

EASTBOURNE EMPLOYMENT LAND LOCAL PLAN EXAMINATION

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Inspector's Agenda with Matters, Issues, and Questions

SESSION 1a – LEGAL & PROCEDURAL

1. MATTER 1 - LEGAL AND PROCEDURAL REQUIREMENTS

1.1 The Inspector is required to assess if the Local Plan meets legal and procedural requirements. Particular considerations are set out below.

Local Development Scheme

1.2 Section 19(1) of the Planning & Compulsory Purchase Act 2004 requires that development plan documents are prepared in accordance with the local development scheme. Provision for this Local Plan is included in the Eastbourne Local Development Scheme 2016-2019 (February 2016). It confirms that the EELLP will:

- re-examine Policy D2 of the Core Strategy,
- review the employment needs of Eastbourne to 2027,
- consider how much land needs to be identified for Class B uses, and
- reassess the location and quality of land identified in the Core Strategy.

Qn 1.1 Is another function to establish how much B1(a) business space is to be provided within the mixed use allocations in the Town Centre Local Plan?

Statement of Community Involvement

1.3 Section 19(3) of the P&CPA 2004 requires compliance with the authority's *Statement of Community Involvement (SCI) [SD/3]*. The SCI provides for consultation in excess of the requirements of the *Town & Country Planning (Local Planning) (England) Regulations 2012*.

Sustainability Appraisal/SEA/Flood Risk/Equalities Analysis

1.4 Section 19(5) of the P&CPA 2004 requires that the local planning authority must carry out an appraisal of the sustainability of the proposals in each development plan document. This is a legal requirement. There is no policy test of soundness for a sustainability appraisal.

1.5 A Sustainability Appraisal was published alongside the Proposed Submission version of the EELLP in December 2014. In response to the consultation responses, including that from Sovereign Harbour Ltd (SHL), the *EELLP Revised Sustainability Appraisal [SD/6]* was published in December 2015 and was subject to consultation alongside the *EELP Revised Submission Plan (RSP)*. SHL have

again made extensive representations. These acknowledge that the EELLP is legally compliant but claim that it does not adopt the most appropriate strategy. There are differences of view as to the RSA assessments of the EBC preferred option (Option 3a) which is included in the EELLP and the preferred option of the Representor (Option 3b). However the choice of strategy is a matter of soundness rather than of law or procedure and will be considered later.

Issue 1A Whether the Preparation of the Plan has accorded with the Duty to Cooperate

1.6 Section 33A of the P&CPA 2004 imposes a duty to cooperate with other local planning authorities and named bodies in the preparation of development plan documents such as a local plan. The Council has prepared a '*Statement of Compliance with the Duty to Co-operate*' [Document SD/10].

1.7 The Inspector has written to the Council to request some additional information with particular regard to any cross-border employment issues with Wealden District.

Issue 1B Whether there has been adequate consultation in the preparation of the Local Plan

1.8 In representations on the Revised Proposed Submission Plan Richard Maile states that the Plan is not legally compliant because of a 'lack of consultation'. This statement is not amplified in the representations. The Council has issued a *Statement of Consultation and Representations* [Document SD/9]. The Council also has not responded to the claim.

Qn 1.2 – Would Richard Maile explain why he considers that there has been a lack of the consultation necessary for the Plan to be legally compliant?

SESSION 1b – STRATEGY, TOWN CENTRE ALLOCATIONS, MONITORING

2. MATTER 2 - EMPLOYMENT STRATEGY

2.1 The EELLP estimates at paragraph 2.6 that Eastbourne has a stock of approximately 404,000sqm of B class floorspace.

2.2 The adopted *Core Strategy* [SD/19] identified a total requirement for employment floorspace of **55,430sqm** made up of:

- 30,600sqm by redevelopment of existing employment areas;
- 3,000sqm within the town centre; and
- 30,000sqm of B1a office floorspace at Sovereign Harbour.

2.3 The *Employment Land Review 2013 [SD/24]* concluded that the core strategy figure would be an oversupply.

2.4 Based on that Employment Land Review the EELLP seeks to provide a reduced **43,000sqm** of B class floorspace to create an additional 1,263 jobs within those classes by 2031. The floorspace is measured as net internal area (NIA) for B1a/b office/research space and as gross external area (GEA) for B1c light industry, B2 general industry and B8 storage.

