park away from the seafront. The aim will be to maximise the

	tourism and heritage potential of the Maritime Stade.
Strategic Fit into Initiative One:	Each of these projects will have a significant effect in achieving the objectives of the Five Point Plan in regeneration terms. They all focus on improving the area along the seafront in order to encourage tourists into the area and to provide an attractive environment for the residents of Hastings. This will result in an increase in visitors numbers and their subsequent spend in the town centre, thus having a positive economic impact on Hastings. They involve environmental improvements that will improve the safety, signage and interpretation on the seafront and measures addressing pedestrian and bus routes that will alter transport priority to buses, cycles and pedestrians. The provision of a high quality fish restaurant will attract visitors to the area and help raise the profile of the Maritime Stade.
Timescale:	<ul style="list-style-type: none"> • Phase 2 Pelham Boulevard – the project is being delivered in two separate phases, the first from Albert Road to George Street, and the second eastwards to Rock-a-Nore Road. Funding has been made for Phase 1, public consultation is presently taking place and the work is due to commence in the autumn of 2002. However SEEDA's funding is needed to enable Phase 2 to be delivered. If this forthcoming design work could commence relatively soon the work on site could start in autumn 2003. • Environmental Improvements to Bottle Alley – the stage one feasibility is already complete and informal consultation has taken place. The next stage is to prepare a detailed feasibility study, working up to a stage of design sufficient to allow submission of a planning application and for public consultation. Thereafter the architect team would proceed to detailed design and implementation. This should commence in 2002/03. • The Stade Maritime Project and Environmental Improvements – the design and public consultation will commence in late 2002 with the aim being to actually start on site in late 2003.
Deliverability:	<ul style="list-style-type: none"> • Phase 2 Pelham Boulevard – further design work will be required to develop the design of Phase 2 and the junction design at Rock-a-Nore Road must tie in with arrangements for the Stade Maritime project. However, the project appears to be deliverable within a reasonable timescale and there are no significant impediments that would prevent the scheme going ahead, apart from the lack of funding. • Environmental Improvements to Bottle Alley – this should not present any problems with regards to delivery as the land is owned by the Council and there are only relatively minor issues to be addressed such as the location of the cycle route. • The Stade Maritime Project and Environmental Improvements – potential problems might arise during the consultation period as the project is in the Old Town and is reliant on a new coach park being built. However the coach park has planning consent and funding has been identified so this is a relatively low risk project in terms of deliverability.

Pelham Arcade Redevelopment (Hastings)

Existing:	Pelham Arcade is a Grade II Listed retail arcade situated between Hastings town centre and the Old Town. The arcade forms part of the Pelham Group of Buildings which also includes Pelham Crescent and St. Mary in the Castle Church. It is owned by the Council and is currently leased as an arts centre. The church is accessed through units in the arcade that are also owned by the Council. The arcade has been altered significantly from its original form and it has lost much of its original character. The retail units are largely occupied by secondary retailers/operators and the fabric of the arcade is now significantly run-down.
Proposed:	In its existing form the arcade has been redesigned to provide twelve significantly deeper retail units than the original design. This redevelopment, along with the deterioration of the arcade, the surrounding area and the nature of the current occupiers, has served to lose much of the character of the arcade. The proposed scheme is to restore it to its original form by recreating a walkway through the centre under a glazed atrium, thereby improving the heritage and tourism potential of the area. The arcade is currently in fragmented ownership with six freeholders of the twelve units and the basement vault. The proposed scheme would bring the entire arcade under one ownership, secure control of the roof-level road and restore the property with significant heritage benefits.
Strategic Fit into Initiative One:	The scheme would improve the character of the Hastings seafront by restoring a period arcade, located between the existing town centre and the Old Town, to its original form. This will serve to improve the environment and heritage aspect of the run-down arcade and aim to increase the length of its currently limited trading season, and potentially that of the surrounding area.
Timescale:	The key timescale risk with this project is the necessity to assemble the arcade under one ownership from a large number of private ownerships and tenants' interests. Significant time delays could result from this assembly issue and the alternative CPO approach could also involve delays. The acquisition of units could start as early as 2002, but the actual redevelopment works are unlikely to commence until 2004.
Deliverability:	As well as potential lengthy delays in assembling the units under one ownership, deliverability issues may also include funding and potential cost overruns for the redevelopment of this period property. In 1998 L&R Consulting and Derek Latham & Co. were commissioned to study the viability of restoring the arcade. They concluded in their report that the estimated total costs of restoring the arcade would be in the order of £2.5 million for the fabric only (excluding fit-out of the units). These costs are likely to be significantly higher today mainly due to build cost inflation. In addition, the proposed redeveloped scheme would have a lower proportion of lettable shop areas than the existing format and this could reduce the capital value of the completed arcade. Hastings Borough Council has allocated £250,000 in capital funds for this project but as yet, we understand that no other funding is secured for the project.

Regenerating the Seafront (Bexhill)

Existing:	Rother District Council (RDC) considers that the seafront at Bexhill could be improved by a number of initiatives to increase visitor numbers. Many areas of the seafront are currently run-down and a package of physical improvements and visitor attractions/events could make better use of the seafront, increase visitor spending and create more of a 'focus' which is currently considered to be lacking in the area.
Proposed:	The project comprises a comprehensive package of improvements to Bexhill seafront with a view to increasing visitor numbers, increasing town centre spend and refurbishing commercial floorspace. TGLA architects have provided innovative designs for the seafront and aim to produce a final 'blueprint' in spring 2002 that will become the basis for on-going funding. The schemes will generally involve public space although some buildings may be affected directly or indirectly. De La Warr Pavilion on the seafront may soon receive a £6.0 million Heritage & Arts Lottery Fund grant. A decision on this is expected in the coming months. The Grade I Listed Building would become a regional arts venue.
Strategic Fit into Initiative One:	The scheme will directly impact upon the regeneration of Bexhill Town Centre and improve access to the seafront. It will also provide new public open space and encourage private sector funded retail and restaurants/cafes development. Enterprise and investment would be encouraged through infrastructure improvements and it is anticipated that the scheme will assist in 'quality of life' improvements with increased employment, lower crime, less child poverty and general health improvements.
Timescale:	This project should be able to commence later this year and continue into 2003 and 2004.
Deliverability:	A detailed preliminary budget estimate has been commissioned by RDC which quantifies the level of investment necessary. The securing of funding from SEEDA is likely to be a major issue in the project's success as is it likely to rely heavily upon public funds. RDC is supportive of the scheme and therefore obtaining planning consent is not considered to be a significant risk.

Rye Harbour Access Works and Phase 1 Development (Bexhill)

Existing:	The project is based on a large brownfield site to the north east of Hastings which is currently under multiple ownership and multiple occupation. The site provides for various business uses although is not used to full capacity. It cannot be developed further without the improvement of a nearby road junction in order to significantly improve site access for a larger number of vehicle movements.
Proposed:	The first stage of this project would involve the reconfiguration of a road junction adjacent to the site which would unlock the redevelopment potential of the land. Currently, no planning consents will be granted until this junction is improved. Phase 1 of the development works is envisaged to include the redevelopment of three plots that could provide approximately 14,000 m ² of business units or light industrial warehouse accommodation. The remaining area could be developed in later phases to provide a total of up to 27,000 m ² of accommodation across the entire site.
Strategic Fit into Initiative One:	While this site does not directly involve the regeneration or development of Bexhill or Hastings, it would involve the regeneration of probably the largest brownfield site in East Sussex. Approximately 5.4 ha of land would be developed and approximately 342 gross jobs would be created if Phase 1 was to be developed.
Timescale:	Currently, no planning consents have been granted upon the sites due to the highways issue. The improvement of the road junction is a prerequisite to development of the sites. A highways study has already been commissioned and, pending the successful outcome of this study, it is expected that works on the road junction could commence in 2003. Redevelopment works in the neighbouring sites could therefore commence in 2004 but the completed buildings will need to be carefully phased over a number of years for delivery to the market.
Deliverability:	The redevelopment of the brownfield land cannot progress without the initial improvement of the road junction. This work has the support of East Sussex County Council and the main issues remaining are the completion of a consultants report commissioned by RDC and approval of the Highways Authority. The viability of the redevelopment of the brownfield land could be limited by 'abnormals' often associated with brownfield sites. In addition, market demand for up to 27,000 m ² of business space in this location is currently unproven and the scheme would need to be carefully phased.

Pebsham Countryside Park (Hastings & Bexhill)

Existing:	The Pebsham site is situated between Bexhill and St Leonards, with the Combe Haven Valley and SSSI to the north and the Glyne Gap and Bulverhythe to the south. It is an area of approximately 100 ha used primarily for landfill (23 ha), agriculture and sport pitches with the Waste Derived Fuel Plant and Pebsham Farm being dominant features within the landscape.
Proposed:	The aim of the scheme is to develop a countryside park with recreational facilities for the community. The park would include an equestrian centre, a small sheltered waterside park and wildlife habitat, a golf course and informal recreation areas and nature trails.
Strategic Fit into Initiative One:	The project will improve the communities' access to parkland as it will include a network of public access corridors. It also forms part of MBM's masterplan proposals for a Countryside Avenue.
Timescale:	It is estimated that the project will not commence until 2004/05 as it is presently at a conceptual stage and will need to be developed within the overall concept of the masterplan.
Deliverability:	It will be necessary for the local authorities to work closely together in consultation with other organisations, such as the South East Council for Sport and Recreation, in order for the project to be successfully delivered. It is important that a feasibility study is carried out in order to assess the demand for the different types of recreational use proposed and the likely resources available to provide the facilities. In addition, a combination of public and private sector funds will need to be identified so that the project can progress.

Bexhill Housing Stock Renewal

Existing:	Rother District Council's sheltered Housing Stock was transferred to Rother Homes (Housing Association) in 1998. As part of the transfer agreement neither RDC nor Rother Homes can use resources to upgrade the units unless they are to be changed substantially, therefore the straightforward upgrading of units is unlikely to be permitted. A significant number of private homes (for retired householders) and sheltered housing units within the Rother area are in need of refurbishment/repair.
Proposed:	The project involves the renovation of 100 private housing units (retired householders). As part of a stock condition survey, these 100 units, forming part of the total stock, were highlighted to be in particular need of renovation. In addition, the redevelopment of 25 sheltered housing units within the stock is also proposed. These 25 units are all properties which were transferred to Rother Homes. The actual number of units in need of repair could be significantly higher than this figure.
Strategic Fit into Initiative One:	The scheme would assist in the regeneration of the local housing stock both in Bexhill and in the surrounding rural areas, which are targeted for assistance. No other public funds are likely to be available for the improvement of private homes and the upgrading of the sheltered homes due to restrictive clauses in the transfer agreement between RDC and Rother Homes.
Timescale:	With funding in place, it is hoped that the scheme could commence later in 2002 and ultimately accelerate the on-going refurbishment programme over 2003 and 2004.
Deliverability:	The main risk for the deliverability of this scheme will be the securing of funding. No other funding is likely to be available for the programme from existing funds therefore the project would be reliant on 'new money' from SEEDA. Planning and ownership issues are unlikely to pose significant risks. Legal issues could create problems through the transfer agreement of stock from RDC to Rother Homes that restricts use of RDC and RH funds.

Hastings Housing Development and Renewal - Brownfield Land Assembly Trust (Hastings)

Existing:	The project forms part of a wider study to establish a vehicle for delivering affordable and key worker housing on small brownfield sites across the South East, the Brownfield Land Assembly Trust (BLAT). Two wards in Hastings, Gensing and Central St Leonards were selected for the initial capacity study. A total of 34 sites were identified, 17 of which were considered to have high potential. Five of these were assessed as part of a wider financial appraisal. The selected five sites have the capacity to provide 28 affordable housing units.
Proposed:	It is proposed to extend the BLAT study into the key central wards of Hastings, as well as the Task Force considering potential further intervention with regard to housing renewal. Initial calculations indicate a wider capacity of some 576 units across the wider urban area of Hastings Borough. The project is a SEEDA led initiative, and subject to Treasury approval. Selected areas will be developed as physical pilot studies with Hastings a genuine possibility.
Strategic Fit into Initiative One:	An aim of the BLAT has been to tie into existing regeneration projects wherever possible. The pilot study wards of Gensing and Central St Leonard's include two existing regeneration areas, and have looked at links with projects in the 'String of Pearls'. Site selection has initially concentrated on these areas, seeking to suggest development closely linked to the benefits of local transport and amenities.
Timescale:	Financial appraisals of the pilot study sites have recently been completed. This information will be made available to Treasury for approval of the establishment of BLAT as a delivery vehicle for affordable housing. It is anticipated that the BLAT could be operational towards the end of the second half of the financial year beginning 2002/2003. Site assembly and remediation could therefore begin in spring 2003.
Deliverability:	Project delivery is dependent on Treasury approval. Once this has been obtained, the continuing success of the project will depend on the quantity of saving created on each site. It is proposed to recycle development receipts across several schemes, contributing private investment funds to affordable and key worker housing development. Further discussion is required as to the operational jurisdiction of BLAT. For effective recycling of capital receipts, a regional model, with local/sub-regional partnerships would have the greatest opportunity for creating and distributing development savings.

Broomgrove and Ore Station Site Remediation and Infrastructure (Hastings)

Existing:	The site presently comprises a partly demolished power station, wasteland and redundant Railtrack land and is situated approximately 1.6 km north east of Hastings town centre.
Proposed:	The project has several elements including the wildlife mitigation programme, demolition of the remaining power station, site assembly, land remediation, the removal of underground electricity cables and the design/provision of infrastructure and services.
Strategic Fit into Initiative One:	The site forms part of the wider Ore and Broomgrove site that is one of the six sites included in Hastings Borough Council's bid for Millennium Community status. The development of these sites forms a significant part of Initiative One of the Five Point Plan that focuses on 'Regeneration Measures for an Urban Renaissance.' The objectives of this project are to assist in the process of comprehensive development of this area of land to regenerate it by assisting in site assembly, remediation and infrastructure provision. The ultimate aim is to develop a mixed use development for residential and employment uses, and to provide access to Ore station. It is of particular importance as the site is located in the very deprived ward of Broomgrove.
Timescale:	The demolition work is 80% complete and is due to finish in the autumn of 2003. The remediation and infrastructure work should be completed by mid 2004.
Deliverability:	The principal problem is site assembly. The Council has identified ownership of all the various parcels of land, with the three interests being British Rail Property Board, Railtrack and SEEboard. Negotiations for site purchase are currently taking place and the Council has resolved to use CPO powers if it is necessary. Potential extraordinary costs affecting deliverability include the site topography, the presence of common lizards (protected), and the significant amount of power lines crossing the site and cabling beneath the site.

Broomgrove and Ore Valley Housing Regeneration (Hastings)

Existing:	The wider site includes the Broomgrove and Ore Station site, the former Mount Pleasant Hospital site, and two other sites in the Broomgrove area that presently include affordable housing, open space and retail units. These sites are situated approximately 1.6 km north east of Hastings town centre.
Proposed:	The project will create a mixed use residential and employment generating development. The proposals provide for 465 residential units comprising two bedroom flats and two, three and four bedroom houses, 116 of which would be 'affordable', 6,700 m ² of light industrial space and 1,580 m ² of retail accommodation. The development will also include a children's play area, on each of the four sites. As part of the overall plans for the Ore and Broomgrove site it is envisaged that the retail development will be associated with the station and there will be small industrial units around the station area.
Strategic Fit into Initiative One:	This project forms one of the six schemes that comprise Hastings Borough Council's bid for Millennium Community status. These are all situated along the proposed new Ore-Bexhill Metro link rail service with the aim being to create an integrated and sustainable 'String of Pearls'. The aims for the development of the area are to provide new, high quality residential developments promoting a high standard of urban design. The project involves the redevelopment of 13.7 ha of brownfield land and is situated in one of the most deprived wards in Hastings.
Timescale:	It is anticipated that land assembly would occur in 2002/2003 with the development of the individual sites being phased through to 2005/2007.
Deliverability:	The risks to deliverability include the presence of a significant amount of cables that run across the site which need removing, problematic site topography, the presence of protected species within the woodland and open site, and site acquisition, as the development requires acquisition of several land ownerships. Although this is one of the more challenging schemes within the 'String of Pearls', it is an area that needs revitalising and forms an important part of the Millennium Communities Initiative.

Hastings Goods Yard (Hastings)

Existing:	Station Yard is located just off Station Approach, and adjacent to the railway station, within the northern part of the town centre. The western part of the site is currently used for car parking and as a lorry park for the Royal Mail depot. There are various vacant single storey railway buildings on the site as well as a former furniture showroom and workshops.
Proposed:	The site has been allocated for residential and mixed use development, as detailed in Hastings Local Plan Revised Deposit Draft. The proposed development will comprise 150 residential units, including a range of one, two, and three bedroom flats, with approximately 37 of these units being 'affordable'. It is also proposed that the site will accommodate 4,180 m ² of retail warehouse accommodation. This development is based on a scheme outlined in the report by Donaldsons entitled 'Project Appraisals – Millennium Communities By The Sea, Hastings' dated December 2001. However, alternative proposals have recently been introduced by the master planners, MBM, identifying the site as a potential location for a University Centre with 17,000 m ² of university, incubator and media centre accommodation, 7,500 m ² of student accommodation and 2,500 m ² of retail. We have based our assumptions on the former proposal as Hastings and Bexhill Masterplan is still at a conceptual stage and subject to further discussions and feasibility work.
Strategic Fit into Initiative One:	This project forms one of the six schemes that comprise Hastings Borough Council's bid for Millennium Community status. These are all situated along the proposed new Ore-Bexhill Metro link rail service with the aim being to create an integrated and sustainable 'String of Pearls'. The aims for the development of the area are to provide new, high quality residential developments promoting a high standard of urban design. The project involves the redevelopment of 1.5 ha of brownfield land.
Timescale:	The timing of the work is dependent on acquiring the site from Railtrack. Negotiations are presently taking place between Railtrack and SEEDA. Assuming that these are successful the project could commence relatively quickly with land assembly being completed by mid to late 2002 and planning permission being granted the following year. It is anticipated that the development would take approximately two years to construct.
Deliverability:	The delivery of the project is primarily dependent on the development of the Masterplan and whether the Council and SEEDA decide to continue with the proposed scheme or alter the focus towards providing facilities for the University on the site. It will also depend on the progress made on the redevelopment of the station that would form an integral part of the overall development of the site.

Residential Development at Warrior Square (Hastings)

Existing:	The land east of the station has been identified as a potential site for redevelopment. It is presently owned by Railtrack and comprises two buildings, a former community facility and a taxi depot that is presently occupied.
Proposed:	Approximately 24 residential units comprising a range of one, two, and three bedroom flats, 6 of which would be 'affordable' units.
Strategic Fit into Initiative One:	This project forms one of the six schemes that comprise Hastings Borough Council's bid for Millennium Community status. These are all situated along the proposed new Ore-Bexhill Metro link rail service with the aim being to create an integrated and sustainable 'String of Pearls'. The aims for the development of the area are to provide new, high quality residential developments promoting a high standard of urban design. The project involves the redevelopment of 0.16 ha of brownfield land. The project also supports the BLAT initiative focusing on the redevelopment of brownfield sites.
Timescale:	The timescale is dependent on the land assembly. Assuming this is achieved without a CPO, planning permission could be obtained by the early 2003, with the development taking approximately fifteen months to complete.
Deliverability:	The site could be brought forward for development subject to land assembly which requires negotiations with Railtrack and the existing tenants.

West St Leonards – Residential Development (Hastings)

Existing:	The site presently includes a former bathing pool site, a two storey concrete bathing station and a timber yard held on a license from HBC.
Proposed:	Approximately 152 residential units are proposed. These would comprise one, two and three bedroom flats, 36 of which would be 'affordable'.
Strategic Fit into Initiative One:	This project forms one of the six schemes that comprise Hastings Borough Council's bid for Millennium Community status. These are all situated along the proposed new Ore-Bexhill Metro link rail service with the aim being to create an integrated and sustainable 'String of Pearls'. The aims for the development of the area are to provide new, high quality residential developments promoting a high standard of urban design. The project involves the redevelopment of 0.92 ha of brownfield land.
Timescale:	It is envisaged that the programme for the delivery of these projects would have to coincide with the development of the watersports centre and slipway. Assuming that work is due to commence on these in the near future, we would anticipate that the work could begin in 2003/04 and take approximately two years to develop.
Deliverability:	Sea defence works are required to protect the future development and remediation may be required to enable the development to be brought forward. Planning may be an issue as a high density scheme is proposed. All these are factors influencing the delivery but are not envisaged by the Council to be insurmountable.

