

Mr T Cookson
Strategic Planning Manager
Hastings Borough Council
Aquila House
Breeds Place
Hastings
TN34 3UY

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Dear Tim,

Planning Strategy Examination in Public- Office/Business Development Policy

With the Examination in Public into the draft Planning Strategy due to commence on 5th February, and *Employment* among the matters to be considered, I felt I should take the opportunity to provide this letter of clarification on what I see as some important indicators of continuing progress in the field within which I operate - namely the economic development of East Sussex.

As you know, Sea Change Sussex was established as a not-for-profit company in 2011, chaired by the Vice Chancellor of the University of Brighton with Hastings Borough Council, Rother District Council and East Sussex County Council as Board Members together with representatives of the local business community and voluntary sector. Sea Change's ten-year development programme focuses initially on the Hastings and Bexhill area of East Sussex and is designed to build on the progress its predecessor, Sea Space, achieved through its major regeneration programme that ran to 2011.

(A) An Established Economic Strategy and Programme for Implementation

Firstly, having seen the Council's statement for the EIP (Matter 5, Employment, Economic Development and Town Centres), I fully endorse the economic strategy for Hastings and Rother as set out and backed up by the *Hastings & Rother Employment Strategy & Land Review 2008/2011* (ESLR). The Business Plan 2013-17 adopted by Sea Change in November 2012 was designed to support that strategy over the next four years and, beyond that, envisages the creation of 6,000 additional jobs by 2022.

The overall approach to date has been to give priority to promoting regeneration within Hastings town centre first - in the interests of sustainability. This has resulted in 3.6ha of land being redeveloped or currently in the process of being redeveloped, all as a result of a vigorous land assembly programme. The land is clustered around and includes the enhanced transport hub that was established with the new station and bus terminus that was completed in 2004 as a key early part of the regeneration programme.

I would also draw attention to the holistic approach to regeneration over the last decade embodied in the 5 Point Plan - in particular, the *Excellence in Education* theme. It has resulted in the introduction of higher education to Hastings through the two university buildings in Priory Quarter; the overhaul of FE and A level provision with the two South Coast College campuses at Station Plaza and Ore Valley and the creation of two new academies.

(B) Continued Strong Support for the Programme

There is clear evidence that the strategy framework provided by the ESLR document continues to be taken forward with Government, Local Enterprise Partnership and County Council support. In particular, I would point to:

Government Support –

- 1) **Letter of Secretary of State for Business, Innovation & Skills, September 2011 –** authorising the transfer of the majority of Sea Space's assets to Sea Change "a company which will continue the regeneration plans of the Hastings and Bexhill Task Force and the 5 Point Plan." This supported and provided the means for the regeneration work to continue after the closure of SEEDA.
- 2) The decision of the Government to confirm funding towards the **Bexhill Hastings Link Road** (total cost £93m) to assist economic regeneration, announced in the March 2012 Budget and then the confirmation of the compulsory purchase order in September 2012. In the March 2012 Budget Statement "the Government confirmed it will provide £56 million of support for the Bexhill to Hastings Link Road to facilitate economic regeneration in a deprived community of the South East"; a direct reference to the employment land supply needs of this area.
- 3) **Regional Growth Fund –** Sea Change Sussex, in partnership with private investment, has been granted funding of up to £5.5m for infrastructure and for the proposed North Queensway Business Park to help local manufacturing business to expand.

LEP Support –

- 4) **Growing Places Fund –** Hastings has been awarded £8.5m through East Sussex County Council's bid to the Growing Places Fund which is administered by the South East Local Economic Partnership (SELEP). The interest-free loan will allow further development of the Priory Quarter business district – specifically the 2,300m² Phase 3 which will provide capacity for 300 additional town centre office jobs. It will also fund highways access into North Queensway. Both projects are underway.

The SELEP has endorsed the importance of economic regeneration in Hastings by allocating over 25% of its GPF budget to these projects and is currently considering further support.

County Council Support –

- 5) East Sussex County Council is fully backing the strategy through its financial support (in the region of £40m) for the Bexhill Hastings Link Road, administering the Growing Places Fund bid and direct funding towards Sea Change's predevelopment costs for its Hastings and Rother economic development programme.

(C) Continuing Indicators of Progress

Since 2011, higher level indicators remain encouraging:

- 1) Evidence of Private Sector Recovery in Hastings Data published by the Office for National Statistics confirms that private sector employment has increased in Hastings since 2010. From September 2010 to 2011, the Business Register Employment Survey estimates that an additional 700 people became employed in the town's private sector. In 2010, the survey estimated that the public sector accounted for 28.4% of employment, giving Hastings one of the highest levels of public sector employment in the South East. Of the town's employment, 8,708 were registered as public sector workers with 21,915 registered as private sector worker. According to the latest figures, there has been a more than 3% increase in private sector jobs while employment in the public sector has remained static, leading to increasing employment and a declining proportion of public sector employment, which has now fallen to 27.8%.

- 2) NOMIS data shows that the proportion of local jobs in manufacturing is holding steady at circa 10% whilst the South East is nearer 8%.

I note that comments of some contributors to the EIP have cast doubt on the success of developments carried out to date. However, this is incorrect. So far as completed developments are concerned, lettings and occupancy rates remain healthy:

Priory Quarter

- One Priory Square is fully occupied by SAGA - an inward investment into Hastings of the type for which the building was intended.
- The success of the Growing Places Fund bid demonstrates that the LEP was clearly satisfied with the occupancy progress in Priory Quarter in deciding to commit major funds to the next phase.

Business Centres

The Creative Media centre is now supporting more than 40 businesses and circa 130 jobs and 42 businesses and 35 'virtual tenants'.

The Innovation Centre located in the North Hastings employment area, is supporting circa 370 jobs.

Both of these business centres are operating in excess of 90% occupancy.

The successful developments described have provided first class modern business accommodation where none existed previously. In a survey carried out some years ago, comparing East Sussex and West Sussex, it was found that only 3% of the office stock in East Sussex was grade A quality whereas in West Sussex 41% of its stock was grade A. That picture is now improving as a result of what has been achieved. (Stiles Harold Williams/Sussex Enterprise – Room to Grow 2001).

I hope you find this information of assistance in demonstrating that the trajectory of the strategy set out in the ESLR of 2011 remains robust and on course for successful implementation despite the less than ideal economic climate. In this context it is worth noting the recent Centre for Cities report "Cities Outlook 2013" which highlighted Hastings with the following comments:

"Hastings was a relatively weak economic performer in the decade prior to the recession and was hit relatively hard in the first phase of the downturn. However, it has jumped 30 places on our Index of 'Recovery from Recession Index' to 11th position because of a stronger performance in the second period".

Yours sincerely


JOHN SHAW
Chief Executive