2.5 The Plan's strategy set out in Policies EL1, EL2, EL3 and EL4 and amplified in the reasoned justification may be summarised as to provide 43,000sqm of additional B class employment floorspace over the plan period made up of:

- 20,000sqm (Gross External Area) as B1c/B2/B8 by intensified use of existing industrial estates;
- 3,000sqm (Net Internal Area) as B1a/b office floorspace in the town centre (on Development Opportunity Sites 2 and 3); and
- 20,000sqm (Net Internal Area) as B1 floorspace at Sovereign Harbour (predominantly on Sites 6 and 7a and a small amount on Site 4).

Issue 1B – Whether the EELLP strategy is likely to meet an objectively assessed requirement for Office Development

2.6 The Employment Land Review forecast demand for 20,766sqm of B1a office floorspace to include **4,095sqm** to replace windfall losses and 694sqm for churn (as premises are vacant whilst changing hands).

2.7 The *Supplementary Evidence Report 2014 [SD/25]* included a revised figure for windfall losses of **5,483sqm** after concluding that the effect of prior approval losses would be modest.

2.8 However the *Local Monitoring Report (December 2015) [SD/5]* records a loss of **21,325sqm** of office floorspace in 2014/15 alone, mainly as a result of permitted development that did not require planning permission and including 12,525sqm lost from B1a to D1 Education use at the former Dental Practice Board offices. Much of this took place outside the town centre. More recently, the government announced that the permitted development rights for the conversion of office space to residential use would be made permanent with effect from 6 April 2016 rather than expiring that month as the Employment Land Review had assumed.

Qn 1.3 Will the Plan's provision for office development be sufficient to compensate for the recent, committed, and anticipated losses in office floorspace due to permitted development?

Qn 1.4 If not, does the provision need to be augmented and how might that be achieved?

Issue 1C – Whether the EELLP would be effective in respect of the viability and deliverability of office development

2.9 The *Eastbourne Office Deliverability Assessment (September 2015) [SD/28]* concludes in Table 3 that town centre office development would make a loss of £839 per sq m and that out of town (centre) development would make a loss of £385 per sq m. This is without any return to the landowner. Sovereign Harbour Ltd has submitted a critique of the report by Stiles Harold Williams as part of their representations in Document SD/14.

Qn 1.5 As Document SD/28 suggests that office development would not be commercially viable either out of centre, or more especially within the town centre, how would it be delivered?

2.10 The SD/28 viability assessment includes allowances for 20% profit (£423-£499psm) as a 'standard industry assumption' and 7% for finance costs (£138-£163psm) as another 'standard industry assumption'.

Qn 1.6 Are the estimated profit and finance costs reasonable and would they be different if a scheme were to be pre-let or developed for owner occupation?

2.11 Pacific House at Sovereign Harbour has been developed as out of town centre Grade A office space with public subsidy. Public money is also to be used to provide mains services to the adjacent land on site 6 which is now in public ownership.

2.12 There have been office developments with public subsidy at Bexhill (out of town centre) and at Hastings (town centre) which have included lettings to large occupiers (Park Holidays and Saga Insurance).

Qn 1.7 Is there any prospect of public subsidy for further office development either in the town centre or at Sovereign Harbour eg by recycling funds from a sale of Pacific House?

Qn 1.8 Who now owns site 6 at Sovereign Harbour?

Qn 1.9 Are there any lessons to be drawn for Eastbourne from the Hastings experience?

Qn 1.10 Is there any evidence that the loss of office space in Eastbourne due to changes of use as permitted development is increasing office rent levels or will do so in the future?

2.13 New Grade A office space is currently under construction at Chaucer Business Park, Polegate which is in Wealden District but adjacent to Eastbourne.

Qn 1.11 Are the Chaucer Business Park offices a speculative commercial development and, if so, does that suggest that the market considers that out of centre office development can be profitable?

Qn 1.12 What is the current take up of space at Pacific House, Sovereign Harbour and what rents have been achieved there, having regard to any rent free periods?

Issue 1D – Whether the EELLP strategy to protect and intensify designated Industrial Estates for business use, and the widening of the classes of B1 development permitted at Sovereign Harbour to include B1b and B1c, are likely to meet an objectively assessed need for non-office business development

2.14 The Employment Land Review forecast that there would be a need for 7,339sqm of (B8) warehouse space 2012-2027 including an allowance of 900sqm for windfall losses and 549sqm for churn.