West St Leonards – Slipway and Watersports Centre (Hastings)

Existing:	Slipway and Watersports Centre – since the closure of the former public bathing pool and holiday camp, the West Marina area has been under-utilised and is presently derelict.
Proposed:	The construction of a boat launching ramp, with associated car/boat trailer parking, a temporary building to house the boat users' facilities, and a 465m ² watersports centre, including the creation of 465 m ² of commercial floorspace.
Strategic Fit into Initiative One:	It is envisaged that the slipway and watersports centre will provide both interest and amenity, and will focus attention on the West Marina area helping to attract private sector interest to develop residential facilities in the area. The whole of the West Marina project is one of the 'String of Pearls' for the Council's Millennium Communities Programme bid.
Timescale:	A feasibility study has already been carried out by Fuller Peiser and Posford Haskoning (marine engineers) which examines the delivery of the slipway as the first phase of the project. Extensive community consultation and a public exhibition detailing the proposed schemes have taken place. The Council aims for the slipway to be constructed in the spring of 2003 with the watersports centre being built the following year.
Deliverability:	This is a relatively low risk project as the Council owns this section of the land and funding from its Capital Programme budget and ERDF Objective 2 has been secured for the slipway. However, the project's deliverability is dependent on the Council successfully addressing the concerns of West Marina Partnership and other individual objectors. Funding has yet to be secured for the watersports centre, but it is anticipated that the remaining funding from phase 1 will be used with the gap being closed by funding from the Sports Lottery Fund.

West St Leonards – Former School Site (Hastings)

Existing:	The land is used as a playing field but was previously the site for West Leonards School, which has subsequently been demolished. It is located at the junction of Bexhill Road (A259) and Filsham Road.
Proposed:	A high quality residential development comprising 66 three or four bedroom houses, 17 of which would be 'affordable' units. The development would also include a modern 743 m ² community facility/hall on the site, a children's play area and flood abatement works.
Strategic Fit into Initiative One:	This project forms one of the six schemes that comprise Hastings Borough Council's bid for Millennium Community status. These are all situated along the proposed new Ore-Bexhill Metro link rail service with the aim being to create an integrated and sustainable 'String of Pearls'. The aims for the development of the area are to provide new, high quality residential developments promoting a high standard of urban design. The project involves the redevelopment of 2.77 ha of brownfield land.
Timescale:	It is envisaged that the land assembly could be completed by the end of 2002, flood abatement works and the granting of detailed planning permission would then follow, enabling work to commence on site in summer 2003. The development should then be completed by late 2005.
Deliverability:	Although the land is owned by East Sussex County Council, the Borough Council does not foresee this as a major risk to the deliverability of the project as the County Council form an integral part of the Hastings and Bexhill Task Force and is committed to the regeneration of the town and surrounding hinterland. The possible risks involved with the development would be the potential flooding from Hollingham Stream and problems due to the site's close proximity to a site of nature conservation.

Residential Development at Bulverhythe (Hastings)

Existing:	The site is located approximately 4.2 km west of Hastings town centre and has a number of different uses including residential accommodation, warehouses, a corporation depot, railway rolling stock, maintenance sheds and a pumping station. It is bound by the existing railway line to the south, Arnside Road to the east and the A259 Bexhill Road and Bulverhythe Road to the north.
Proposed:	A high quality residential development comprising 212 residential flats and houses, 53 of which would be 'affordable' units, and 1,942 m ² of light industrial accommodation, predominantly starter units. It will also include a children's play area and flood abatement works.
Strategic Fit into Initiative One:	This project forms one of the six schemes that comprise Hastings Borough Council's bid for Millennium Community status. These are all situated along the proposed new Ore-Bexhill Metro link rail service with the aim being to create an integrated and sustainable 'String of Pearls'. The aims for the development of the area are to provide new, high quality residential developments promoting a high standard of urban design. The project involves the redevelopment of 4.85 ha of brownfield land.
Timescale:	SEEDA is presently negotiating the purchase of a 0.73 ha site, currently owned by Railtrack, south of Cliftonville Road that will form part of the land assembly for the wider development of the area. However, in order to complete the land assembly a number of different sites need to be brought into one unified ownership and this could take until the end of 2003. It is envisaged that the development of all the Bulverhythe sites will not be completed until 2007.
Deliverability:	The deliverability of the project is dependent upon the co-operation of Railtrack and their willingness and ability to relocate to alternative sites. It is also dependent on the relocation of the council's waste and environmental services depot. There may be transportation issues and costly remediation required in order to bring forward the development.

Initiative Two - The Stimulation of Business Innovation, Enterprise, Creativity and Technology Transfer

- 3.7 Initiative Two is aimed at increasing levels of entrepreneurship in Hastings and Rother by providing suitable accommodation for business start-up companies, providing a range of business support projects, and by providing suitable second stage start-up accommodation. The following projects fall within this initiative:

County Buildings ICT Centre (Hastings)

Existing:	The site currently comprises part of a terrace of buildings close to the centre of Hastings which front Cambridge Road and Robertson Street. There is a significant height differential between these two frontages. The site includes three adjoining units within the terrace which are currently vacant. The buildings were previously used as commercial premises on the lower floors and residential uses on the upper floors. Two of the buildings are currently interconnected.
Proposed:	The proposed scheme involves the redevelopment of the three buildings to provide a single high quality ICT Media/New Media centre. This will form part of the proposed 'Enterprise Gateway Concept'. As part of a redevelopment, Hastings Borough Council will require a pedestrian walkway through the building linking Robertson Street and Cambridge Road. The proposed centre is expected to provide approximately 890 m ² of accommodation for up to 40 businesses over 10 years. East Sussex County Council (ESCC) owns the property in its entirety. ESCC is currently marketing the buildings with a view to completing a disposal by November 2002 and the Council has expressed an interest in an 'off market' disposal of the buildings to SEEDA, subject to an acceptable valuation being obtained.
Strategic Fit into Initiative Two:	The scheme would involve 890 m ² of redundant urban space being brought back into use for commercial purposes, the regeneration of Hastings town centre, and especially the deprived Castle Ward which would benefit from the redevelopment of these vacant buildings on one of the main thoroughfares out of the centre towards the A21. The project impacts directly upon Initiative Two by providing new accommodation for hi-tech businesses in the Media/IT sectors. It would encourage entrepreneurship and accommodation which would be suitable for start-up companies. The scheme could contribute to social enterprise and lever private sector funds.
Timescale:	The buildings are currently vacant and we understand that they are owned in their entirety by ESCC. ESCC is currently marketing the building, although a possible disposal to SEEDA has been discussed. Discussions are already being held with ESCC regarding a potential purchase of the buildings and a purchase could complete in 2002. Based upon a successful acquisition from ESCC, a redevelopment of the buildings could commence in 2003 and is likely to progress into 2004.

Deliverability:	There is a likely to be a considerable imbalance between costs and revenue for this development and a significant volume of public sector funding would be required. Based upon the consultants report by Crocus, which was commissioned for this building, it appears to offer low value for money due to the potentially high costs of converting the County Buildings. Occupying another more modern building or constructing a new, flexible building could prove to be more cost effective.
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MX Site, Churchfields (Hastings)

Existing:	The site identified in the Churchfield industrial area is approximately 1 ha in size. It is situated upon an existing industrial estate to the north of Hastings town centre and we understand that it is the last remaining serviced plot on the site. Hastings Borough Council owns the plot of land.
Proposed:	The proposed scheme is for the development of approximately 2,790 m ² of high quality business expansion space for hi-tech companies, supporting the development of new media and the digital industries. The development envisaged would not be of the traditional office based innovation centre concept. It is anticipated that the scheme would provide accommodation to satisfy the identifiable demand for flexible units for mainly hi-tech businesses. The site could be linked to a broadband network of NTL which would improve the marketability of the centre considerably and attract hi-tech occupiers. NTL could possibly construct a 'header' building on the site to act as a portal for broadband technology in Hastings. It is envisaged that the build costs for the centre would be higher than those of a standard office based innovation centre and it is hoped that rental values achieved would also be higher due to the quality of accommodation offered and the type of tenant attracted. The Churchfields site offers no expansion space after the 2,790m ² of accommodation is constructed and it may not provide sufficient space for a 'header' building. Alternative sites are being considered by Hastings Borough Council.
Strategic Fit into Initiative Two:	The development would provide approximately 2,790 m ² of new business accommodation for hi-tech companies which could create more than 180 gross jobs. The scheme targets areas of identifiable demand in a high growth sector which currently suffers from a lack of supply of suitable accommodation. The site is within an established industrial area and we understand that it is already serviced. By extending a broadband link into the site, the scheme would encourage more hi-tech firms into the area, assist in improving enterprise and skills. Private sector investment could be leveraged for this scheme which is unlikely to be economically viable in the market without public funds.
Timescale:	The site is owned by Hastings Borough Council, which is supportive of the scheme, therefore we do not envisage land ownership related delays. Further work is being undertaken to determine the most beneficial site for the scheme bearing in mind that the Churchfields site will offer only limited expansion space. We are aware that other sites in the Hastings area are being considered. We would envisage that a site could be selected later in 2002 but development works are unlikely to commence before 2003 and progress through into 2004.
Deliverability:	Hastings Borough Council owns the Churchfields site. This site has a number of advantages as it is a serviced site on an existing industrial estate which already is home to some of Hastings' most advanced companies, such as General Dynamics and Deutsche. Neighbouring support services and established supply chains could assist the speedy delivery of this project on the site. However, the site is approximately 1.0 hectares and HBC has expressed concern that there would be only limited expansion space should the scheme require more accommodation.

Business Support Team & Cluster Development (Hastings & Rother)

Existing:	Due to their relative inaccessibility, Hastings and Bexhill have failed to capitalise on the growth in the service sector employment that has occurred across the South East region over the last decade. The overall business stock in Hastings and Rother has been falling for the last decade, which is in stark contrast to the growth experienced across the region.
Proposed:	<p>Hastings and Bexhill need to develop new business activities if they are to provide sufficient jobs for their residents. This is due to the fact that many of the traditional industries in the area – such as manufacturing and tourism – are unlikely to generate many new jobs. Existing businesses in Hastings and Bexhill also need to innovate and increase their competitiveness in order to grow.</p> <p>This project will support business growth and innovation by supporting two ICT Advisors, one Business Mentoring Manager and one Enterprise Agency Manager to advise businesses in Hastings and Bexhill. The ICT Advisors will assist businesses in the area to adopt IT applications ranging from Microsoft Office through to the development of e-commerce solutions. The Business Mentoring Manager will assist businesses in the area to innovate and the Enterprise Agency Manager will assist individuals to start-up new businesses and provide support to start-up businesses in order to help them develop.</p>
Strategic Fit into Initiative Two:	This project will provide assistance to businesses in Hastings and Bexhill to innovate and develop creative new products, services and processes. It will also foster entrepreneurship by assisting local residents to set up their own businesses and provide support to existing businesses to innovate. The ICT Advisors will also assist businesses to improve their efficiency, competitiveness and productivity by assisting businesses to implement effective ICT applications.
Timescale:	This project is scheduled to commence in year one of the Five Point Plan and run through to year three. The lead agency, 1066 Enterprise, has worked up the project and the risks to deliverability are minimal – see below.
Deliverability:	The lead agency in the project, 1066 Enterprise and key partners, Small Business Service, have a track record in delivering business support projects. There is a slight risk that the ICT Advisor posts may be difficult to fill at the anticipated salary levels. A contingency plan has been put in place that allows for the recruitment of ICT Advisors at different levels – one senior and one more junior – in order to build in flexibility.

Initiative Three - Excellence in Higher Education

3.8 Initiative Three is focused on raising the overall skills base of Hastings and Rother by providing accommodation for HE/FE institutions to deliver courses focused in ICT and new media. The following projects fall within this initiative.

Observer Building, Cambridge Road (Hastings)

Existing:	The Observer Building is a large redundant print works on Cambridge Road close to Hastings town centre. The building comprises seven floors and provides approximately 3,800 m ² of workshop and office accommodation. It has been left vacant for a number of years and is now derelict and in a poor state of repair behind the Listed façade to Cambridge Street. The building is constructed on a site sloping down from north to south and the rear (southern) elevations of the building are significantly lower than the main frontage onto Cambridge Road and the return frontage onto Prospect Place. Partly as a result of the sloping site, the building suffers from extremely limited road access. Restricted vehicle access is available via Claremont, but loading and turning areas are tight. The property immediately to the east of the Observer Building on Cambridge Road is owned by Diageo and has been let as offices. The building immediately to the rear of the Observer Building (a works) is currently vacant and we understand that a private individual has acquired it. We have contacted the current owners who have confirmed that they may be prepared to dispose of the building subject to terms being agreed.
Proposed:	It is proposed to acquire the building from the existing private owners by negotiation, or alternatively by instigating CPO procedures, in order to convert the building to provide a higher education/further education centre for approximately 226 students to be relocated from another site. Redevelopment and conversion costs of the Observer Building are likely to be high.
Strategic Fit into Initiative Three:	The scheme would involve approximately 3,800 m ² of redundant urban space brought back into use for higher/further education uses for approximately 400 full time students. The regeneration of Hastings town centre, especially the deprived ward of Castle, would benefit from the redevelopment of these vacant buildings on one of the main thoroughfares out of the centre towards the A21. The project impacts directly upon Initiative Three by providing a large number of full time education places and it will help to raise the overall skills base of the Hastings and Bexhill areas.
Timescale:	Discussions are underway with the existing owners with a view to acquiring the building, potentially during 2002. A redevelopment scheme could then progress during 2003 with completion date in 2004. However, delays due to protracted negotiations to purchase the building or CPO could hold up the scheme.
Deliverability:	BDP has provided estimated development costs for this building to HBC in 2001 as part of a town centre redevelopment report. These figures were in turn used by Donaldsons in order to run development appraisals

of the proposed redevelopment scheme. Donaldsons modelled a scheme which they termed a 'Community Option' which provided stores, library extension, community resources, foyers and works to the external fascia. The total costs of these works were estimated to be in the order of £2.8 million which included approximately £200,000 for the purchase of the building. We have adopted these costs and appraisal assumptions in our report. The scheme will rely heavily on public funding as it is unlikely that any private sector or mainstream funding would be available. Physical risks are medium/high with potential cost over-runs from the redevelopment of a large derelict period building. Acquisition risks could be significant as the building is owned by private individuals who may have an inflated opinion of market value. There is no funding allocated to this project to date.

The Queens Hotel Refurbishment (Hastings)

Existing:	This project involves the redevelopment and regeneration of a vacant landmark seafront and town centre property in Hastings. The building has been vacant for a significant period and is currently owned by private investors. It is understood to have major structural problems and the costs of refurbishing the building could exceed the demolition and replacement of the structure. As a result the building could effectively have only a nominal market value for redevelopment.
Proposed:	The favoured redevelopment scheme involves the provision of a new combined University of Brighton and Hastings College of Arts and Technology (HCAT) building. It is estimated that the building could provide sufficient accommodation for approximately 475 students and the scheme would regenerate a redundant landmark building on Hastings Seafront. However, the existing owners are currently in negotiations to sell the building to a private investor who wishes to redevelop the building for residential purposes. We have made contact with the owners and with the potential purchaser, who has informed us that he may be willing to dispose of an interest in the ground and basement floors of the building to SEEDA and therefore the lower floors of the building could be secured for a smaller scale education development.
Strategic Fit into Initiative Three:	The redevelopment of this vacant building in Hastings could assist greatly in regenerating the seafront and town centre of Hastings. In addition, it is located in the deprived Castle ward and therefore it will have priority status. The proposed scheme would provide a significant number of full time education places and help to establish Hastings as an education centre of excellence.
Timescale:	The property is owned privately and will therefore need to be acquired in order to undertake the mixed use scheme that is unlikely to be undertaken by the private sector. The building could potentially be purchased in 2002 but the progression of the physical works is likely to be dependent upon the structure of the building. However, negotiations to purchase the property could cause considerable delays in progressing the project. It could be acquired through CPO powers but this could also involve significant delays.
Deliverability:	The main restriction to the deliverability of the scheme is the acquisition of the building from the existing owners. If the negotiations become protracted the scheme could be delayed. We are informed that the building is in a poor state of repair behind the facades with the potential of structural defects. The costs of conversion and undertaking any structural repairs could be very high. The proposed scheme could satisfy a significant proportion of the student places envisaged in the initial University of Brighton and HCAT requirements study. Further more detailed studies of education requirements in terms of student numbers, type & layout of accommodation, library requirements etc. will need to be undertaken prior to progressing the scheme.

Initiative Four - Broadband Information and Communications Technology (ICT) Infrastructure and Applications

- 3.9 Initiative Four is aimed at ensuring businesses and residents in Hastings and Rother have access to competitive broadband telecommunications services. The projects that fall within this initiative are detailed below:

Broadband Infrastructure Rollout (Hastings and Bexhill)

Existing:	Recent research by Analysys Consulting ¹ concluded that there is a lack of competition to BT in the provision of higher broadband fibre optic based telecommunications services in Hastings and its surrounding environs. The research stated that Hastings suffers from market failure with regard to higher broadband telecommunications services. Relatively low economic prosperity has led to a lack of higher broadband infrastructure investment which, in turn, has led to businesses in the area being put at a competitive disadvantage.
Proposed:	This project focuses on addressing the market failure in higher broadband telecommunications services in Hastings. It will focus on 'digging in' ducting in Hastings to allow operators to deploy their networks in the area and introduce competition to BT. Both Cable and Wireless and NTL have Points of Presence (PoPs) in relatively close proximity to Hastings and the duct dig will facilitate operators to supply services to key employment sites and other developments (such as the ICT and Media Centre) in the area. The project will also introduce competition to BT on long-haul routes, such as between Hastings and London and on to Europe and the rest of the world.
Strategic Fit into Initiative Four:	This project underpins the whole of Initiative Four as it will enable competition in the provision of higher broadband telecommunications services. The supply of competitive higher broadband telecommunications services is an important factor in that it not only introduces price competition (benefiting existing businesses in Hastings), but is also being demanded by an increasing range of mobile investment projects including financial and business services contact centres and Internet Data Centres - and will therefore encourage knowledge-based inward investment into Hastings. This project will also facilitate an increase in the adoption of e-commerce and other broadband ICT applications amongst the business base in Hastings and Bexhill.
Timescale:	This project should be able to be brought forward relatively quickly (subject to wayleaves) as the indicative routing of the ducting has already been established. The project is programmed to be completed at the end of the second year of the Five Point Action Plan.

¹ Analysys Consulting (2001) Raising Local GDP Through the Development and Use of ICT.

Deliverability:	<p>The main risk to delivering the duct network is that the granting of wayleaves (rights of way need to be granted by land and property owners to lay ducting) is frustrated, which could lead to significant delays in the implementation of the project. This is unlikely as Hastings Borough Council and Rother District Council are key members of the Hastings and Bexhill Task force. Similarly, developers and land owners will be aware of the increased value broadband connectivity can offer development projects and will therefore be willing to facilitate the granting of wayleaves. Another risk is that operators cannot be encouraged to deploy their fibre optic networks in the ducts. This is unlikely as the duct network will offer operators a cost effective method of accessing customers.</p>
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Mass Market Broadband Provision (Hastings)

<p>Existing:</p>	<p>Recent research by BT Exact Technologies² has concluded that demand for mass market broadband from businesses and residents in Hastings and Bexhill does not currently justify BT undertaking capital expenditure to upgrade 3 local telephone exchanges that serve the area. As such, only 2 exchanges are capable of offering mass market broadband services (ADSL) at the moment.</p> <p>This means that only 69% of businesses and 61% of residents in Hastings and Bexhill currently have access to mass market broadband connectivity (ADSL).</p>
<p>Proposed:</p>	<p>This project will increase business and residential accessibility to mass market broadband connectivity in Hastings and Bexhill by upgrading three local telephone exchanges in the area (Baldslow, Castleham and Cooden). This will be achieved by locating Digital Subscriber Line Access Multiplexers (DSLAM) equipment in each of the three local telephone exchanges.</p> <p>This will increase the coverage of mass market broadband connectivity (ADSL) in Hastings and Bexhill to 83% of businesses and 79% of residents.</p>
<p>Strategic Fit into Initiative Four:</p>	<p>This project will facilitate a significant increase in the availability of mass market broadband connectivity for both residents and businesses in Hastings and Bexhill. It will allow residents to access more innovative content on the Internet (including e-Government services) and businesses to develop e-commerce solutions and other broadband applications that will allow them to increase their efficiency, competitiveness and market reach.</p>
<p>Timescale:</p>	<p>The project is currently programmed to be completed in the first year of the Five Point Action Plan. It is possible that the project will be delayed if it is judged to breach state aid regulations – see below.</p>
<p>Deliverability:</p>	<p>There is a risk that this project may breach state aid regulations as it may be perceived to be an illegal telecommunications subsidy. If this proves to be the case, an agreement will be made with BT in order to ensure that the exchanges are upgraded. One solution could be for the project to focus solely on technology demonstration and demand stimulation, with BT upgrading the three local exchanges ‘in kind’.</p>

Public ‘Broadplaces’ (Hastings and Rother) - Project presently being developed by SEEDA.

² BT Exact Technologies (2002) Broadband in Hastings and Bexhill, Asymmetric Digital Subscriber Line (ADSL) Uplift.

Broadband Satellite Connectivity (Hastings)

Existing:	<p>The vast majority of rural businesses in Hastings can only receive mass market broadband through BT Openworld's satellite service. The total first year costs associated with BT Openworld's satellite service (including installation, equipment purchase and rental) is £1,739. This is significantly more expensive than the offer for businesses in the urban areas of Hastings, who can take advantage of BT Openworld's ADSL service over their existing telephone lines. The total first year costs associated with BT Openworld's ADSL service (including installation and rental) is £630.</p> <p>As such, it is currently over £1,000 more expensive for businesses in rural Hastings to access mass market broadband connectivity than it is for their counterparts in the urban areas of Hastings. With regard to the cost of mass market broadband connectivity, businesses in rural Hastings are at a competitive disadvantage with their urban counterparts – both within the Borough and across the wider region and country.</p>
Proposed:	<p>This project will offer subsidies to businesses in rural Hastings to access mass market broadband satellite services through BT Openworld's satellite service at the same cost that it would cost businesses to access the copper-based ADSL service. The subsidy of £1,109 will therefore put businesses in rural Hastings on a level playing field with their urban counterparts with regard to the cost of mass market broadband connectivity.</p> <p>This project will also offer subsidies to community locations in rural Hastings so that they can also benefit from mass market broadband connectivity.</p>
Strategic Fit into Initiative Four:	<p>This project will ensure that Initiative Four will create an inclusive e-community in Hastings, where all businesses and communities can capitalise on the opportunities that broadband connectivity can offer.</p>
Timescale:	<p>The project is programmed to be completed in the first year of the Five Point Action Plan. This project could be delayed if it is deemed to breach state aid regulations – see below.</p>
Deliverability:	<p>There is a risk that this project may breach state aid regulations as it may be perceived to be an illegal telecommunications subsidy. If this is the case, the project could be delayed until it is amended in order to comply with state aid regulations.</p>

Integrated Information Gateway (Hastings and Rother)

Existing:	<p>There is currently no central on-line repository for information on Hastings and Bexhill. As such, access to information in the area is fragmented. This is in contrast to a number of other regions and localities in the UK that have developed portals to act as gateways to a wide range of content on their areas. The portals cover a range of topics as diverse as economic development, local government issues, tourism, leisure facilities, cultural events, sporting events, food and drink, teenage issues, education, training and welfare services and business directories.</p>
Proposed:	<p>This project will develop a range of content on Hastings and Bexhill that can be retrieved through a variety of access devices, including fixed and mobile telephony, screen telephones, Web TV, PC's, and public kiosks. Content will automatically be reformatted for delivery to the appropriate access device.</p> <p>The content will be available in a multi-media format which means that the experience will be much richer than conventional content. The information will also be presented in several formats, depending on the terminal (voice, text, graphics and video). Over 5,000 categories of information will be made available in a multi-media format and the content will be networked with local authority applications.</p> <p>The Gateway will also include a micropayments system that will enable low cost services such as tickets, games and messaging to be purchased.</p>
Strategic Fit into Initiative Four:	<p>This project will encourage social inclusion in Hastings and Bexhill by improving access to education, training and welfare services in the area. It will also assist in the implementation of the e-Government programme in Hastings and Bexhill by migrating local government services on-line. The project will also assist in economic development in Hastings and Bexhill by providing access to information relevant to existing businesses in the area and those looking to invest in the area. IT will also promote tourism in Hastings and Bexhill by providing content on a range of topics including accommodation, bars and restaurants, major events and local history.</p>
Timescale:	<p>The project is programmed to be completed in year two of the Five Point Plan, subject to the deliverability risks outlined below.</p>
Deliverability:	<p>The Integrated Information Gateway project will be delivered by a leading-edge multi-media system developed by Alcatel, which uses industry standards and is carrier grade. It has been implemented in 17 locations across the world and over two million licenses have been sold. There is therefore only a minor risk that the software and hardware elements of the project could not be delivered to specification, budget and time. There is a slight risk, however, that not enough content can be generated and configured within the timescale. There is also a risk that the Gateway is not used to the extent that is envisaged, which would have repercussions for revenue generation.</p>

University for Industry (Ufi) Provision (Hastings)

Existing:	There is currently a small learning centre that is part of the College in Hastings but it is unable to cater for the demand for Skills for Life Material in the area. The creation of an IT cluster in Hastings will also require specialist training courses that are not currently delivered through the existing learn direct facility.
Proposed:	This project proposes to develop a flagship learn direct facility in Hastings that offers residents courses at a range of levels in subject areas such as IT, literacy and numeracy, business and management, and new media. The scheme will also supply residents with free computers and connection to the Internet for the duration of the course (Crash Training in Brighton operates a similar scheme with great success). A similar scheme will also be offered to small and medium sized enterprises in Hastings and Bexhill that do not have a computer and/or are not connected to the Internet.
Strategic Fit into Initiative Four:	Raising the skills base of the labour market in Hastings and Bexhill is crucial to both the competitiveness of the indigenous businesses base and also in attracting inward investment in knowledge-based growth sectors. The training offered by learn direct will allow a wide range of residents and businesses to upgrade their skills in subjects such as IT, literacy and numeracy, new media, and business and management.
Timescale:	The project is programmed to be up and running early in year one of the Hastings and Bexhill Five Point Plan. This is subject to the minor deliverability risks outlined below.
Deliverability:	<p>The University for Industry (Ufi) learn direct programme is well established and has been successfully implemented in a number of locations. There is therefore little or no risk in content or other learning materials not being made available in the timescale.</p> <p>There is a slight risk that suitable premises cannot be found in the timescale but this should not be the case given the availability of premises in Hastings. There is also a slight risk that the latent demand for courses in Hastings is not translated into learning opportunities in the area. This is also unlikely as a comprehensive marketing campaign has been developed for the programme and key 'signposting' organisations (local employment service, Enterprise Gateway, and Information Advice and Guidance – IAG) will promote the courses on offer from learn direct.</p>



Broadband Demonstration (Hastings)

Existing:	<p>The low take up of broadband telecommunications services in Hastings and Bexhill is not solely a function of the patchy coverage and relatively high cost of these services. Low densities of demand for broadband telecommunications services are also evident in the area due to a lack of appreciation of the benefits that broadband connectivity can offer.</p>
Proposed:	<p>This project will fund the employment of business advisors and lease a retail unit in Hastings in order to demonstrate the practical benefits that broadband telecommunications services can offer to businesses. Broadband services will be demonstrated across a range of bandwidths and will include the following services: Asymmetric Digital Subscriber Line (ADSL), Integrated Services Digital Network 2e (ISDN2e), Integrated Services Digital Network 30 (ISDN30) and a leased line of between 2 and 10 Megabits per second.</p> <p>This project will focus on demonstrating the applications that can be used over broadband channels and will include but not be limited to the following: videoconferencing, e-commerce, on-line marketing, customer relationship management (CRM), remote storage and disaster recovery, web hosting, and application service provision.</p>
Strategic Fit into Initiative Four:	<p>This project aims to stimulate demand for broadband ICT applications, primarily amongst the business community in Hastings and Bexhill. As such, this project complements the supply side projects under Initiative Four of the Five Point Action Plan.</p>
Timescale:	<p>This project is scheduled to run for the first three years of the Five Point Action Plan. Subject to the minor deliverability risks outlined below, this project is capable of being implemented early in year one.</p>
Deliverability:	<p>There is a slight risk that suitable premises cannot be found in Hastings to accommodate the broadband demonstration centre. There is also a minor risk that suitably qualified personnel cannot be recruited in the timescale demanded.</p>

Initiative Five - Transportation Improvements

3.10 Initiative Five aims to tackle the geographic isolation of Hastings and Rother through the implementation of a number of road and rail projects. This will have a number of impacts, which include facilitating the development of key employment sites in the area and simultaneously allowing residents to access employment opportunities elsewhere as public transport services to other locations are improved. Initiative Five will also facilitate the attraction of inward investors into the area and encourage the area’s ability to attract. The projects that fall within this initiative are detailed below.

Timetable Enhancements to Hastings to London Service

Existing:	Hastings currently has a very poor rail service to London and intermediate stations such as Tunbridge Wells and Tonbridge, both of which are important centres for employment. The fastest journey time between Hastings and London is currently 1 hour and 33 minutes, and journey times are often longer during peak periods. The journey from Hastings to London is actually slower now than it was in 1978 – before the electrification of the line – when the fastest journey time to London was 1 hour and 20 minutes.
Proposed:	This project will introduce a 20 minute reduction in the journey from Hastings to London, reducing the overall journey time to approximately 1 hour and 13 minutes. This will be achieved via the introduction of timetable enhancements on the service.
Strategic Fit into Initiative Five:	<p>The reduction in the journey time on the Hastings to London service will allow Hastings to benefit from the dispersal of economic activity from London. For example, it could help Hastings attract back-office functions that have often been decentralised from London to other parts of the South East that have good access to the capital.</p> <p>It will also facilitate an increase in commuting from Hastings to London, Tunbridge Wells and Tonbridge. In-migrants who work in London are likely to have higher than average skills levels and incomes – and a large proportion of their incomes are likely to be spent in the local economy of Hastings. Faster rail services to London will also assist unemployed residents in Hastings to access jobs in the major employment centres of London, Tunbridge Wells and Tonbridge.</p> <p>Finally, the reduction of journey times to London will assist in increasing tourism in the town, which will also have a positive effect on the image of Hastings.</p>
Timescale:	The project is programmed to be completed in year two of the Five Point Action Plan, subject to deliverability risks outlined below.
Deliverability:	This project is conditional on securing funding from the Strategic Rail Authority (SRA) and the Train Operating Company (TOC) on the service.

Bexhill to Ore Metro

Existing:	The A259 Bexhill to Hastings is heavily congested due to the fact that there are limited public transport options for travel along the Bexhill to Hastings corridor. The congestion along the A259 Bexhill to Hastings is also causing significant environmental pollution.
Proposed:	This project will create a high quality Metro service with trains every 15 minutes between Ore in the east and Bexhill in the west, calling at a new station at Bulverhythe and existing stations at Warrior Square, West Marina and Hastings.
Strategic Fit into Initiative Five:	<p>The rationale for this scheme is to encourage modal shift from road to rail along the A259 Bexhill to Hastings corridor as a way of relieving congestion and addressing environmental issues. As such, the scheme will make a positive contribution to raising the quality of the environment in Hastings.</p> <p>Perhaps of more significance, the Bexhill to Ore Metro will add significant value to the Millennium Communities String of Pearls project. The String of Pearls project involves the development of a number of sites in Hastings including Broomgrove/Ore Valley, Hastings Station Goods Yard, Land at Warrior Square Station, West St. Leonards, and Bulverhythe. The majority of these projects will be linked by the Metro which reflects the new urban agenda set out in the Government's Urban White Paper – mixed use developments supported by sustainable transport systems.</p>
Timescale:	The project is programmed to commence in year three of the Five Point Action Plan and be completed in year four. It is envisaged that the project spend will be split relatively evenly over the two year period.
Deliverability:	Further work is being undertaken to establish the viability of the Bexhill to Ore Metro and the progression of the project is subject to the conclusions of this study. The project is also reliant on funding from the Strategic Rail Authority (SRA) and the developers of the String of Pearls programme, as well as funding from the Hastings and Bexhill Five Point Plan.

New Station at Bulverhythe

Existing:	There is currently no rail access to existing and new developments planned at Bulverhythe in Hastings.
Proposed:	This project will develop a station for the Bexhill to Ore Metro in Bulverhythe. This will add value to the existing and proposed developments in the area, which are detailed below.
Strategic Fit into Initiative Five:	The station at Bulverhythe will allow residents in the new housing development in Bulverhythe, of which a significant number will be affordable units, to access employment opportunities elsewhere in Hastings and Bexhill. It will also allow residents in deprived areas in Hastings and Bexhill to access the employment opportunities that will be generated by the proposed light industrial development at Bulverhythe (1,940 m ² of light industrial space). The project will also assist in facilitating a modal shift from cars to light rail, reducing congestion and environmental pollution in Hastings and Bexhill.
Timescale	The project is programmed to be delivered in years five and six of the Hastings and Bexhill Five Point Plan, coinciding with the proposed housing and light industrial developments that will be taken forward at Bulverhythe
Deliverability	The progression of this project is dependant on funding from the Strategic Rail Authority (SRA) and a contribution from the developers of the Bulverhythe residential and commercial scheme. The successful implementation of this project is dependent on securing these funds.

Other Projects that Fall Within the Wider Remit of the Five Point Plan

3.11 There are a number of projects that are judged not to be sufficiently developed or have not presently been programmed to commence within the first three years of the Five Point Plan by the members of the Task Force, led by SEEDA. However, it is important that they are detailed within this report as they are an integral part of the regeneration of Hastings and Bexhill and form the balance of the ten year programme. Some projects may be brought forward if others prove to be undeliverable or delayed. These are as follows:

- North Bexhill Business Park (Bexhill)
- Extension to Rutherfords Business Park (Bexhill)
- High School/Drill Hall Brownfield Site redevelopment (Bexhill)
- Creation of Employment Space at Ivy House Lane (Hastings)
- Hastings Housing Renewal Area
- Creation of New Library (Hastings)
- County Library Refurbishment
- Upper Wilting Farm University Campus
- New Station at Wilting Farm (Parkway)
- New Station at Glyne Gap
- Development of West Marina Station
- Ashford to Hastings Electrification
- Polegate Chord – fast access to Gatwick and Hastings
- A21 Tonbridge to Pembury on line dualing
- Improvements to A21 (Pembury to Hastings)
- Bexhill Feeder Road

4. OUTPUTS AND OUTCOMES OF THE FIVE POINT PLAN

INTRODUCTION

- 4.1 This section summarises the main outputs and results generated by the projects within the Five Point Plan. The section is divided into four sub-sections. Consideration is given first of all to which Government objectives are served by each of the initiatives. Then an assessment is made of how the initiatives link in with SEEDA's Tier Two outcomes. Tier Three outputs (i.e. gross jobs created, brownfield land re-used, etc.) generated by each initiative are then outlined, before the identification of outputs, other than SEEDA's standard output measures.

CENTRAL GOVERNMENT OBJECTIVES SERVED

- 4.2 The analysis of the projects contained in the Five Point Plan has considered the extent to which each project serves the objectives of particular Government departments. In summary, Initiatives One and Five will tend to contribute to the objectives of the Department for Transport, Local Government and the Regions (DTLR) and the Department for the Environment Food and Rural Affairs (DEFRA). Initiatives Two, Three and Four serve the objectives of the Department for Trade and Industry (DTI) and the Department for Work and Pensions (DWP)/Department for Education and Skills (DfES). (See the Breakdown of Outcomes and Outputs in Appendix IV for a detailed analysis of how projects relate to Departmental objectives).

OUTCOMES AND OUTPUTS

- 4.3 The Hastings and Bexhill Five Point Plan has been produced partly in order to combat the structural economic problems that exist in the area. The total programme of investment over the next decade amounts to a gross funding requirement of over £300m. In total, there are 37 projects within the five initiatives, with the majority of projects falling under Initiative One. Each of the initiatives in the Plan has been developed to complement the **Tier Two Regional Targets** for the South East. This is due to the fact that tackling the structural problems in Hastings and Bexhill will require a multi-faceted approach to economic and social development. The **Tier Two Regional Targets** are outlined in Section 1 of this report.
- 4.4 Table 4.1 illustrates the extent to which the projects within the different initiatives achieve the Tier 2 outcomes. The outcome that most of the projects fulfil is that of 'Regeneration' (31 out of the 37 projects fulfil this regional target), followed by

'Urban' (28 out of 37 projects) and 'Physical Development' (28 out of 37 projects). The projects have least connection with the 'Rural' outcomes, with only seven out of the 37 projects fulfilling these outcomes.

TABLE 4.1
 TIER 2 OUTCOMES

Initiatives	Total no. of projects meeting Tier 2 outcomes	Total programme investment (£m)	Sustainable Economic	Regeneration	Urban	Rural	Physical Development	Employment	Skills	Productivity	Enterprise	Investment	Innovation
1	22	256.85	10	19	19	2	21	11	-	-	-	4	-
2	3	5.02	3	3	3	1	2	2	3	3	3	2	3
3	2	14.8	2	2	2	-	2	2	2	-	2	2	2
4	7	15.37	5	4	2	4	1	4	5	5	4	1	3
5	3	14.00	2	3	2	-	2	2	-	-	-	2	-
TOTAL	37	306.04	22	31	28	7	28	22	10	8	9	11	8

- 4.5 **The Tier 3 Output Targets** relate to some of the predicted physical outputs from each initiative. The scope of these range from an assessment of the gross jobs generated by each initiative, to an estimate of the number of businesses created. Tables 4.2 and 4.3 summarise the outputs in years 1 to 3 and in years 4 to 10, respectively, of the overall Five Point Plan.

Initiatives	Total No of Projects	Gross Jobs (employees)	Brownfield Land (ha)	Housing (Units)	New Business Creation	Full Time Students
1	22	533	31.92	745	0	0
2	3	479	1	0	161	0
3	2	82	0	0	0	475
4	7	12	0	0	0	0
5	3	7	0	0	0	0
TOTAL	37	1,113	32.92	745	161	475

Initiatives	Total No of Projects	Gross Jobs (employees)	Brownfield Land (ha)	Housing (Units)	New Business Creation	Full Time Students
1	22	1,725	4.3	1,025	0	0
2	3	0	0	0	80	0
3	2	120	0	0	0	0
4	7	0	0	0	0	0
5	3	1	0	0	0	0
TOTAL	37	1,846	4.3	1,025	80	0

- 4.6 **Other** - many of the initiatives generate outputs which cannot be classified under the previous headings. These include the creation of commercial floorspace, new leisure facilities and outputs associated with developing the broadband network which do not fall within any of the other output classifications.

INITIATIVE ONE – REGENERATION MEASURES FOR URBAN RENAISSANCE

Tier 2 Outcome Targets

- 4.7 The total programme of investment for the 22 projects under Initiative One is approximately **£257m**. All the projects listed under the initiative satisfy at least one Tier 2 outcome. The majority of the projects (21 out of 22) fulfil the 'Physical Development' criteria, whilst nearly 90% of them also fulfil 'Regeneration' and 'Urban' outcomes. Approximately half of the projects contribute to achieving 'Sustainable Economic' performance and 'Employment' outcomes. However, none of the Initiative One projects are expected to contribute towards 'Skills', 'Productivity', 'Enterprise' or 'Investment' outcomes.