2.15 The ELR also forecasts a need for 11,467sqm of 'other business space' after allowing for 14,085sqm of windfall losses, 2,860sqm for churn and overall reduced demand of 5,478sqm.

Qn 1.13 Is 'Other Business Space' limited to B1c and B2 development or does it include any other uses?

Qn 1.14 Do the windfall losses represent the loss of floorspace to non-business use such as retail?

Qn 1.15 Do the windfall losses include the floorspace that would be demolished when part of an industrial estate is redeveloped for a more intensive use?

2.16 EELLP Table 3 at page 26 indicates that 5,049sqm of employment floorspace was delivered on the designated industrial estates in the first 3 years of the Plan period and that there are commitments for a further 3,722sqm of floorspace. That would leave a residual 11,229sqm to be provided between 2015 and 2027 within industrial estates against the EELLP 20,000sqm target.

Qn 1.16 Is Policy EL2 clear as to whether the 20,000 sqm of floorspace represents the gross or net addition of floorspace after allowing for losses through demolition?

Qn 1.17 How much business floorspace was lost in 2012-2015 or would be lost due to current commitments (including demolished business floorspace during redevelopment for business use and loss to non-business uses - such as the Aldi development)?

2.17 Policy EL2 includes a target to provide 20,000sqm of B1c, B2 and B8 floorspace and it precludes non-B use except in defined circumstances. It is silent with regard to the development of B1a office space. Some recent developments on the industrial estates have included B1a office space.

2.18 Sovereign Harbour Ltd seeks the modification of Policy EL2 such that a minimum of 3,000sqm (NIA) of B1a/b office space would be provided within the designated industrial estates.

Qn 1.18 Is intensification of floorspace on existing estates dependent on multi-storey development including office space and, if so, should Policy EL2 be clearer as to whether or not it supports the development of B1a office space on industrial estates?

Qn 1.19 How could a policy require a minimum provision of office floorspace at unspecified locations within 7 multi-use industrial estates as sought by SHL?

Qn 1.20 The designated industrial estates feature a number of non B class uses such as car dealers and trade counters. Would Policy EL2 preclude such development in the future and could it be accommodated at any other location?

3. MATTER 3 - TOWN CENTRE ALLOCATIONS

Issue IE – Whether Policy EL3 and the Town Centre Local Plan are likely to be effective in securing the delivery of 3,000sqm of office floorspace in accordance with the strategy.

3.1 Policy EL3 provides that 3,000sqm of office floorspace: '*... should be provided across Development Opportunity Site 2 and Development Opportunity Site 3 as identified in the Town Centre Local Plan*' and that '*Office development should be high quality class B1a/b floorspace...*'.

3.2 Town Centre Local Plan Policy TC17 provides that the Development Opportunity Sites will deliver B1(a) office space but does not specify any quantity. Amongst other things it states that the Council will require an implementation and phasing plan to be submitted setting out how proposals will be delivered '*in the Town Centre*'. The reasoned justification at paragraph 5.8 refers to separate plans for each Development Opportunity Site.

- 3.3 For Development Opportunity Site 2, Policy TC19 of the Town Centre Plan requires that the site is developed as A1 retail at ground floor and C3 residential above ground floor. It allows A3 and A4 as acceptable additional uses at ground floor. It allows B1a offices (not B1b) as an 'acceptable additional use' above ground floor (together with hotel use).
- 3.4 For Development Opportunity Site 3, Policy TC20 of the Town Centre Plan requires that the site is developed as A1 retail at ground floor and C3 residential above ground floor. It allows A3 cafes and restaurants as 'acceptable additional uses' at ground floor. It allows B1a offices (not B1b) as an 'acceptable additional use' above ground floor (together with D1 community uses and D2 assembly and leisure).
- 3.5 The *Eastbourne Office Deliverability Assessment (September 2015) [SD/28]* concludes in Table 3 that town centre office development would make a loss of £839 per sq m. That would equate to a loss of about £2.5m for a development of 3,000sqm with no return to the landowner on sites where alternative development may be profitable and would provide a positive return to the landowner.

Qn 1.21 The Town Centre Local Plan policies require residential and retail use on sites 2 and 3 but make any office provision only optional. They also allow for other forms of development on these sites. EELLP Policy EL3 wording similarly would not make provision of any office space mandatory or include any minimum floorspace requirement. Document SD/28 suggests that any office development would incur a substantial financial loss. Other developments may be profitable. In these circumstances how could the EELLP be effective in delivering its strategy for office provision in the town centre?