Tier 3 Outputs

- 4.8 Five Point Plan projects under Initiative One are forecast to create approximately **2,260 gross jobs** of which 1,555 are net new jobs over ten years. This breaks down as 530 gross jobs (240 net new) over the first 3 years followed by 1,725 more gross jobs (1,190 net new) from year 4 until year 10.
- 4.9 The initiative will include the development of **36 hectares of brownfield land** over the ten year time frame of the Plan. Approximately 32 hectares are planned to be developed over years 1-3 of the Plan, followed by a further 4 hectares between years 4 and 10.
- 4.10 Initiative One is also the prime driver for the development of new housing units in the overall Plan. The first three years are forecast to realise 745 housing units, followed by 1,025 more housing units between years 4 and 10. This results in an overall total of **1,770 housing units** associated with this element of the Plan.

Additional Outputs

- 4.11 The creation/re-development of commercial floor space will be the main supplementary output associated with the regeneration elements of the Action Plan. In total there is estimated to be **62,800 m² of additional commercial floorspace** developed, which will be split amongst the following projects:

**TABLE 4.5
COMMERCIAL FLOORSPACE CREATED**

Five Point Plan Action Project	Floorspace Created/Re-Developed
Queensway Business Park (Hastings)	Creation of 24,000 m ² commercial floorspace
Sidley Goods Yard (Bexhill)	Creation of 3,500 m ² commercial floorspace
Rutherfords Business Park (Bexhill)	Redevelopment of 5,000 m ² of commercial floorspace
The Grand Hotel Refurbishment (Bexhill)	Creation of 900 m ² of commercial floorspace
Belvedere and Harold Place (Hastings)	Creation of 450 m ² of commercial floorspace
Regenerating the sea front (Hastings)	Creation of 30 m ² of commercial floorspace
Pelham Arcade (Hastings)	Creation of 500 m ² of commercial floorspace
Rye Harbour Access & Stage 1 Development Works (Bexhill)	Creation of 14,000 m ² commercial floorspace
Broomgrove/Ore Valley Housing Regeneration (Hastings)	Creation of 8,280 m ² of commercial floorspace
Hastings Station Goods Yard (Hastings)	Creation of 4,180 m ² of commercial floorspace
Residential Development at Bulverhythe (Hastings)	Creation of 1,942 m ² of commercial floorspace
Total	62,782 m² of commercial floor space created

- 4.12 There are further outputs associated with this initiative which include the creation of 100 hectares of new parkland, and the renovation of 100 private residential units (retired households) and the redevelopment of 25 sheltered housing units. The regeneration of the southern section of Queens Road in Hastings town centre will lead to the development of a public art feature and improved public access. Approximately 400 m² of restaurant space will be created in the 'Regeneration of the Seafront' project in Hastings. A community hall and children's play area will be developed on the West St Leonards former school site, whilst the development of West St Leonards is also expected to lead to the creation of a watersports centre and boat launching facility.

INITIATIVE TWO – THE STIMULATION OF BUSINESS INNOVATION, ENTERPRISE, CREATIVITY AND TECHNOLOGY TRANSFER

Tier 2 Outcome Targets

- 4.13 The total programme of investment for Initiative Two amounts to approximately **£5m**. All the projects listed under this initiative achieve the majority of the Tier 2 Outcomes and reflect the fact that, out of all the initiatives, the proposed projects link closer than any of the other with all SEEDA's target outputs.

Tier 3 Outputs

- 4.14 The projects established under this initiative are expected to create approximately **480 gross jobs** and 330 net new jobs over the 10 years. Years 1-3 of the investment programme are forecast to generate all the 480 gross jobs, whilst years 4-10 are not anticipated to create any further jobs.
- 4.15 **1 hectare** of brownfield land will be developed by this initiative in years 1-3.
- 4.16 New business creation will be the central output of this initiative. It has been assumed that both the County Buildings ICT Centre and MX Site in Churchfields will be used to incubate new businesses over the 10 years of the Plan. The County Buildings will have capacity for 10 businesses over a 30 month time period (30 months is the average time in incubation for start-up businesses in the UK), whilst the MX site will be able to accommodate 30 businesses over the same time period. Each new business is assumed to require 1,000 ft²/ 93 m² of space (average for start-up businesses in the UK) which has then been divided by the floor space area of each building. Based on these assumptions, over the 10 years of the Plan approximately **160 businesses will be incubated**.
- 4.17 In addition to the new incubation facilities, the Business Support Team and Cluster Development Project under this initiative is expected to assist in the **creation of around 80 new businesses** over the 10 years of the Plan. This gives an overall figure of **240 new businesses created**.

Additional Outputs

- 4.18 The development work undertaken on the County Buildings, to create a new ICT centre, is expected to lead to the creation of **890 m² of commercial floorspace** and the creation of **incubator space for New Media and ICT companies**. It is estimated that the MX site at Churchfields in Hastings will lead to the development of 2,790 m² of commercial floorspace.

INITIATIVE THREE – HIGHER EDUCATION CENTRES OF EXCELLENCE

Tier 2 Outcome Targets

- 4.19 This initiative is formed by the development of the Observer Building in Hastings, which is estimated to cost **£2.8m**, and the redevelopment of the Queens Hotel, estimated to cost **£12m**. These projects harmonise very closely with the Tier 2 outcomes, covering all outcome headings apart from ‘Rural’ and ‘Productivity’.

Tier 3 Outputs

- 4.20 Around **200 gross jobs** are expected to be created over the development of these projects, of which 130 will be net new jobs¹.
- 4.21 The ‘Higher Education Expansion in Hastings’ project theme will involve an increase of 950 in the numbers of full time students in the town and the relocation of 400 students. The partners of the Task Force have presently identified the Observer Building and the Queens Hotel to provide educational accommodation. The Observer Building is currently intended to provide ‘relocation accommodation’ rather than provide for ‘new’ student places and therefore the places have not been included as actual outputs and will not produce any additional jobs.
- 4.22 However, it is estimated that the refurbished Queens Hotel could provide accommodation for around **475 Full time Students**. This still leaves a shortfall of a further 475 spaces for which accommodation will need to be provided. MBM has proposed that Hastings Goods Yard could be used for educational purposes. However, further clarification is required from the partners of the Task Force on

¹ The total jobs created, relating to the provision of accommodation for the University, have been calculated on the basis used by Colin Monk of the University of Brighton, adapted from a report prepared by Portsmouth University Business School.

whether this is the preferred use for this site. At present the Goods Yard is included in the Five Point Plan as one of the 'Millennium Communities' housing sites.

Additional Outputs

- 4.23 Initiative Three is expected to lead to the creation of **11,800m² of accommodation** for students in Hastings. This is currently split between the Observer Building, with **3,800m²** of space, and the Queens Hotel, with **8,000m²** of space.

INITIATIVE FOUR– BROADBAND INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) APPLICATIONS

Tier 2 Outcome Targets

- 4.24 The total programme of investment amounts to **£15.4m** making it the second largest initiative in terms of size of investment. There are seven projects in total connected with the development of broadband ICT applications. The majority of the projects contribute towards the development of 'Sustainable Economic' performance, 'Skills' and 'Productivity', whilst over half are expected to give positive contributions to the 'Regeneration', 'Rural', 'Employment' and 'Enterprise' Tier 2 outcomes.

Tier 3 Outputs

- 4.25 The initiative is expected to lead to the creation of **12 gross jobs**, (although 9 of these will be associated with construction) all during the first three years of the project. Only 2 net new jobs are estimated to arise from this Initiative.

Additional Outputs

- 4.26 The outputs from the Broadband ICT projects will be wide-ranging. The **Broadband Infrastructure Rollout** will lead to the provision of competitive fibre based broadband connectivity on all the key employment sites in Hastings, as well as the provision of connectivity to key public sector nodes in Hastings. **Mass Market Broadband Provision** will result in 79% of residents and 83% of businesses having access to broadband Asymmetric Digital Subscriber Line (ADSL) services in Hastings and Bexhill (compared to a baseline of 61% for residents and 69% for businesses).

- 4.27 **Public Broadplaces** will ensure that 100% of primary and secondary schools will have access to broadband telecommunications networks (in association with the National Grid for Learning – NGfL) alongside the development of broadband public access points in Hastings and Bexhill (primarily the libraries). **Broadband Satellite Connectivity** will ensure the supply of 100 broadband satellite slots to businesses in rural Hastings. In addition, the creation of the **Integrated Information Gateway** will lead to the development of an integrated information gateway for Hastings and Bexhill that can be accessed by a variety of access devices such as the Internet, Web TV, public kiosk, mobile and voice telephony.
- 4.28 **The University for Industry Provision** will create the facility to accommodate learn direct e-learning courses. The **Broadband Demonstration Unit** will lead to the increased take-up of broadband connectivity amongst businesses and residents in Hastings, increased adoption of e-commerce amongst businesses in Hastings and increased adoption of broadband ICT applications by businesses and residents in Hastings.

INITIATIVE FIVE – TRANSPORTATION IMPROVEMENTS

Tier 2 Outcome Targets

- 4.29 The total programme of investment for the three projects under this initiative amounts to **£14m**. All three projects contribute towards the regeneration Tier 2 outcome and two out of the three towards 'Sustainable Economic' performance, 'Urban', 'Physical Development', 'Employment' and 'Investment'.

Tier 3 Outputs

- 4.30 The transport initiative is expected to lead to the creation of **8 gross jobs** over the 10 years of the plan, all classified as construction jobs. Seven of these will occur between years 1-3 and one between years 4-10.

Additional Outputs

- 4.31 The main outputs resulting from this initiative will revolve around the reduction in rail journey times by Hastings and London/Gatwick and the creation of the new metro link running between Bexhill and Ore. Timetable enhancements on the service between Hastings and London are expected to generate a **20 minute journey time saving**

during peak periods. The new metro line will create a 6-stop passenger transit facility in between Bexhill and Hastings, involving the development of a new station at Bulverhythe and regeneration of existing stations along the route.

TOTAL OUTCOMES AND OUTPUTS

Initiatives	Total No of Projects	Gross Jobs (employees)	Brownfield Land (ha)	Housing (Units)	New Business Creation	Full Time Students
1	22	2,258	36.22	1,770	0	0
2	3	479	1	0	240	0
3	2	202	0	0	0	475
4	7	12	0	0	0	0
5	3	8	0	0	0	0
TOTAL	37	2,959	37.22	1,770	241	475

4.32 As illustrated in Table 4.4 above, the proposed 37 projects spread between the five initiatives will lead to the creation of approximately 2,960 gross jobs² (1,890 net new jobs³) for Hastings and Bexhill. Within this gross jobs total there are 217 construction jobs⁴ associated with the development of all the projects under the Five Point Plan.

² Gross jobs have been calculated on an individual project basis using standard employment densities that have been prepared for English Partnerships and the Regional Development Agencies (ARUP Economics and Planning Employment Densities, 2002). Standard employment densities have been used for office employment, industrial employment and warehousing and distribution. However, as there are wide variations between industrial sectors and geographies these employment density figures have been varied depending on the specific nature of each of the individual projects

³ It is necessary to convert gross jobs into net new jobs in order to take account of displacement, dead-weight and multiplier effects. It has been assumed that 25% of the gross jobs created will result in the disappearance of jobs in other areas (displacement). It has been assumed that 20% of the gross jobs would have been created regardless of the Five Point Plan (deadweight). It has been assumed that the economy will benefit from a multiplier effect equivalent to 15% (every 10 new jobs stimulates the creation of a further 1.5 jobs in the local economy).

⁴ Construction jobs, included within the gross jobs, have been calculated using established methodology that assume that one job is created for one year for every £103,000 of construction spend. This figure is then multiplied by a factor of 10 to convert the jobs into full time equivalents (FTE). One FTE construction job is created for every £1,030,000 of construction spend (bearing in mind that project costs and construction costs will rarely be the same and that the differential between the two will vary considerably from project to project).

- 4.33 The 217 construction jobs, included within the gross job estimates, are broken down as follows between the five initiatives. Initiative One accounts for approximately 180 jobs associated with the construction of the various projects. Initiative Two accounts for two construction jobs, whilst 12 jobs are likely to be created in the refurbishment of the Observer Building and Queens Hotel under Initiative Three. Construction jobs account for nearly all the gross jobs created under Initiatives Four (13) and Five (8) given the capital intensive nature of some of the projects contained within these initiatives.
- 4.34 An estimated 37 hectares of brownfield land will be developed, almost entirely under Initiative One. It is also proposed that 1,770 new housing units will be created within Hastings and Bexhill, whilst 240 new business will be created and supported by the various business incubation projects under Initiative Two.

OVERALL IMPACTS OF THE FIVE POINT PLAN INITIATIVES

- 4.35 DTZ Pidea Consulting has calculated that the Five Point Plan Initiatives will lead to an absolute increase in GDP of 1.3% by year 3 of the Plan in Hastings and Bexhill and a 3.2% increase by year 10⁵. These increases are over and above the GDP trend forecast for Hastings and Bexhill. The employment increases generated by the Five Point Plan initiatives will therefore have a significant effect in boosting the growth potential of both the economies, over the ten year duration of the plan.
- 4.36 The impact of each initiative will, however, go further than improving the headline growth figures for Hastings and Bexhill. Each scheme will help contribute towards improving the economic, physical and social fabric of Hastings and Bexhill in ways that are not easily quantified. The impacts of the regeneration projects under Initiative One will carry beyond the physical development achieved through regeneration and lead to significant improvements to the urban fabric of Hastings and Bexhill. This will in turn impact on environmental and social development of the area.
- 4.37 Projects such as the Millennium Communities, integrated with the Ore to Bexhill Metro under Initiative Five, will have far reaching impacts, both on transportation within the towns of Hastings and Bexhill and the communities surrounding the main regeneration sites. The overall project will be headlined by new public transport infrastructure, which will contribute towards decreasing dependency and usage of cars

⁵ The impact on GDP has been calculated by assessing the impact that the net jobs created by the Five Point Plan will have on the economies of Hastings and Bexhill. We have assumed that every net new job in Hastings and Bexhill will generate £26,151.5 of additional GDP, which is over and above trend GDP growth over the lifetime of the programme.

between Bexhill and Ore. Each of the six stations will become a key regeneration site with new community and play areas created as an integral part of the residential developments on top of the improved tenure diversity in an area of dense social housing. Both these factors will lead to impacts on the social fabric of these key areas within Hastings and Bexhill. This will then lead to further spill-over effects for the wider area.

- 4.38 A further example of the impacts of Initiative One can be illustrated by the regeneration of the seafront and town centre schemes in Hastings and Bexhill. The impact of these projects could lead to an increase of visitors numbers and subsequent visitor spend in the towns, as well as also having positive implications for the general environment of the areas.
- 4.39 Initiative Two is likely to have a significant impact on the level of entrepreneurship and business creation in the Hastings and Bexhill area. The initiative targets areas of identifiable demand in high growth sectors which currently suffer from a lack of supply of suitable accommodation in the area. There is also a lack of business support which is also addressed by this initiative. The main impact will be to promote a re-structuring of the economic base in Hastings and Bexhill and help to foster an enterprise initiative to develop the areas.
- 4.40 The broadband ICT projects should significantly increase the efficiency, effectiveness and competitiveness of businesses in the area due to the increased adoption of e-commerce and other broadband ICT applications. Furthermore, the initiative will help to increase the attraction and retention of high value knowledge-based inward investment projects into the area whilst facilitating the development of clusters of businesses in information rich products and markets. Other impacts associated with this initiative are likely to include increases in basic, specialised and sector-specific labour market skills, through the provision of e-Learning courses, and the development of a University for Industry in Hastings and the potential for increased social inclusion through the efficient delivery of e-Government and e-Learning.
- 4.41 The transportation improvements in Initiative Five have already been discussed in terms of their impact for the Ore-Bexhill metro. However, enhancements to the train timetable between Hastings and London may have some of the most significant impacts of all the projects. The basis for this judgement comes from analysis of similar measures undertaken in other coastal towns, such as Brighton, whose rail accessibility to London has increased markedly in recent years. The reduction in the journey time on the Hastings to London service will allow Hastings to benefit from the dispersal of economic activity from London. For example, it will help Hastings

attract back-office functions that have often been decentralised from London to other parts of the South East which have good access to the capital.

- 4.42 The initiative will also facilitate an increase in commuting from Hastings to London, Tunbridge Wells and Tonbridge, all areas suffering from tight labour markets. In-migrants who work in London are likely to have higher than average skills levels and incomes – and a large proportion of their incomes are likely to be spent in the local economy of Hastings.
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5. FUNDING SCHEDULE FOR THE FIVE POINT PLAN

INTRODUCTION

- 5.1 The funding schedule for the Five Point Plan provides a breakdown of the estimated finances required in order to progress the projects to completion. The schedule, included as Appendix V, has been broken down by initiatives and it comprises estimates of the total funding required, projected net receipts and a breakdown of the potential sources of funding from both the public and private sectors.
- 5.2 The figures are based upon our knowledge of the projects and from our discussions with the various consultees, a list of which is included in Appendix II of this report. In addition, consultees have provided us with a number of consultancy reports which have been commissioned by several bodies, including Hastings Borough Council, Rother District Council and East Sussex County Council. We have relied upon information included within these reports, where necessary. Some of the key reports are listed below.
- Prosperity for Hastings and Bexhill, DTZ Piedad Consulting, October 2001;
 - Hastings Employment Study, G L Hearn November 2001;
 - Hastings Hub Business Plan/Feasibility Study, Michael Beaman Limited, November 2001;
 - Project Appraisals – Millennium Communities By The Sea, Hastings, Donaldsons, December 2001; and
 - Hastings Media Centre Business Plan, Crocus Limited, February 2002.
- 5.3 In order to calculate the net new funding required for each of the Plan's projects, potential private sector funding and other sources of mainstream money have been considered. Outlined below is the approach adopted in projecting the funding streams.
- 5.4 For the avoidance of doubt, none of the projections in this report constitute a formal valuation in accordance with the RICS Appraisal and Valuation Manual. Also none of the figures in this report are suitable for publication without the express consent of DTZ Piedad Consulting and, with our consent, must be accompanied with an agreed statement setting out the context of such figures. None of the figures are suitable for loan security or investment purposes.

Overall Approach

5.5 The key ingredients for development appraisal are:

Income	the anticipated receipts from completed development or sales of land for development;
Costs	the anticipated costs of pre-construction planning, infrastructure and service provision, construction, land acquisition and other associated costs such as professional fees, finance and marketing – both in respect of valuable development and items of social infrastructure/community facility that may have to be provided as part of the scheme;
Phasing	the timing of anticipated receipts coming in and costs being incurred, which in turn affects the costs of financing in times of deficit; and
Profit	the funds required by a developer in return for the risks associated with incurring the costs and undertaking the development, including the risk that estimates of income, costs and phasing may prove to be wrong.

5.6 The estimates are considered suitable for the purposes to which we have been asked to prepare them. However, it is not possible at this stage to accurately appraise the viability of each project because:

- in many cases the precise form, extent and nature of permitted development is not known;
- the extent to which infrastructure costs will need to be met out of development proceeds is not known;
- the form, nature and extent of on site works relating to land remediation, service provision, abnormal construction costs and heritage buildings is not known with precision;
- the form, nature and extent of community requirements, off site highway works and other matters to be covered by legal agreements associated with the planning consent are not known;
- in some cases there is a time lapse between the concept of development and start on site, in which time economic and property market conditions will change;
- the arrangements for landowners to receive payment are not known; and

- against this background, where schemes are intended to regenerate the area through growth in market activity, it is difficult to assess the risk profile of the scheme and allocate a reasonable level of profit.

5.7 An initial appraisal exercise has been carried out based on assumptions concerning all of the above uncertainties.

Total Funding Required

5.8 The total funding required is the estimated total of monies needed in order to complete the Five Point Plan projects. This includes site acquisition costs, site preparation/infrastructure costs, construction costs, professional fees and developers profit. Figures from other reports, where they are available, have been included in this report and the source has been indicated. However, for a number of projects it has been necessary to make cost estimates based upon information provided by various consultees. All the estimated figures are dependent upon a wide range of assumptions about critical issues that as yet have no means of being validated.

Private Sector Funding

- 5.9 In the case of property/site specific projects within Initiatives One to Three a consistent approach has been adopted to estimate potential private sector leverage for the projects and there has been differentiation between 'market' and 'social/economic infrastructure' schemes. In the case of social/economic infrastructure schemes, where the private sector is unlikely to become involved, for example in the case of education projects and town centre/seafront improvements, it has been assumed that no private sector funds will be forthcoming unless information to the contrary has been provided.
- 5.10 In the case of market-facing schemes, for example the construction of an industrial estate/business park that would produce an income stream and have a quantifiable 'market value', the private sector is likely to be willing to take a stake in the scheme. The end value of the completed development scheme, once occupied, has been estimated or other consultants' values have been adopted where necessary. It has been assumed that the private sector would fund approximately 70% of this total 'gross development value', the balance to allow for cost over-runs and profit.
- 5.11 In order for a private investor, or company, to commit funds to a project, they would need to be confident of a return on their investment, in addition to a suitable profit element on top of their original investment. This required profit element often falls

within the range 15% to 20% of return on investment in situations where market risks are considered to be within normal, acceptable boundaries.

- 5.12 The Hastings and Bexhill areas are generally considered to be higher risk investment destinations. The areas are not currently major destinations for private sector funding, especially in the commercial property sector, largely because there is an imbalance between costs and returns due to poor market conditions, i.e. low capital values, rents and yields. As such, commercial property development is unlikely to be economically attractive in current market conditions and therefore development schemes will probably require a degree of public sector funding to become viable. The adopted figure of 70% of gross development value for private sector funding reflects the higher levels of return which would be required by private sector investors to account for the higher level of risk. In practice the level of private sector funding will vary across schemes, but it is considered that this approach is suitable for the purposes of modelling the schemes on the basis of current available data.
- 5.13 Assumptions regarding the timing of the private sector funding receipts have been made and it is broadly assumed that it is received in instalments during the development process.
- 5.14 As an example of potential private sector funding, it has recently been made known that the Chief Executive of London and Amsterdam Developments Limited visited Hastings in February when he visited some of the 'String of Pearls' sites. The company has subsequently expressed a strong interest in adopting the role of master developer on these schemes if, or when, their Millennium Community status is confirmed for the projects.
- 5.15 For social/economic infrastructure projects private sector funding has been input, based upon information provided by consultees and stakeholders. In the case of broadband projects, Initiative Four, estimated receipts and private sector funding have not been included at this stage. These figures are being worked up by the Wired Region Manager of SEEDA and it is anticipated that this information will shortly be available.

Mainstream Funding

- 5.16 Information regarding both secured and potential mainstream funding for the projects has been obtained and has been incorporated into the funding figures. This information, regarding sources and volumes of mainstream funding, in addition to timing, has been sourced from other consultancy reports and from discussions with

consultees. Details of the different types of mainstream funding are included in Section 7 of this report.

- 5.17 For the purposes of the report and the funding summary Table 5.1, mainstream funding excludes existing SRB and SEEDA funding that has been allocated to projects as it is included within SEEDA's total 'single pot' of £9m per annum for the first three years of the programme. However, this 'single pot' has still yet to be secured.
- 5.18 The primary sources of mainstream funding include Hastings Borough Council, Rother District Council, East Sussex County Council, ERDF Objective 2 and Lottery Distributors. In addition, the NHS, Police, Learning and Skills Council, Housing Corporation, Small Business Service, SRA and the Highway Agency will provide co-funding for the proposed schemes.
- 5.19 Further funding for projects in the Hastings and Bexhill area could also be forthcoming from Housing Corporations and Registered Social Landlords. For example, Amicus Housing Corporation intends to lead an investment programme of approximately £95m on a social and mixed tenure housing programme financed by the private sector, local authority and Housing Corporation. In Bexhill, Rother Homes (Registered Social Landlord) could also be a possible source of funding especially for the 'Bexhill Housing Stock' project although no funding has yet been agreed/secured from this source.

Net New Funding Required

- 5.20 This is estimated by projecting total funding required less private sector funding and mainstream funding. It reflects the estimated total shortfall in funding required for each project based upon the assumptions and information provided at the date of this report.

Estimated Receipts

- 5.21 For the estimated receipts element of the funding breakdown the gross development value of the completed scheme has been adopted in the case of 'market' projects which have an 'economic' value in the property market place. Sale proceeds have been projected by estimating the development outputs against existing market values and these estimates reflect current day prices.

- 5.22 Completed projects which are not likely to have an economic value, such as town centre improvements or seafront works, have nil receipts as they are not readily capable of crystallising value on the open market. It has been assumed that the educational projects might eventually be bought by the Higher Education Council for England and receipts have therefore been included to reflect this assumption. Receipts have not been included for the Initiative Four projects as these have not been provided by SEEDA at the time of writing.

Capital Bank Finance

- 5.23 We are aware that there is likely to be some bank finance included within the overall funding profile and it is understood that discussions have already been held with banking institutions in this regard. Based upon the current information provided to us by SEEDA, it has been assumed that bank finance will be forthcoming in the first two years of the overall funding scheme and would be repaid in later years (within years 4-10 for the purposes of our funding profile) out of sale proceeds. These estimates were provided by SEEDA and exclude bank interest charges.

New Money – Grant Aid

- 5.24 The estimated total new money required for the delivery of the projects is a function of total funding required less all other funding types, receipts and capital bank finance.

£m	Year One	Year Two	Year Three	Years Four – Ten	Total
Total Funding Required	30.48	48.42	69.00	158.14	306.04
Less Private Sector Funding	6.00	13.26	32.46	94.18	145.90
Less Mainstream Funding (excluding SRB & SEEDA)	1.62	3.34	7.09	5.82	17.87
Net New Funding Required	22.86	31.82	29.45	58.14	142.27
Less Gross SEEDA (including SRB)	9.0	9.0	9.0	0	27.0
Less Capital Bank Finance	5.0	10.0	0	-15.0	0
Less Receipts	0	0	0	64.44	64.44
New Money – Grant Aid	8.86	12.82	20.45	8.70	50.83

Conclusions from the Funding Schedule

- 5.25 The table highlights the 'front loaded' nature of the funding requirements. Approximately 50% of the Total Funding Required is concentrated within the first three years and the remaining funding would be required in years four through to ten. This concentration of activity in the first three years of the Five Point Plan is not untypical of programmes of this type and demonstrates the requirement for public sector intervention.
- 5.26 The total private sector funding equates to approximately 50% of the total funding required which reflects a significant volume of private sector leverage. This is an ambitious sum of private investment for Hastings and Bexhill area, which is not currently a strong location for commercial investment. However, a co-ordinated approach to market the Five Point Plan and the early start of some key projects is expected to act as a catalyst for further development.
- 5.27 The profile of the private sector funding is relatively low in year one at £6 million, but it increases to £13.26 million in year two and over £32.46 million in year three. This sharp increase in years two and three reflects our opinions of the timing of the projects and estimated completion dates. Private sector funding is unlikely to commence at the outset of many projects as preliminary works may be required in order to attract private sector funds. For example, a development project such as the redevelopment of the Sidley Goods Yard in Bexhill, will involve early work such as site acquisition, site remediation and road access works. These initial works may have to be funded by public sector finance but, once the remediated site is available, private developers could be sought to undertake the development works after these high cost, up-front 'abnormals' have been addressed. As a result, private sector funding is likely to be weighted towards the second half of the initial three years of the Plan as the bulk of the main projects reach the approximate mid-point of their development with spend at its highest.
- 5.28 Mainstream funding, which is already committed or is expected to be committed to the projects, contributes the least of the main funding types with an approximate contribution of approximately £18 million. Again, the profile of this funding is broadly similar to that of total funding required and private sector funding with the majority of spend concentrated in the second half of the initial three years. This funding group excludes existing SEEDA and SRB commitments.
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- 5.29 Due to the similar spend profile of the three funding headings discussed above, the total net new funding required is relatively even across these years with a total of approximately £84 million required. From this requirement £9 million per annum, which has recently been committed by SEEDA, has been deducted for the first three years. In addition, bank finance of £5 million in year one and £10 million in year two has been included as another source of funding. It is assumed that this loan is repaid in years four to ten and, for the purposes of this table we have included this repayment at a nominal level, excluding interest. The net new money which is required after accounting for the SEEDA money and bank finance, equates to approximately £42 million in years one to three. The previously reported figure of New Money required was £38 million for the first three years and this increase of approximately 10% reflects updated figures after further discussions have been held with consultees. However, the overall new money – grant aid over the entire ten year programme is £50.83m that is virtually the same as £51m previously identified.
- 5.30 The report has concentrated on seeking funding sources for years one to three as the priority years. Funding sources for years four to ten are still largely yet to be identified. Currently it has been estimated that a balance of approximately £9 million will be required in years four to ten (our previous reported estimate was approximately £13 million). The figures in the funding profile are based upon the latest information which has been made available and from the most recent discussions with consultees and stakeholders. As plans for the various projects within the initiatives continue to develop, and more information becomes available, the figures reported here can be updated and made more robust. However, they will continue to fluctuate as the Five Point Plan further evolves.

6. TARGETING THE FIVE POINT PLAN ON THE MOST DEPRIVED COMMUNITIES IN HASTINGS AND BEXHILL

- 6.1 This section details how the Five Point Plan for Hastings and Bexhill will assist residents in the area's most deprived communities to access the opportunities created by the regeneration programme. In order to ensure that the opportunities of the economic development projects contained within the Five Point Plan are to benefit deprived residents in the area, linkages will need to be made between unemployed people and the employment opportunities that will be created. Linkages will also need to be made between residents in deprived communities in Hastings and Bexhill and the skills and learning, education, IT, transport and other opportunities that will be created.
- 6.2 A brief summary is provided below showing how this will be achieved, broken down by each of the five initiatives of the Hastings and Bexhill Five Point Plan.

Initiative One Regeneration Measures for Urban Renaissance

- Unemployed residents will be linked with the employment opportunities generated by the Five Point Plan through training, advice and employment access schemes.
- A range of housing regeneration and renewal projects will assist a number of residents in deprived communities in Hastings and Bexhill to dramatically improve their living environments.
- A significant number of affordable private housing units will be provided as part of wider residential developments in Hastings.
- A number of projects will focus on bringing redundant buildings back into use, upgrading the town centres of Hastings and Bexhill and regenerating the seafront in the two areas. This will assist in developing civic pride in the area.
- The creation of 100 hectares of parkland, that can be accessed by all residents of Hastings and Bexhill, will provide a major landscape and recreational amenity for residents in the area.

Initiative Two The Stimulation of Business Innovation, Enterprise, Creativity and Technology Transfer

- Linking unemployed residents with the employment opportunities that will be generated by the Five Point Plan, through training, advice and employment access schemes.
- Linking residents in deprived wards in Hastings and Bexhill to the skills development, training and educational opportunities that will be generated.
- Assisting residents in deprived wards to establish business start-ups.

- | | |
|--|--|
| <p>Initiative Three</p> <p>Excellence in Higher Education</p> | <ul style="list-style-type: none"> • Assisting residents in deprived communities in Hastings and Bexhill to access Higher Education learning opportunities via the provision of access courses and advice on grants and other funding sources. |
| <p>Initiative Four</p> <p>Broadband ICT Infrastructure and Applications</p> | <ul style="list-style-type: none"> • Facilitate social inclusion through better access to education, training and welfare services for residents in Hastings and Bexhill. • Assist in modernising government through the efficient delivery of the e-Government programme in Hastings and Bexhill. • Facilitate residents in Hastings to access web based learn direct courses in a range of levels in subjects such as literacy, numeracy, IT and multimedia. • Create virtual communities of interest to empower socially excluded groups in Hastings and Bexhill. |
| <p>Initiative Five</p> <p>Transportation Improvements</p> | <ul style="list-style-type: none"> • Assist unemployed residents in Hastings and Bexhill to access employment opportunities in other major employment areas (such as London, Tunbridge Wells and Tonbridge). • Assist residents in deprived areas of Hastings and Bexhill to access employment opportunities across a range of employment sites in the area. • Assist residents in the Millennium Communities residential developments, a significant number of which will be affordable units, to access employment opportunities elsewhere in Hastings and Bexhill. |

- 6.3 The remainder of this section outlines in more detail how residents in deprived communities in Hastings and Bexhill can access the wide range of employment, training and skills, education, IT and transport opportunities that will be created by the Five Point Plan.

INITIATIVE ONE: REGENERATION MEASURES FOR URBAN RENAISSANCE

- 6.4 Initiative One contains a range of regeneration measures that will generate an urban renaissance in Hastings and Bexhill. The majority of these projects will directly benefit residents in the deprived wards in the area.
- 6.5 A number of projects under Initiative One focus on the development of **high quality employment land** to accommodate the demands of knowledge based inward investors and growth in indigenous businesses in Hastings and Bexhill. As can be seen from Map 6.1 overleaf, many of these projects will be located in close proximity to deprived communities. For example, Queensway Businesses Park is forecast to create approximately 640 net jobs in Hollington ward in Hastings. Hollington is one of the

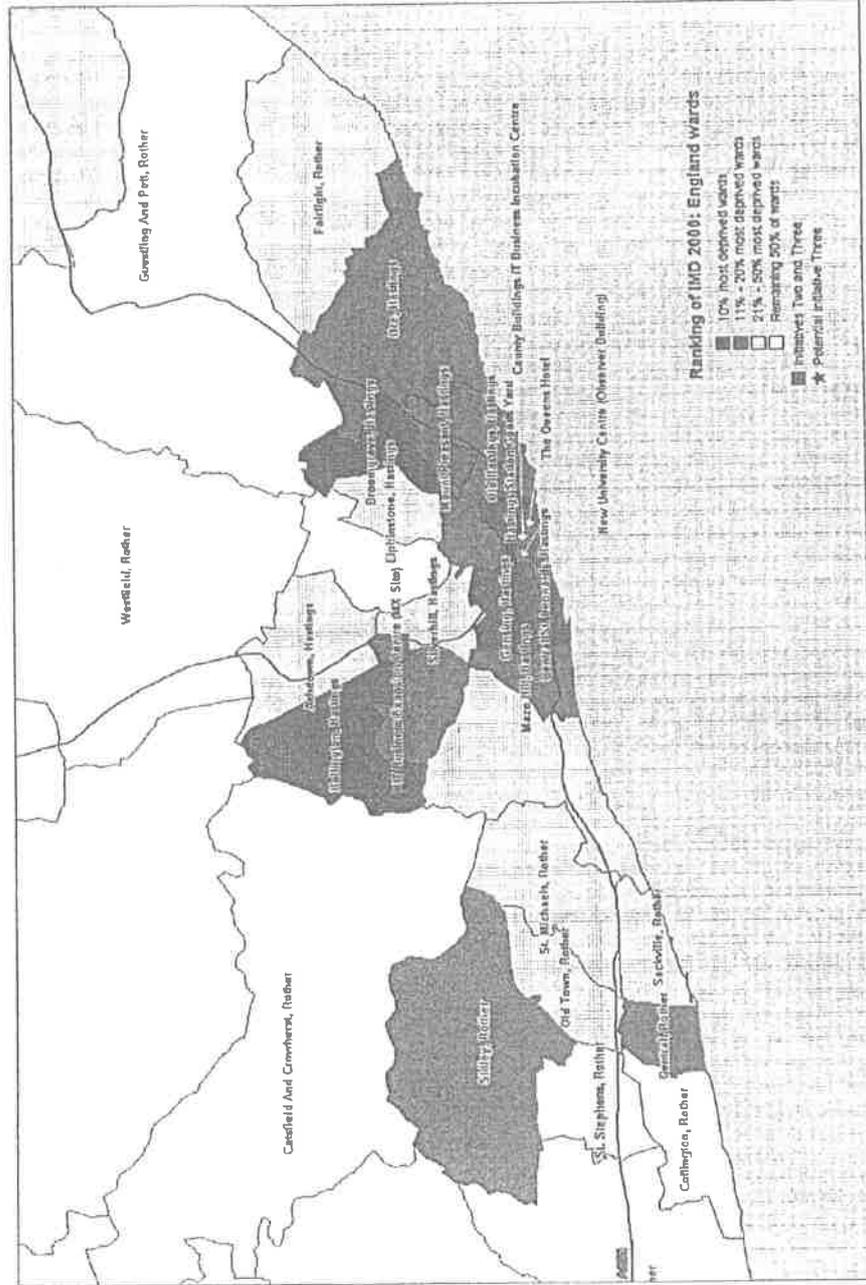
- most deprived wards in Hastings and ranks in the top 7.0% of the most deprived wards in the country.
- 6.6 As approximately 20% of jobs on new business park developments can typically be accessed by people with low skills, the employment land projects under Initiative One will generate significant employment opportunities for deprived residents. Deprived residents' access to training and education opportunities under Initiatives Two and Three will also facilitate deprived residents to access employment opportunities requiring intermediate and high level skills.
- 6.7 A number of projects under Initiative One focus on **housing regeneration and renewal** projects in deprived communities in Hastings and Bexhill. For example, the Bexhill Housing Stock Renewal project will renovate 100 retired householders' private dwelling units in areas of Bexhill that were identified to be in particular need of renovation in a recent stock condition survey.
- 6.8 There are also a number of residential development projects under Initiative One and a significant proportion of these will be **affordable housing units** that can be accessed by people on low incomes. For example, the Brownfield Land Assembly Trust (BLAT) project identified 17 realistic brownfield development opportunities for affordable homes across the two pilot study wards of Gensing and Central St. Leonards. Making allowances for differences in local densities and ward sizes, this figure could be multiplied across the remaining seven central urban wards to achieve a total number of new dwellings, possibly as high as 550 units.
- 6.9 A number of projects under this initiative focus on **bringing redundant buildings back into use** in Hastings and Bexhill, **upgrading the two town centres** and undertaking **seafront regeneration measures** in the two towns. This will assist in making Hastings and Bexhill attractive places in which residents will want to live, work and enjoy themselves.

- 6.10 In compliance with best practice in urban regeneration, the revitalisation of Hastings and Bexhill will be sustained by engaging the people who live and work in the area in the development of projects. This will ensure that projects are 'owned' by local people and assist in renewing civic pride, building partnerships and increasing awareness of the Hastings and Bexhill Five Point Plan. Ensuring local ownership of the Plan will involve detailed consultations with local communities. This will create a forum where the aims and objectives of the Plan can be made clear to the local communities, discussed, and amended according to their priorities. Community input at all levels of project design, implementation and evaluation, will help to ensure that the varied, sometimes conflicting, needs of the local communities are met by learning from them and not by merely imposing top-down solutions.
- 6.11 This initiative also contains a project that will develop a countryside park at Pebsham, creating approximately 100 hectares of parkland for public access. The park at Pebsham will improve the attractiveness of both Hastings and Bexhill. The project will therefore be vital in enhancing the quality of life for the residents of the area.

INITIATIVE TWO: THE STIMULATION OF BUSINESS INNOVATION, ENTERPRISE, CREATIVITY AND TECHNOLOGY TRANSFER

- 6.12 Initiative Two contains a range of projects that are focused on increasing levels of entrepreneurship in Hastings and Bexhill by providing suitable accommodation and access to advice for business start-up companies and providing suitable second stage start-up accommodation and advice for high-growth businesses. A Business Support Team will also be established under Initiative Two in order to increase levels of competitiveness, innovation, enterprise, and technology transfer in the area. This will be achieved by the provision of two Business ICT Advisors, a Business Mentoring Manager and a business Enterprise Manager.
- 6.13 As can be seen from Map 6.2 overleaf, the County Buildings IT Business Incubation Centre will be located in Castle ward, which falls within the top 2.5% of the most deprived wards England. The MX Site Business Expansion Centre will be located in Hollington ward, which falls within the top 6.8% of the most deprived wards in the country. Mechanisms will be put in place under Initiative Two to ensure that residents of the deprived wards surrounding these two projects will be given the necessary guidance, training and other support in order to maximise the opportunity of accessing the employment opportunities that will be generated.

MAP 6.2 SELECTED PROJECTS UNDER INITIATIVES TWO AND THREE



DTZ Pleda Consulting. Economics
Base map (c) 1999 Ordnance Survey. (c) Crown Copyright 1997. Source Office for National Statistics 1999

- 6.14 Support and advice will also be available for residents in deprived wards in Hastings and Bexhill to assist them to access the new educational opportunities that will be available under the Five Point Plan. The new educational opportunities in Hastings and Bexhill that can be accessed by local residents in deprived communities, include:
- the provision of a facility and equipment to study web based learn direct courses through the **University for Industry (Ufi)**; and
 - the development of a new **University Centre** in Hastings.

INITIATIVE THREE: EXCELLENCE IN HIGHER EDUCATION

- 6.15 Initiative Three focuses on raising high-level skills in Hastings and Bexhill through the provision of accommodation, lecturing and support staff for students on a range of leading-edge courses including IT and new media. Educational facilities are proposed in both the Observer building and the refurbished Queens Hotel in Castle ward in Hastings, which falls within the top 2.5% of the most deprived wards England.
- 6.16 Effective mechanisms will be put in place to ensure that the opportunities to participate in Higher Education can be accessed by residents in the deprived wards of Hastings and Bexhill. These will include advice on University access courses and on grants and other forms of financial support that may be available.

INITIATIVE FOUR: BROADBAND ICT INFRASTRUCTURE AND APPLICATIONS

- 6.17 Initiative Four aims at progressing the knowledge economy and information society in Hastings and Bexhill. The development of an information society in Hastings and Bexhill can be used as a key driver of social inclusion in the area. This is due to the fact that information and communication technologies (ICTs) will have an increasingly significant impact on access to employment, education, health and entertainment opportunities in Hastings and Bexhill.¹
- 6.18 One of the key projects in Initiative Four, **Mass Market Broadband Provision**, focuses on the competitive provision of broadband telecommunications services to

¹ Social Exclusion Unit (2000) National Strategy for Neighbourhood Renewal. Policy Action Team Report Summaries: A Compendium, Social Exclusion Unit, London.

residents in Hastings and Bexhill. Accessibility to competitive broadband telecommunications services can be used as a driver of social inclusion in Hastings and Bexhill by facilitating improved access to education, training and welfare services. A recent report by BT, in association with the Local Futures Group,² states that telecommunications strategies can also be used to create electronic communities of interest to empower socially excluded groups, based on local, regional and global networks.

- 6.19 Access to broadband telecommunications services in Hastings and Bexhill, via the Mass Market Broadband Provision project, can also be used to modernise government services in Hastings and Bexhill, in conjunction with the e-Government programme. Better access to broadband communications networks can improve the quality of government services that residents receive in Hastings and Bexhill, connect public services more efficiently and facilitate on-line accessibility to officials and consultation programmes.
- 6.20 The Mass Market Broadband Provision project will also ensure that the development of a cohesive information society is developed in Hastings and Bexhill, where all residents have the opportunity to exploit the opportunities presented by new technologies and the internet.
- 6.21 Another key project in Initiative Four, **University for Industry Provision**, will provide accommodation and equipment for a learn direct facility in Hastings town centre. This project will offer a range of basic and intermediate courses in vocational subjects that are being demanded by employers in growth sectors – such as literacy, numeracy, IT, management and teamworking.

INITIATIVE FIVE: TRANSPORTATION IMPROVEMENTS

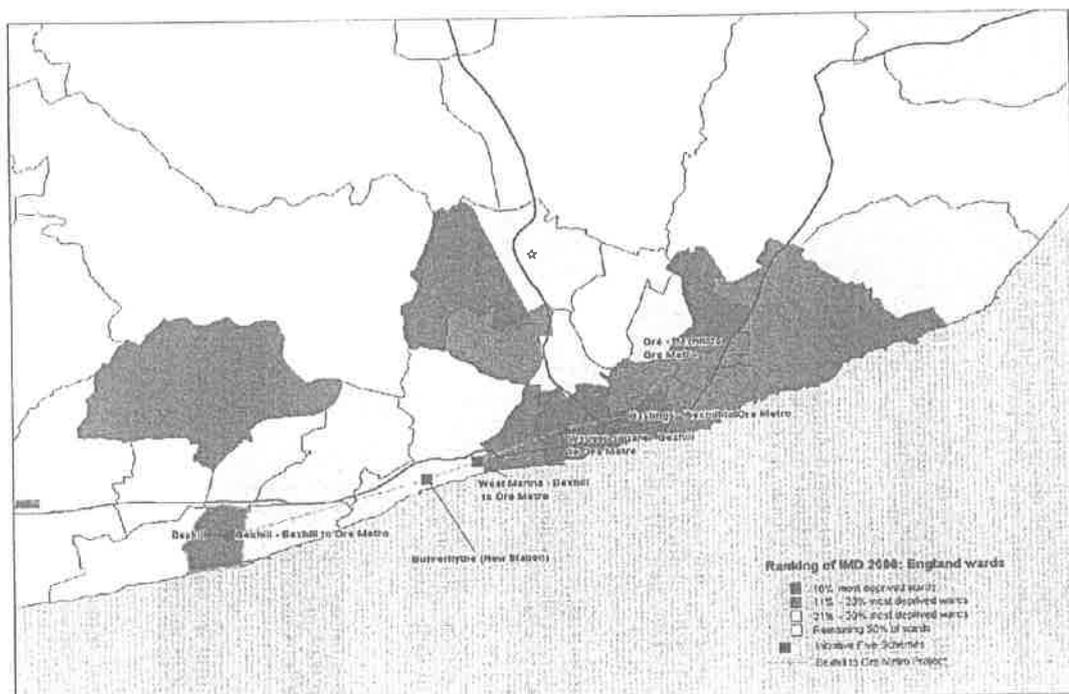
- 6.22 Initiative Five contains three transportation projects that aim to increase the effectiveness of public transport both within the local area and between Hastings and Bexhill and key employment/training centres such as London, Tunbridge Wells and Tonbridge.
- 6.23 The **Timetable Enhancements to the Hastings to London Service** will reduce the journey time to London and other key employment and training centres such as

² BT and The Local Futures Group (1999) Telecommunications and Regional Development: National Report, Local Futures Group, London.

Tunbridge Wells and Tonbridge. This will allow unemployed residents in Hastings to access employment opportunities outside the area more effectively.

- 6.24 This project will also encourage in-migrants to move into Hastings but continue to work in other locations such as London, Tunbridge Wells and Tonbridge. A large proportion of in-migrants' disposable income is likely to be spent in the local area, creating additional jobs in the service sector in Hastings and its surrounding environs that can be accessed by local residents.
- 6.25 The Timetable Enhancements to the Hastings to London Service will also facilitate an increase in tourism visits and spend which will create job opportunities in the sector that can be accessed by local residents.
- 6.26 The **Bexhill to Ore Metro** will involve the creation of a high quality rapid metro service between Ore in the east and Bexhill in the west, calling at stations at Bulverhythe, Warrior Square, West Marina and Hastings. A significant number of these stations are located in close proximity to projects in the Millennium Communities String of Pearls programme, which involves the development of a significant number of affordable housing units. The metro will allow residents in deprived communities to access employment opportunities generated in the String of Pearls developments via the use of an efficient public transport system. The Bexhill to Ore Metro will also allow residents in the new affordable housing developments in the Millennium Communities project, to access employment opportunities elsewhere in Hastings and Bexhill.
- 6.27 The **New Station at Bulverhythe** will facilitate public transport access to new and existing developments in the area. The new housing development at Bulverhythe will involve the development of 212 residential flats and houses, approximately 53 of which will be affordable units. The project will also include the development of 1,940 m² of light industrial space, predominantly starter units. The accommodation of a new Metro station at Bulverhythe will assist deprived residents in Hastings and Bexhill to access existing and new employment opportunities at Bulverhythe. It will also allow residents at the new housing development at Bulverhythe to access employment opportunities elsewhere in the area. Map 6.3 shows the stations and the indicative route of the Bexhill to Ore Metro and highlights the deprived wards through which the line would pass.

MAP 6.3
BEXHILL TO ORE METRO



DTZ Pleda Consulting, Economics
 Based on (c) 1999 Census Survey, (c) Crown Copyright 1997. Source Office for National Statistics 1999

STRATEGIC OBJECTIVES FOR ENSURING THAT LOCAL DEPRIVED COMMUNITIES BENEFIT

6.28 The Hastings and Bexhill Five Point Plan will create significant employment, training and educational opportunities for residents of some of the most deprived wards in England. The following four strategic objectives that need to be employed in order to ensure that communities in need in Hastings and Bexhill benefit from the regeneration programme are detailed overleaf.

- SO1**
Ensuring that residents in deprived wards have physical access to the new employment, training, and educational opportunities
- Public transport links need to be in place in order to connect residents in deprived wards in Hastings and Bexhill to the employment, training, and educational opportunities that will be created by the Five Point Plan. All three of the transport projects under Initiative Five support this objective. However, it may be necessary to undertake a transport audit in order to identify gaps between existing and proposed transport provision in Hastings and Bexhill and the various employment, training, and educational opportunities that will be created. A strategy can then be put in place to fill any gaps in public transport provision in the area.
- SO2**
Ensuring that residents in deprived wards in Hastings and Bexhill have access to training in the skills areas that will be demanded by the new employment opportunities
- It is essential that the employment and training agencies in Hastings and Bexhill work in partnership with the companies that create new employment opportunities in the areas. These will include existing businesses, indigenous business start-ups and inward investment projects. This will enable companies to communicate their skills requirements with employment and training agencies in the area who in turn, can tailor the courses and advice that they offer to unemployed residents in Hastings and Bexhill.
- SO3**
Ensuring that residents in deprived wards in Hastings and Bexhill have access to opportunities for Higher Education
- It is important that effective mechanisms are put in place in order to assist residents in deprived wards in Hastings and Bexhill to access the opportunities to engage in Higher Education. This will be achieved by providing advice on access courses and sources of funding for courses at the new University and raising the awareness of residents in deprived communities of the variety of other courses that are available to them – such as the new learndirect centre that will be developed in Hastings.
- SO4**
Ensuring that residents in deprived communities have access to information and communications technologies (ICTs)
- It is important that the development of an information society in Hastings and Bexhill is inclusive, and does not act to re-enforce the 'digital divide' in the area. This will be achieved by ensuring that all residents in deprived wards in Hastings and Bexhill have access to broadband ICT infrastructure and applications either at home or through community access points such as public kiosks. This will enable residents in deprived communities to access a range of content on employment opportunities, local government services (health, education, benefits, leisure), and training opportunities.

7. LINKAGES WITH OTHER INITIATIVES IN HASTINGS AND BEXHILL

INTRODUCTION

- 7.1 It is important that the Five Point Plan being proposed for the regeneration of Hastings and Bexhill, and the projects that comprise this Plan, form an integral part of the wider development initiatives that are taking place within the area. This section of the report examines the linkages between the Plan and existing regeneration programmes. It also examines the relationship between the proposed regeneration strategy and a number of other parallel studies that are being undertaken.

LINKAGES WITH OTHER FUNDING INITIATIVES

- 7.2 SEEDA anticipates committing significant resources from its own budgets to enable the projects identified within the Five Point Plan to be delivered. SEEDA's funds will then be available to match resources from existing funding programmes. It is important therefore to consider the other key sources for funding regeneration in Hastings and Bexhill and how they mesh with the proposed strategy. The key sources of regeneration funding, including SEEDA's regeneration budget, are:
- the Hastings Neighbourhood Renewal Strategy (NRS);
 - the European Regional Development Fund (ERDF);
 - the Single Regeneration Budget (SRB); and
 - the Housing Corporation.

THE HASTINGS NEIGHBOURHOOD RENEWAL STRATEGY (NRS)

National Context

- 7.3 The aim of the National Strategy for Neighbourhood Renewal is to address the problems of England's most disadvantaged communities. The vision of the strategy is to ensure that within 10-20 years no-one should be disadvantaged due to where they live. The strategy sets out two goals:
- to have common goals of lower unemployment and crime, better health, housing and physical environment in all the poorest neighbourhoods; and

- consultation by the end of April 2002. This will need to be approved by the LSP that will take on the responsibility for the allocation of the NRF from April 2002.
- 7.8 Neighbourhood Renewal Fund monies are to be used to assist the Partnership in improving services to the most deprived parts of the community in Hastings. There is an expectation that these funds will be used:
- to make progress towards meeting some, or all, of the Government's floor targets;
 - to meet the aspirations, expressed by local people, for their areas and communities;
 - to tackle issues particularly in relation to wards in the worst 10% nationally, although there is no restriction to its use in this respect; and
 - to draw mainstream funding into tackling the issues identified through this process.
- 7.9 The funding allocated to the Hastings Borough Council amounts to approximately £3m to be spent over three years. In the short term the majority of the money is to be directed towards improving community structures and reducing crime. Longer term the aim is to use the funding to help bend and enhance mainstream services to deprived communities.
- 7.10 The projects approved for funding in the first year (2001-2002, though some entail funding for more than one year) are designed:
- to develop and support neighbourhood structures;
 - to meet community safety objectives;
 - to address educational needs in Hollington and support the provision of IT to excluded communities; and
 - to support ethnic minority participation and commission research.
- 7.11 The scale of the NRF monies available means that it cannot address every issue or need in the Borough. The funding is therefore targeted at activities which are a clear priority in terms of addressing the needs of disadvantaged communities and upon activities where relatively modest funding can make an impact. Given the key priority for residents and business of reducing crime, it has been decided that this is an

7.16 The broad objectives of the Objective 2 programme in South East England are:

- to create a more dynamic economic environment by encouraging business creation and survival;
- to improve the competitiveness of existing business;
- to reduce levels of deprivation in the region's most disadvantaged communities; and
- to increase business investment and economic growth.

7.17 Typically ERDF resources are used to fund:

- productive investment leading to the creation or maintenance of jobs;
- development of new infrastructure; and
- local development initiatives and the business activities of small and medium sized enterprises.

7.18 Projects approved for ERDF must meet strict eligibility criteria. They need to fit within structure of 'Priorities and Measures' set out in the 'Single Programming' Document. Funding is provided only on a matched basis and at least 50% of funds have to be derived from UK sources.

European Regional Development Fund and Hastings

7.19 Hastings is eligible for £6m of Objective 2 funding over the time period of 2000-2006. Further funding of £2m is likely to be available in 2006-2010. This is transitional funding since Hastings is expected to lose its Objective 2 status in 2006. South East of England Objective 2 programme is primarily intended to safeguard and create jobs in the designated areas.

7.20 In Hastings all Objective 2 funds are to be targeted on seven eligible wards:

- Castle;
- Central St Leonards;
- Maze Hill;
- Mount Pleasant;
- Old Hastings;

- Ore; and
- West St Leonards.

All of these wards, apart from Mount Pleasant, are located along the seafront. Bexhill does not fall within the geographic scope for Objective 2 funds.

- 7.21 ERDF funding is also available for projects in Hastings under the Interreg programme. Approximately £68m is available under the Interreg programme over the period 2000-06. However, the programme covers the Nord Pas de Calais, Somme, Seine Maritime, as well as Kent and East Sussex regions. All projects in the UK have to be joint Anglo-French initiatives.
- 7.22 Examples of projects recently funded, or soon to be funded, through the Objective 2 programme in Hastings, include a new technical innovation centre, development work on the castle in the town centre, the re-development of the Maritime Stade (part of the 'Regenerating the Hastings Seafront' project), the sustainable town centre work and the 'Station Goods Yard' scheme. Retail, housing and mainstream education projects cannot be funded with these monies, although FE and HE projects are eligible. Any projects in Hastings must be located in the seven designated eligible wards.

European Regional Development Fund and the Five Point Plan

- 7.23 Limited ERDF money will be available to the selected projects that form the Five Point Action Plan as many of them fall outside the designated Objective 2 wards, whilst others would not meet the eligibility criteria for ERDF projects. ERDF cannot be used for housing, retail, ICT or mainstream education projects, although funding is available for education projects over and above those provided by mainstream education funding sources.
- 7.24 Many of the Five Point Plan projects involve developments that are ineligible for ERDF funding. However, there are some projects which could potentially benefit from Objective 2 support. The redevelopment of the Station Goods Yard may be one such project, although it depends on which development option for the site is pursued as to whether or not the project will be eligible for ERDF funding.
- 7.25 There may be more scope for drawing in European Social Fund monies to support training activities based in new FE and HE facilities and linked to the proposed ICT/broadband demonstration facility. The ESF cannot, however, be used to fund capital costs. Use of ESF funding would need to be matched probably by the Learning and Skills Council.

SINGLE REGENERATION BUDGET (SRB)

- 7.26 The SRB was launched in 1994 and brought together a number of programmes from several Government departments with the aim of simplifying and streamlining the assistance available for regeneration. In total there were six rounds of bidding for SRB funding. There will be no further rounds of SRB funding, though the Regional Development Agencies (RDAs), SEEDA in the case of East Sussex, will meet existing SRB commitments. The RDAs now have greater flexibility to spend their resources in ways they determine in order to deliver their regional strategies.
- 7.27 The SRB provides resources to support regeneration initiatives carried out by local regeneration partnerships in England. Its priority is to enhance the quality of life for local people in areas of need by reducing the gap between deprived and other areas, and between different groups. It supports initiatives that build on best practice and represent good value for money.
- 7.28 The types of bid supported differ from place to place, according to local circumstances, but they will include some or all of the following objectives:
- to improve the employment prospects, education and skills of local people;
 - to address social exclusion and improving opportunities for the disadvantaged;
 - to promote sustainable regeneration, improve and protect the environment and infrastructure, including housing;
 - to support and promote growth in local economies and businesses; and
 - to reduce crime and drug abuse and improve community safety.

Single Regeneration Budget and Hastings

- 7.29 By the end of March 2002 approximately £10m will have been spent through the SRB in Hastings. Available SRB monies in Hastings have been fully allocated to projects. The only way that SRB resources could be freed up to fund projects in the Five Point Plan is if an existing project which has approved funding, does not proceed, or if there is an underspend in the programme as a whole.
- 7.30 SRB money in Hastings has already funded a diverse range of projects and will continue to do so until the completion of SRB Round 6 in 2006/7. Examples of

completed projects funded, or partly funded, by money from the SRB in Hastings include:

- **Town Centre – Grants for Commercial Premises:** A programme of grants for the improvement of shopfronts, the refurbishment of commercial buildings and the training of staff in Hastings town centre.
- **Skills Action:** Focuses on providing training for young people who are currently unemployed to improve their prospects of finding a job, and the carrying out of a Borough wide skills audit as a basis for targeting skills training.
- **Starter Unit Factories:** The project involved the development, in partnership with the private sector, of starter units to meet proven demand for small units in the town identified through recent research into the supply of industrial and commercial premises.

7.31 SRB 6 money has been used to fund a number of feasibility studies, most notably in the town centre. These studies were undertaken in the anticipation that further SRB funding would become available to implement the recommendations made in the studies. A number of these related projects have been incorporated into the Five Point Action Plan.

Single Regeneration Budget and the Five Point Plan

7.32 There is a strong link between past SRB initiatives and the Five Point Plan. The Plan is in many respects picking up, and building upon, work started with SRB funding. This is most evident in that the Five Point Plan contains proposals for acquisition and works on properties and sites that have had SRB funded feasibility studies undertaken on them. For example:

- The ‘Hastings Town Centre Public Realm Improvements’ project takes onboard the findings of the SRB funded feasibility study undertaken on the town centre. This study focused on the Belvedere and Harold Place area, Hastings town centre, the Hastings Goods Yard site and the Observer building. A total of £1.75m of SRB money has been identified for works following on from the study and the Council and SEEDA will be identifying the way in which this will be distributed between these projects.
- SRB money has also been allocated and used for remediation works on the Broomgrove and Ore Valley power station site. This money has contributed towards creating a serviced/reclaimed site which is capable of being developed

by the market. There remains some outstanding SRB funds which can contribute towards upgrading the infrastructure and access to the site.

HOUSING CORPORATION

- 7.33 The Housing Corporation is a non-departmental public body, sponsored by the Department for Transport, Local Government and the Regions to fund and regulate Registered Social Landlords (RSLs) in England. The Corporation's mission is 'to work to improve people's quality of life through social housing'. Underpinning this statement are five strategic aims to promote a social housing sector which:
- helps to revitalise and maintain sustainable housing and neighbourhoods;
 - acts in the interests of tenants and residents;
 - secures the effective stewardship of existing stock;
 - safeguards the public interests; and
 - encourages innovation and the pursuit of best value.
- 7.34 The Housing Corporation has three main responsibilities in the form of regulating the performance of RSLs; funding housing investment, and promoting innovation and good practice in social housing. The performance of RSLs is regulated by ensuring that they make responsible use of resources and sustain a reputation for sound management and financial prudence. RSLs are also expected to continue to increase resident involvement to improve service delivery and reduce social exclusion. The Corporation also ensures that rents remain affordable. The Housing Corporation, in its funding of housing investment through the Housing Associations, ensures that investment is tailored to local needs and that best value for money is secured whilst also promoting public/private partnerships in social housing.

Housing Corporation and Hastings

- 7.35 The main Housing Association in Hastings is currently 1066. However, the other Housing Association, Amicus, is expected to take over 1066. Housing Corporation money will therefore be allocated to the Amicus group for investment within the Hastings area. In addition Hastings Borough Council is also looking invest £2 million in 1066 Housing Association stock.
- 7.36 The main focus for investment of Housing Corporation money is on regenerating the housing stock in Hastings town centre, achieved mainly through town centre property acquisitions and conversions. It is perceived that the greatest demand for affordable housing lies in the area surrounding the centre of Hastings, hence the decision to

agreement in principle to a £15 million Social Housing Grant programme in years 1-5 (starting from the 2002/03 financial year). This is partly in recognition of the need for replacement stock to allow the Ore Valley programmes to proceed, and partly in recognition of the town's pressing housing needs. The Housing Corporation has also indicated a £1 million contribution to stock improvement over the first five years, although the location of the investment is yet to be determined.

Housing Corporation and Bexhill

- 7.37 Rother District Council's sheltered housing stock was transferred to Rother Homes (Housing Association) in 1998. The current priority for the stock is considered to be the redevelopment of 25 sheltered housing units. The renovation of 100 private housing units (for retired householders), which were highlighted as part of a stock condition survey as 'units in particular need of renovation', has also been given priority status.
- 7.38 The stock to be improved falls both within urban and rural areas of Rother, with a considerable amount of this stock being within rural areas targeted for assistance. Rother District Council has indicated that an approximate total of £5 million over the first three years of the Five Point Plan would be required in order to undertake this project but no funding has yet been secured.

Housing Corporation and the Five Point Plan

- 7.39 Housing Corporation funds are presently not directly involved in the funding of projects identified in the Hastings and Bexhill Five Point Plan. However, there are strong links with several of the proposed schemes including the Millennium Communities, BLAT and the Bexhill Housing Stock Renewal projects, that may ultimately attract the Corporation's funding. The Housing Corporation, Amicus, private sector and local authority funding of £95m allocated for social and mixed tenure housing works in the area will form an integral part of the overall total development spend of approximately £400m over the ten year regeneration programme.

LINKAGES WITH OTHER PROGRAMMES AND STUDIES

7.40 The work of the Hastings and Bexhill Task Force is not the only work being undertaken on the development of the Five Point Plan. A number of pieces of work are being undertaken simultaneously that will inform the Plan, which form inputs to different components of the Plan. These parallel studies include:

- a study by BT Exact Technologies who are developing project proposals that would stimulate demand for broadband services in Hastings and Rother;
- work by MBM Architects preparing an overall physical development vision for Hastings;
- a Sustainability Framework and recommendations for public consultation strategy being undertaken by Entec;
- work by Mott Macdonalds on behalf of the Strategic Rail Authority (SRA) on the transport elements of the Five Point Plan;
- work by Halcrow on behalf of Government Office South East on the South Coast Multi-Modal Study;
- studies by Donaldsons of the development feasibility and costs of mixed use sites included in Hastings String of Pearls bid for Millennium Community status;
- ongoing work by SEEDA on the development of the Enterprise Gateway Project; and
- an investigation by DTZ Pida Consulting into the development potential for the establishment of a Brownfield Land Assembly Trust (BLAT) vehicle in Hastings.

The scope of these studies is summarised below.

Hastings and Bexhill e-city: Recommendations for the way forward

7.41 BT Exact Technologies have been commissioned by SEEDA to work up a range of projects that would stimulate demand for broadband services in Hastings and Bexhill. A central objective of the Hastings and Bexhill e-City initiative is to provide ubiquitous broadband coverage. Current ADSL coverage is capable of serving 61% of residential locations and 69% of business premises, though it is important to note that

the functionality of ADSL services declines significantly as the distance from the nearest telephone exchange increases.

7.42 The brief to which BT Exact Technologies were working to was as follows:

- to make recommendations of any actions that can be taken before March 31 2002, namely identify 'quick win' projects and advice on that which could be realistically achieved in financial year 2002/03;
- to provide detailed road plans of where to install enhanced ICT infrastructure in Hastings and Bexhill to guide the implementation of Wired Region initiatives;
- to recommend a set of options for self-contained projects, based on proposed ICT infrastructure maps, that will deliver measurable benefits that can be realised within the six to nine months from March 2002; and
- to recommend actions to be taken to enhance broadband access in Hastings and Bexhill in the longer term.

7.43 BT Exact Technologies have completed their study that:

- looks at the barriers and drivers for broadband service;
- provides a demographic analysis of Hastings and Bexhill;
- provides an analysis of regional initiatives;
- provides details of a recommended infrastructure investment programme; and
- makes recommendations for action.

7.44 The work of BT Exact Technologies, in developing a series of projects to stimulate demand for broadband services in Hastings and Rother, feeds directly into the ICT elements of the Five Point Plan. In essence the study sets out how the Plan's objectives of delivering enhanced ICT infrastructure, especially broadband, will be developed in Hastings.

Hastings and Rother - 'Views and Visions'

7.45 MBM Architects have been commissioned to design a masterplan for the Hastings and Bexhill area. Essentially the work presents a visionary study of Hastings and Rother for the future, embracing ideas for the built environment and infrastructure of the area and highlighting what the urban fabric of the area has to offer.

- 7.46 The visioning study consists of the following key elements:
- the vision – an idea of what the Hastings and Bexhill urban areas could be like in twenty years time;
 - the measures needed to realise the vision;
 - key opportunities and potential flagship projects in and around the area with an indication of how they might be developed; and
 - an outline framework for the development projects.
- 7.47 The work is at a conceptual stage. Current thinking envisages the creation of two corridors between Bexhill and Hastings, one following the sea front (the Metro and the A259), the other being the ‘country avenue’ based on a new link road between Bexhill and Hastings with development nodes along each ‘avenue’. The aim is to help integrate Hastings and Bexhill and enhance accessibility in the area. According to the vision, the creation of the sea and country avenues will help to form a connected route linking all parts of the community.
- 7.48 The current concept of the avenues entails development of twin roads spaced apart with development areas between. These areas would be developed by the market to provide new business space serving the information based industries, meeting demand from the overcrowded parts of the South East.
- 7.49 Other elements of the masterplan include the proposed development of the University Triangle, the Arts Quarter and the Beach Community located in the town and along the sea front. The masterplan vision has responded to the Five Point Plan, aiming to make Hastings and Bexhill a “distinctive environment of outstanding quality”. Some of MBM’s proposed projects presently differ from those included in the Action Plan as they are still conceptual and require further development and feasibility studies before concepts can be accepted as deliverable projects.
- 7.50 For the purposes of this report, the most deliverable projects have been considered, but the Five Point Plan is an evolving Plan that will continue to develop and change as more detailed work is carried out.

Sustainability Framework

- 7.51 Entec has developed a Sustainability Framework for the Five Point Plan. Their initial brief indicated the need:
- to develop a framework of sustainability principles within which any strategy for regeneration of Hastings and Bexhill should be brought forward; and
 - to propose the sustainability criteria against which any proposals should be assessed and against which the success of any policy, scheme or project should be evaluated.
- 7.52 Entec's work has run in parallel with the timetable for the work being undertaken in drawing up the Hastings and Rother Five Point Plan. Entec has developed three tools which will be used in assessing and developing the Five Point Plan:
- a framework for assessing the sustainability of the Plan;
 - an initial appraisal of the plan against the sustainability framework known as the Business Case; and
 - a public consultation strategy for the Plan.
- 7.53 A wide range of local stakeholders have been consulted in the process of developing the sustainability framework. Discussion has taken place concerning local needs and expectations for framework objectives and criteria. The criteria were prioritised to reflect local needs. Comments from stakeholders were reflected in the Sustainability Framework.
- 7.54 The 'Business Case' will be used as a background document annexed to the Five Point Plan submission. Although it is not a full sustainability appraisal, it assesses the Plan in terms of the four key elements of sustainable development:
- social progress;
 - sustainable economic growth;
 - protection of the environment; and
 - prudent use of natural resources.

- 7.55 The public consultation strategy envisages an extensive round of public consultation over the next six months. These consultations will feed into the appraisal of the Plan.

Proposed Rail Service Improvements

- 7.56 Mott Macdonalds are preparing a report for the Strategic Rail Authority (SRA) on the way in which the timetable enhancements on the Hastings to London line might be achieved in terms of the operational constraints. Work is also being carried out on assessing the operation of the Ore-Bexhill Metro. Both of these projects are important components of the Plan. The report is due to be finalised sometime after April 2002.

South Coast Multi-Modal Study

- 7.57 Halcrow has been commissioned to prepare the South Coast Multi-Modal Study (SoCMMS). The study is examining transport solutions for the entire south coast corridor from Southampton to Thanet. The study will specifically look at the scope for strategic rail service enhancements of the Brighton-Hastings-Ashford route, local improvements including the metro proposal and scope for limited road improvements, including a new link road between Bexhill and Hastings to relieve the Bexhill Road. These all link with the Five Point Plan. Consultation on some of the findings is due at the end of April, with the final report due in the early autumn of 2002.

Millennium Communities by the Sea – Hastings ‘Strings of Pearls’

- 7.58 Donaldsons has been instructed by Hastings Borough Council to undertake a series of project appraisals on a number of sites across Hastings which form the ‘String of Pearls’, as identified in HBC’s Millennium Communities bid. The report has been completed and has been used in the preparation of project appraisals for the early purchase of some of the sites identified.
- 7.59 The study examines development opportunities and undertakes development appraisals for the following sites situated along the proposed Bexhill to Ore Metro line:
- Ore Station and Broomgrove;
 - Hastings Station and Goods Yard;
 - Warrior Square Station, Warrior Square and Central St Leonards;
 - Marina Station, West Marina and West St Leonards School Site; and

- Bulverhythe.

7.60 Specific emphasis has been placed upon identifying how the Millennium Communities concept can be delivered and the phasing of development. The identified sites provide the opportunity to develop a mix of predominantly residential uses in addition to employment generating uses and the provision of public open space. The development of the 'String of Pearls' concept is an important element of the Plan and forms an integral part in the regeneration of the Hastings and Bexhill area.

Enterprise Gateway Project

- 7.61 One of the key action points recommended in the Five Point Plan under Initiative Two is the establishment of an Enterprise Hub or Gateway in Hastings, focused on sector based business incubation. Such a project would send a powerful message to the local business community of the importance attached to the regeneration of the area. It would aim to foster business growth and would represent an effective way of providing business access to broadband ICT facilities.
- 7.62 The County Buildings in Robertson Street have subsequently been identified as the physical manifestation of this Enterprise concept. Biz Vision Limited has been instructed by SEEDA to produce a business plan on the development of the County Buildings as an Enterprise Gateway project that forms part of the Hastings Media Centre.
- 7.63 The County Buildings site, which is to be acquired by SEEDA from East Sussex County Council, comprises three adjoining buildings previously used for retail on the ground floor and offices on the upper floors. The project proposed by Biz Vision involves the development of serviced offices specifically for the embryonic creative media sector in Hastings, with a range of specialist services to suit this market.
- 7.64 The draft report has been completed. This identifies a number of organisations that would be interested to join or support a Hastings Media Centre, but a final report is still awaited (April 2002).

Brownfield Land Assembly Trust (BLAT)

- 7.65 The project, undertaken by DTZ Pidea Consulting, forms part of a wider study to establish a vehicle for delivering affordable and key worker housing on small brownfield sites across the South East. Two wards in Hastings (Gensing and St Leonard's) were selected for the initial capacity study. A total of 34 sites have been identified, 17 of which are considered to have high potential. Five of these have been assessed as part of a wider financial appraisal. The selected five sites have the capacity to provide 28 affordable housing units.
- 7.66 The BLAT initiative can tie in closely with the Five Point Plan initiatives as well as other existing regeneration initiatives. The pilot study wards of Gensing and Central St Leonards include two existing regeneration areas, plus the 'String of Pearls'. Site selection has initially concentrated on these areas, seeking to suggest development closely linked to the benefits of local transport and amenities.
- 7.67 Financial appraisals of the pilot study have recently been completed. This information will be made available to the Treasury for approval of the establishment of BLAT as a delivery vehicle for affordable housing. It is anticipated that the BLAT could be operational towards the end of the second half of the financial year beginning 2002/03. Site assembly and remediation could therefore begin in spring 2003.

SUMMARY

- 7.68 Financial linkages between the Five Point Plan and the NRS are limited. The Plan seeks to promote the economic development of the Hastings and Bexhill area, while the NRS seeks to address social exclusion issues. In view of the difference in focus of the two schemes, it is not realistic to envisage that any projects in the Five Point Plan can be part funded through the NRS. However, it is important that the Plan demonstrates how the projects will contribute to the NRS goal of reducing disadvantage and the differentials between deprived communities and other parts of Hastings.
- 7.69 Very little ERDF money will be available to projects worked up under the Five Point Plan. Many of these schemes fall outside the designated Objective 2 wards, whilst others would not meet the eligibility criteria for ERDF projects. However, many of the residents in these wards will benefit from the wider economic and regenerative impact of the proposed projects. There may be more scope for drawing in European

Social Fund monies to support training activities based in new FE and HE facilities and linked to the new ICT/Broadband demonstration facility.

7.70 There is a strong link between past SRB initiatives and the Five Point Plan. The Plan is, in many respects, building upon work started with SRB funding. This is most evident in that the Plan contains proposals for acquisition and works on properties and sites that have had SRB funded feasibility studies undertaken on them.

7.71 In terms of linkages with other programmes and studies in Hastings, most studies have been commissioned because of the existence of the Five Point Plan (with the exception of SoCMMS) and therefore link closely with the respective elements.

8. MANAGEMENT AND IMPLEMENTATION OF THE FIVE POINT PLAN

INTRODUCTION

8.1 This section sets out the outline management and implementation proposals for the Five Point Plan. The principal issues which need to be considered in examining the options for delivering the projects within all the different initiatives are as follows:

- the scope of activities;
- the organisation, structure and governance;
- the funding; and
- the management and resource.

SCOPE OF ACTIVITIES

8.2 The effective management and implementation of the Five Point Plan will require a clear focus on the activities that need to be delivered. In this context, we consider that the following tasks should be agreed amongst stakeholders as the principal areas of activity.

Providing Strategic Direction

- establish and maintain a coherent vision and framework for the regeneration of Hastings and Bexhill;
- establish master plans, ‘visioning exercises’, sustainability audits and co-ordinate ongoing community consultations with respect to the ‘Hastings and Bexhill Regeneration Plan’;
- oversee and develop joint venture partnerships with public and private sector stakeholders;
- prepare and deliver an inward investment strategy and an enhanced image for Hastings and Bexhill;
- establish development briefs and site specific action plans; and
- promote co-ordinated planning and delivery.

Addressing Market Failure

- identify key landholdings which are not being brought forward by the market;
- acquire land and buildings;
- prepare and implement site specific development strategies;
- undertake “enabling works” e.g. land reclamation works and building refurbishment; and
- in limited instances, carry out site development works (primarily where, after “abnormal” works are resolved, development viability remains uncertain or uplifts in value cannot be effectively captured through land disposal).

Co-ordinating activities across sectors

- procurement of broadband;
- procurement of educational and business premises; and
- delivery of enterprise and skills projects.

ORGANISATION, STRUCTURE AND GOVERNANCE

8.3 The organisation, structure and governance issues will be driven by a number of key factors. These will include the following:

- the balance of control that will need to be established between SEEDA, Hastings Borough Council, Rother District Council, East Sussex County Council and other stakeholders;
- the regulatory framework which will govern the activities that each stakeholder is able to perform. This will include State Aid regulations, the extent to which local government can participate in direct development and other risk-related activities, including investment in limited companies and the statutory duties relating to economic development which apply to local authorities and which cannot be fully delegated; and
- the detailed funding arrangements which are still to be incorporated into a funding plan.

- 8.4 Our initial scoping work to date on the management and implementation of the Five Point Plan indicates that there is not a strong requirement for a complex delivery vehicle. It will, however, be important that the regeneration programme is sufficiently co-ordinated amongst partners so that:
- local partners have responsibility and 'own' their local initiatives; and
 - activities that are delivered in partnership within local 'sub regional communities' must not be scoped, progressed and delivered in isolation, but must respond to, and be integrated with, the broader sub regional priorities identified in the RES, linking, wherever possible, into the complementary benefits and competitive advantages offered by other areas in the region.
- 8.5 We do not consider that it is appropriate currently to be prescriptive as to the legal status of the vehicle or the detailed governance issues. It might be appropriate over time to establish a company limited by guarantee, if this becomes a requirement of funding, but currently it is intended that each stakeholder will agree project specific accounting arrangements in the context of each organisations statutory Best Value duties. At this stage, the principles of the structure, which have been largely sourced from SEEDA's paper to the Hastings and Rother Steering Group, should be agreed on the following basis:
- the delivery vehicle is to be an executive vehicle which will undertake projects originally determined by the Hastings and Rother Steering Group and subsequently included in the Hastings and Bexhill Five Point Plan to be agreed by Ministers;
 - whatever its legal structure, the delivery vehicle should be accountable to the local community through the Board and through regular reporting to the Local Strategic Partnerships;
 - the structure should allow for the retention and recycling of funding to meet local needs and to effectively create a "local single pot" without having to return funding to the Department and Treasury;
 - the structure, governance and accounting principles should be sufficiently transparent to attract private sector funding in order to enable grant resources to be fully leveraged; and
 - the structure will need to provide an alternative funding mechanism to the former Partnership Investment Programme without infringing State Aid Regulations.

FUNDING

- 8.6 The outline funding requirements are set out in Section 5 of this report.
- 8.7 Overall, the delivery vehicle is intended to secure and manage funds that do not form part of Mainstream Government funding under the main existing economic development programmes. It is intended that funds will be injected into the vehicle by SEEDA to undertake specific projects against the preparation of a detailed Development and Administration Budget and Corporate Plan. The injections will be by way of direct grant, preferred share investments at the sole discretion of SEEDA. SEEDA will also retain the right and ability to claw back its funds as is normal or to withdraw any 'dividends' due to SEEDA. However, the presumption will be that SEEDA will retain and recycle its funding within the company until the full anticipated programme of investments is completed to ensure that the 'single pot' created is effective.
- 8.8 Whilst public sector finance will be important in establishing the delivery vehicle and in supporting individual projects, the objective should be, in so far as possible, to establish a programme of activities which produce a cashflow and assets against which private sector leveraged funds can be secured.
- 8.9 Some projects will be best taken forward with separate funding streams. These might include:
- transport expenditures under the Local Transport Plan to be undertaken by East Sussex County Council;
 - refurbishment of affordable housing undertaken by Registered Social Landlords; and
 - funding for new affordable housing partly through the Housing Corporation.
- 8.10 The delivery vehicle will need to focus initially on the Hastings and Bexhill local authority areas. As the programme expands, it may be necessary to widen the scope of activity and geographical parameters, which may lead to the requirement for ring-fenced accounting arrangements.

MANAGEMENT AND RESOURCE

8.11 It is recognised that community based funding must be co-ordinated with other regeneration programmes. However, there will be little value added by moving the delivery of revenue expenditure on community capacity building away from Local Authority Officer Teams that presently deliver regeneration programmes to local partnerships.

8.12 It is proposed that staff will be contracted by SEEDA to the vehicle with the following shareholding and nine member board:

SEEDA (Chair)	Chief Executive
SEEDA (Company Secretary)	PDL Executive Director
SEEDA	Area Executive Director
Hastings Borough Council	Chief Executive or nominee
Rother District Council	Chief Executive or nominee
East Sussex County Council	Chief Executive or nominee
Amicus	Chief Executive or nominee
Sussex Enterprise	Nominee
Brighton U/U of Sussex	Nominee

8.13 It is fundamental that there are sufficient, competent and able resources provided at board level and by the Task Force Partners to deliver the proposed projects within the ten year programme.

9. RISK ASSESSMENT AND KEY ACTIONS

INTRODUCTION

- 9.1 The implementation of the Five Point Plan for Hastings and Bexhill will involve a large and complex programme of projects that will be phased over a number of years. There will be significant risks involved, some of which will be specific to individual initiatives and others which may impact on wider deliverability issues. It is important to assess these risks and their potential impact on the implementation of the Five Point Plan in order, at an early stage, to produce a clear action plan, which will assist in moving the projects forward and minimising the potential risks involved.
- 9.2 This section of the report outlines the potential risks involved in the Five Point Plan and summarises the key action points.

RISKS SPECIFIC TO INITIATIVES

- 9.3 The key risks within each of the five initiatives are considered below. However, there is likely to be a degree of overlap of these risks across initiatives.

Initiative One – Regeneration Measures for Urban Renaissance

Acquisition

- 9.4 The majority of projects within Initiative One are site specific and therefore control and ownership of the buildings and sites will be of paramount importance. In a number of cases, the properties are already under the ownership of Rother District Council, Hastings Borough Council or East Sussex County Council. Other sites are either owned or under the control of other stakeholders but a significant number of the properties are held in their entirety, or in part, by the private sector. Where properties are held by private sector individuals or companies, negotiations to acquire the site could be protracted and there is a danger that private sector owners will seek to exploit the fact that the land is being acquired by a public sector body in order to lever up sale prices.
- 9.5 In cases where sites or buildings are currently in multiple ownership, for example Rye Harbour, negotiations during site assembly could take a significant period of time in order to reach agreement and costs are likely to be high in these cases.
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- 9.6 The Hastings and Bexhill area has a relatively small property market, especially the commercial sub-market. Obtaining market intelligence and undertaking negotiations to acquire property interests in such markets can be difficult, especially where market transparency is limited.

Mitigation

- 9.7 CPOs may be necessary in some cases in order to progress a scheme forward. If CPO powers are used, the level of certainty in acquiring a site can be increased but the powers often involve a significant investment of both time and money.
- 9.8 A common barrier to kick-starting regeneration on the ground is that the Open Market Value (OMV) of assets can be significantly below the landowner's expectation of sale receipts. This challenge can be overcome through innovative purchase arrangements (eg profit share) or by offering "willing vendor value" i.e. a premium to defensible OMV.

Planning

- 9.9 For the majority of the projects within Initiative One, planning consent is unlikely to be a significant problem as the Local Authorities are likely to be supportive of the schemes. However, complications may arise with the current Local Plan going through its public inquiry stage as it is not fully up to date with the emerging Five Point Plan. This could become a deliverability risk for some projects. As an example, the land upon which it is envisaged to construct the Queensway Business Park is allocated in the Local Plan as employment space.
- 9.10 In some cases, existing or expected planning policy could release higher value than the Taskforce's proposals which are more focussed on regeneration outputs. This could create tension in discussions on value.

Mitigation

- 9.11 It is recommended, in so far as possible, that schemes are brought forward by the Taskforce before valuable planning consents for alternative use are achieved. In instances where sites are to be acquired for uses which do not conform to policy, it is recommended that site specific planning risk management is included as part of any public sector investment criteria.
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Site 'Abnormals'/Access

- 9.12 A number of the development sites which are being considered within Initiative One are likely to be particularly problematic for development purposes. Abnormal ground conditions, flood risk and contamination issues can both involve considerable investment of time and money before development works can commence and there are uncertainties in relation to the costs of resolving abnormal site conditions at the time of purchase. These issues are common in the redevelopment of brownfield land. Sites where these issues may arise could include Sidley Goods Yard, Rye Harbour, Hastings Station Goods Yard, Bulverhythe and West St. Leonards.
- 9.13 Access on to sites is often another key restriction with regard to development. A number of the sites being considered currently have only limited access which may be suitable for the existing uses, but would be insufficient for the scale of development proposed. In a number of cases it is likely that the Highways Authority will not consent to a redevelopment of a site which significantly increases the volume of accommodation upon the site unless significant improvements are made to Highways access, normally at the cost of the developer. This is the case with the Rye Harbour Access scheme where the remodelling of a road junction will be a pre-requisite to any commercial development of the neighbouring land.

Mitigation

- 9.14 Prudent purchasers rarely acquire sites where there are outstanding uncertainties in relation to abnormal development costs and access arrangements. Where public sector funds are to be used to acquire sites with these uncertainties it is recommended that development appraisals include sensitivity appraisals so that the effects of changes in key variables can be tested. Cost consultancy and other advice should be sought prior to purchase and if possible conditional contracts should be pursued. Warranties from consultants should be obtained where practicable.
- 9.15 The law relating to the liability for contaminated land is complex and we recommend that legal advice is sought prior to any acquisition. Our generic advice in relation to environmental liabilities is that wherever possible the following steps should be taken:
- advice should be sought on any legal provisions, which seek to rid the causer of pollution, through statutory exclusion tests, from responsibility for remediation;
 - avoid stating that the price paid by the public sector reflects the condition of the land;

- avoid stating that the price paid by the public sector reflects the condition of the land;
- avoid stating that the public sector is buying the land in an arms length transaction (this may conflict with the general principle that the public sector is likely to require information prior to acquisition which might be interpreted as reasonably leading to the identification of pollutants);
- put in place an unambiguous division of responsibility to carry out remediation;
- rely on the warranties of consultants in relation to the remediation that is to be carried out; and
- impose financial caps on exposure to remediation costs.

Building Specific Issues

- 9.16 A number of the schemes within Initiative One will involve the refurbishment/redevelopment of existing buildings, several of which are period buildings. Conversion costs of old buildings of this type can often be extremely high, especially if structural defects are suspected, for example, in the case of the Queen's Hotel in Hastings. Sometimes the costs of redeveloping and repairing a building can be higher than demolition and construction of a new building on the same site. Listed buildings can be especially problematic because these invariably must be retained in their existing form, at least the external envelope. In addition, many period buildings provide inflexible internal space which is often not conducive to modern business or education uses, for example limited floor-to-ceiling heights.
- 9.17 Modern buildings generally will provide flexible accommodation that can be used either in a cellular form or in open plan form depending on the occupiers' requirements. Period buildings largely provide cellular space with solid and load bearing walls, which cannot be moved without considerable cost. Period buildings also often provide only a limited net usable area internally in relation to the gross building area, i.e. a significant volume of space in the building is lost through circulation areas and common areas. Modern buildings are generally more flexible and more space efficient.

Mitigation

- 9.18 Specialist advice should be sought in relation to the costs of converting/refurbishing listed and period buildings. Development appraisals should include sensitivity
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appraisal so that the effects of changes in key variables can be tested. Warranties from consultants should be obtained where practicable.

Private Leverage

- 9.19 The level of private investment in property development/redevelopment in the Hastings and Bexhill area is currently low. A significant volume of private capital will be required in order to progress the projects within Initiative One. It is imperative for the success of the schemes that private sector funds are levered. This will involve a co-ordinated approach from the stakeholders to encourage investment to the Bexhill and Hastings area, which has currently suffered from a low level of success in encouraging investment away from neighbouring centres such as Crawley, Ashford and Brighton.

Mitigation

- 9.20 For schemes which we have termed “market facing”, that will ultimately produce a product which has an economic value in the commercial property markets, such as an office/business park, it is likely that private sector investment could be sourced. Private capital is only likely to be invested if the development risks are not considered to be excessive or, a proportion of this risk is either shared with, or underwritten by the public sector. For the purposes of our funding profile we have assumed that the private sector funding leveraged for market facing schemes is 70% of the gross development value of the completed scheme. This figure of 70% reflects the requirement of the private sector to secure a profit from the scheme and it also reflects the perception of Bexhill and Hastings as a relatively high risk location for property development, i.e. a perception of significant market risk.

Market Issues

- 9.21 Currently, the key limitation to commercial property developments in the Hastings and Bexhill area is the mismatch between costs and revenue. Current values for commercial property in the area are currently too low to match the total costs of undertaking the development and therefore development schemes are unlikely to be profitable. In order to encourage private sector development, which would not need public sector funding, this mismatch between costs and revenue must be addressed. From our discussions with various consultees, a perceived shortage of high quality, modern business space in the area has become evident and this will largely be a reflection of the lack of recent developments in the area due, as already mentioned, to viability issues. There is considered to be demand for new business accommodation
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in the area, although this level of demand is difficult to quantify in this relatively parochial and non-transparent market.

- 9.22 The successful delivery of the projects within Initiative One would involve the provision of a significant volume of new and refurbished accommodation on to the market. There is a clear danger of over supply unless the schemes are carefully phased and/or selected over a number of years in order to meet the forecasted growth in demand. This phased approach would allow the provision of new and refurbished accommodation on to the market, which should improve the 'offer' for companies within the area and raise the profile of Hastings and Bexhill as a business destination. This could then encourage growth in rental and capital values to stimulate increased private sector investment in property development.

Mitigation

- 9.23 Property market cycles are inevitable over the lifetime of initiatives such as the Five Point Plan. Appropriate exit strategies should be established prior to purchase and if possible profit related overage payments should be agreed so that the purchase price reflects the eventual out-turn of each project's viability.

Wider Regeneration Benefits

- 9.24 Initiative One involves the provision of a large number of individual schemes for the Hastings and Bexhill area, each of which should provide wider regeneration outputs. There is the inherent danger that each scheme could work in isolation and thereby potentially failing to capitalise on links between projects and create spin-off benefits and wider regeneration benefits for the area.

Mitigation

- 9.25 The types of schemes proposed and the timescale of their delivery will require a significant level of strategic planning and management.
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Initiative Two and Three – Excellence in Higher Education and the Stimulation of Business Innovation, Enterprise, Creativity and Technology Transfer

Buildings Specific Issues

- 9.26 A number of the schemes within Initiatives Two and Three involve conversion or refurbishment of existing period buildings in order to provide modern high quality and high-tech accommodation. As we have discussed earlier in this section, the cost of converting such buildings is often high. In addition, modern high-tech business space and education accommodation of the type envisaged for a number of these projects may not be conducive to the type of space within these period buildings. Buildings such as the Observer Building and County Buildings, are likely to provide cellular and inflexible accommodation with solid floors and solid ceilings. Modern high-tech accommodation often includes raised floors for IT cabling and suspended ceilings for high quality lighting and ventilation/air conditioning. The floor to ceiling heights in many old buildings is often insufficient to allow this modern type of development and therefore the quality of the accommodation provided will be limited. Period buildings usually provide inflexible, cellular layouts, which are largely not conducive to modern working practices.
- 9.27 A report by Crocus Consultants on the County Buildings concluded that this building was likely to be unsuitable for the proposed ICT/New Media Centre and that the conversion costs were likely to be extremely high. Additionally, we noted that of the approximate 900m² of internal space within the building, the Crocus Report stated that approximately 540m² would actually be usable for business accommodation. This is a very low net to gross accommodation ratio.

Mitigation

- 9.28 Specialist advice should be sought in relation to the costs of converting/refurbishing buildings. Development appraisals should include sensitivity appraisals, so that the effects of changes in key variables can be tested, and warranties from consultants must be obtained where practicable. In addition demolition options should be explored as part of the appraisal process.

Investment and Commitment

- 9.29 The projects within Initiatives Two and Three will involve significant levels of funding, some of which will be required from the private sector. As previously mentioned for Initiative One, the fact that the increase in private sector funding required will be a major challenge for the deliverability of the projects. Similarly for Initiatives Two and Three, more private sector funding must be encouraged through a co-ordinated approach from stakeholders. In addition, commitment is required from higher education establishments to extend their facilities into the Hastings and Bexhill areas. We are already aware that Hastings College of Arts and Technology and the University of Brighton have both expressed an interest in establishing facilities in the Hastings and Bexhill areas. Without the support of such existing establishments the education based projects could struggle to progress.

Mitigation

- 9.30 Appropriate business plans and robust financial projections should be prepared in order to secure private sector funding. Public sector guarantees should be considered.

Attracting Personnel

- 9.31 In order to be a success, higher education and business innovation establishments must be able to attract staff, students and employees of a high calibre in order to establish the schemes as centres of excellence. Currently the perception of the Hastings and Bexhill area as a centre of higher education and business innovation is limited and there is a risk of not attracting sufficiently high calibre individuals.

Mitigation

- 9.32 Further consultancy work should be commissioned to establish the employment opportunities and constraints.
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Initiative Four – Broadband Information and Communications Technology (ICT) Applications

- 9.33 A number of the projects within Initiative Four are reliant on the provision of broadband networking into the Hastings/Bexhill area. We are aware that as yet there are no firm plans for this extension to be put in place, although discussions have been held with NTL. From our discussions with consultees we believe it is unlikely that a network provider such as NTL will provide the ducting for the network at their own full cost. It is therefore considered very likely that public sector funding, or other private sector funding, will be required in order to pay for a potentially significant part of these costs. Raising the funds and commitment from a broadband provider at an early stage is likely to be crucial for the delivery of the projects within Initiative Four.
- 9.34 We have already discussed the concerns of BT that the demand for mass market broadband from businesses and residential users in the Hastings area is insufficient to justify the cost of upgrading the local telephone networks. One of the key outputs from Initiative Four would involve ways of funding this shortfall. However, this may run the risk of breaching State Aid regulations. Additionally, the Broadband Satellite Connectivity program in Initiative Four would look at ways of funding a similar 'mismatch'; costs of providing satellite connectivity to businesses outside Hastings centre are currently more than double the cost of providing this resource in the centre of the town. This scheme could also potentially fall foul of State Aid regulations and, as such the form, funding and delivery of the projects may need to be amended after further consultation.

Mitigation

- 9.35 Commitment of the various parties required for the delivery of the projects within Initiative Four is far less likely to be forthcoming unless the broadband network issue has been resolved. It is therefore an important 'early target' for this initiative. A further risk is that the proposed ICT projects do not stimulate sufficient demand and have only a limited effect on growth in the area. A related risk is that network operators are not encouraged to use the new ducting route and therefore it would remain under-utilised. With regard to the actual construction of the ducting line, acquisition of property rights and wayleaves could significantly increase costs and cause delays for the scheme. Consideration will need to be given at an early stage to the route of the potential cable extension and potentially, the commencement of discussions with landowners.
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Initiative Five – Transport Improvements

- 9.36 A number of the proposed transportation projects will involve very large levels of capital investment, for example, improving railway rolling stock and improving rail infrastructure. Projects of this scale will be heavily reliant on third parties allocating funds and time for the projects. Such third parties will include the Strategic Rail Authority, Train Operating Companies and Railtrack plc. Railtrack plc is currently in administration and any current and future capital expenditure could therefore now be at risk or could be significantly delayed. The limited transport infrastructure in the Hastings and Bexhill area and access to and from London is a major limitation for the regeneration of the area and the early delivery of transport improvements is likely to have a significant effect on other regeneration projects. Therefore, a delay in the provision of the transport projects could have a significant impact on the success of the projects within the other initiatives.
- 9.37 Large transport infrastructure projects such as the Hastings and Bexhill by-pass and the link road have shown that delays due to planning, environmental objections etc. can affect the delivery of the schemes and even lead to the cancellation of a scheme. Such enquiries/delays are likely to affect any major transport infrastructure project within Initiative Five and in some cases a full Public Inquiry may be required.

Mitigation

- 9.38 High level discussions should be held with the Strategic Rail Authority, train operating companies, Railtrack plc, the Highways Agency and East Sussex County Council to establish the level of funding commitment.

MANAGEMENT AND IMPLEMENTATION RISKS FOR THE FIVE POINT PLAN

- 9.39 In the previous section of this report we outlined the perceived key risks for the individual initiatives. The key areas of risk with regard to the management and implementation of the Five Point Plan are detailed below.

Delivery Vehicle

- 9.40 The creation of a robust and efficient delivery vehicle will be critical to the successful delivery of the Five Point Plan. There are a large number of stakeholders involved
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across the projects and it is important that these stakeholders work together and coordinate their respective inputs.

Mitigation

- 9.41 The delivery vehicle must ensure that the stakeholders have bought into the wider regeneration and economic development aim of the Five Point Plan and not concentrate efforts on individual projects at the expense of the potential linkages between projects and the spin-off benefits that these links may entail.

Resources

- 9.42 The Five Point Plan is likely to require considerable resourcing over an extended period. If dedicated resources are not put in place at an early stage there is a clear danger of delay to project implementation and the ultimate goals of the Five Point Plan. Resources from the different stakeholders will also need to be targeted carefully to avoid potential overlaps.

Mitigation

- 9.43 Stakeholders should be required to make significant commitments in this regard.

Funding

- 9.44 It is anticipated that funding commitments will be forthcoming from both the public and private sectors at an early stage, but in reality some projects may have to commence in phases and further funding could be secured during the development process. The initial success of these schemes will be important to attract funding in the future to allow the continuation of the projects or expansion of the schemes.

Mitigation

- 9.45 Appropriate business plans and robust financial projections should be prepared in order to secure private sector funding. Public sector guarantees should be considered. Public sector funding should be ring-fenced and appropriate "recycling" arrangements put in place.
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Project Management

- 9.46 In addition to the delivery vehicle, which will control and manage the Five Point Plan, a number of individual projects will require dedicated project management teams in place and this is especially the case for property development projects. The co-ordination of the large number of projects within the Five Point Plan is likely to be a significant challenge for the delivery vehicle.

Mitigation

- 9.47 It is crucial to ensure that high calibre, dedicated and skilled staff are committed to these teams in order to ensure that projects stay on track and within budget.

Insufficient Linkages

- 9.48 Other than the benefits and outputs from the individual projects, significant emphasis will need to be put on the benefits of exploiting the linkages between projects which will result in greater levels of regeneration and economic development for the area. There is a clear risk of projects progressing in isolation and therefore missing wider regeneration opportunities.

Mitigation

- 9.49 Good management by the delivery vehicle should seek to minimise this risk.

Market

- 9.50 Any regeneration and property development schemes will have a degree of risk relating to the prevailing property market conditions. The majority of the projects included within the Five Point Plan are expected to progress over the ten year programme and therefore the schemes will be completed several years from now when the market conditions could be very different to those of today. A significant downturn in the commercial property market in the coming years is likely to have a serious impact on the viability and success of the projects within the Five Point Plan and, although this is largely a factor beyond the control of the delivery vehicle and various project managers, it is important that the delivery of the Plan is managed in such a way to minimise the risk of the market down-turn.

Mitigation

- 9.51 For property development projects, actions which could be taken include development of flexible workspace to suit a broad range of businesses, careful phasing of larger development scheme and negotiating pre-sale and pre-letting agreements with occupiers.

KEY ACTION POINTS

- 9.52 We have set out the key action points which SEEDA and the other stakeholders will need to consider in order to ensure successful delivery of the Five Point Plan and minimise the potential risks. We have grouped actions under the key headings of policy, market, funding and projects. Broad timescales and priorities have also been identified.

Short Term Actions*Policy*

- 9.53 The key issue to be addressed is the establishment of the delivery vehicle and dedicated task force to progress the Five Point Plan. It is likely that a considerable amount of investment will be required to create this vehicle as a team of dedicated and experienced professionals will be required in order that this major Plan can be implemented successfully. All the stakeholders must buy into this project at an early stage for it to have the best chance of success. Active support from all parties will be required throughout the ten year programme of the Plan in order to maintain the momentum and encourage continued investment from the private sector. Support will need to be coalesced at a strategic level and filtered down through policy formulation and management decisions throughout all stakeholder organisations.

Market

- 9.54 The delivery vehicle should be willing to conduct or commission further research and consultancy work in order to formulate a successful strategy for each of the projects. We are aware that numerous consultants reports have already been commissioned and completed for several of the projects but the majority of the projects will require further professional advice in order to achieve maximum success and minimise risks. We consider that this is specifically the case for the property development projects,

Market

- 9.58 The delivery vehicle should now be able to place contracts in order to commence a number of the early projects. It is vital that all stakeholders are continually updated with regard to market conditions in order that the progress/direction of projects can be adjusted/alterd if necessary, to ensure that they provide targeted outputs/business accommodation which is required in the market at the time of delivery. It is advised that the services of a property consultant are retained throughout the Five Point Plan Process in order to provide such updates on a regular basis.

Funding

- 9.59 By the medium term it is envisaged that significant proportions of the necessary funding will be in place for the majority of the projects. However, continued work will be required from the delivery vehicle and all stakeholders in order to attract further funding and encourage increase in volumes of business relocation into the Hastings and Bexhill area throughout the process.
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