Qn 1.22 Given the conclusions of Document SD/28 on viability would there be any role for SeaChange or any other public body in bringing forward office development in the town centre, as at Hastings?

Qn 1.23 On what basis has the figure of 3,000sqm office floorspace (NIA) been arrived at and how might it be distributed between the 2 sites?

Qn 1.24 Is that floorspace figure compatible with the strategic requirement for a minimum 450 net residential units in the town centre together with other mixed development and the replacement of the station car park?

Qn 1.25 Should Policy EL3 specify a minimum office floorspace requirement for each opportunity site and would that make delivery more likely?

Qn 1.26 Do the contingency options set out at paragraph 5.15 of the Town Centre Local Plan remain relevant and how would they operate in the event that little or no office floorspace is proposed on sites 2 and 3?

Qn 1.27 Who would be responsible for the submission of the 'implementation and phasing plan' referred to in Policy TC17 and is it intended only to refer to an individual site?

Qn 1.28 Would the reference in Policy EL3 to B1b floorspace override the lack of such provision in Policies TC19 and TC20 once the EELLP is adopted as the more up-to-date development plan?

3.6 The Sovereign Harbour Limited representations seek an increase in office floorspace provision in the town centre to a minimum of 8,900sqm NIA of floorspace.

3.7 The SHL Representations on the Sustainability Appraisal [Document SD/15] include a capacity study of Sites 2 and 3 which seeks to demonstrate that a mixed development could deliver 8,800sqm (NIA) of B1a office space and 154 x 2 bedroom flats.

Qn 1.29 Would the Council please comment on the SHL scheme? Also where would the station parking be accommodated and where would the remainder of the minimum 450 dwellings requirement set out in the Town Centre Plan be accommodated?

Qn 1.30 Given that:

- **SHL considers that office development would not be viable (without subsidy) either at Sovereign Harbour or in the Town Centre; and**
- **the conclusions of Document SD/28 that for office development the losses per square metre in the town centre would be more than double the losses incurred at Sovereign Harbour;**

how would the increased office floorspace provision sought by SHL in the town centre be delivered?

4. MATTER 4 - MONITORING AND REVIEW

Issue 1F – Whether the proposed monitoring and review arrangements would be effective

4.1 The Monitoring Framework at ELLP Table 4 sets a number of unquantified targets for Policy EL1 which include increasing employment and the number of businesses and also a target to 'meet the requirement for additional employment land'.

Qn 1.31 Should the targets be quantified?

Qn 1.32 As the policy includes a 43,000sqm floorspace target should the relevant target relate to floorspace rather than employment land?

Qn 1.33 Given that the ELLP target relates to the whole Plan period should there be an interim target for monitoring purposes?

4.2 For Policy EL2 there is a target to deliver 20,000sqm of mixed B floorspace in Industrial Estates which is to be measured by indicators of the 'Total amount of class B1/B2/B8 floorspace completed in Industrial Estates' and the 'Total amount of net additional class B floorspace completed in Industrial Estates'.

4.3 The Policy EL2 target does not include B1a floorspace but the Monitoring Framework targets include all Class B floorspace.

Qn 1.34 Is the 20,000sqm target within Policy EL2 a net or gross figure?

Qn 1.35 Should the monitoring framework target include all Class B floorspace?

Qn 1.36 Should there be an interim target which would trigger review before the end of the Plan period?

4.4 Paragraph 4.30 of the ELLP indicates that the loss of office stock in the town centre will be monitored and that if there are significant losses consideration could be given to mitigation by way of:

- an Article 4 Direction to remove permitted development rights; or
- increasing the amount of office floorspace to be provided in the town centre.

4.5 The monitoring framework includes a target to deliver 3,000sqm of office floorspace in the Town Centre.

4.6 The framework also includes a target to resist the loss of B1a office floorspace to other uses.

Qn 1.37 Should there be an interim target for provision of floorspace?

Qn 1.38 Does the target need clarification as to whether it is a net or a gross figure?

Qn 1.39 Should the target apply to the town centre as a whole or specifically to the 2 allocated sites?

Qn 1.40 As the loss of office stock both within and outside the town centre already exceeds the predicted losses assumed in the assessment of needs, and the permitted development rights for change of use have been made permanent, should consideration be given now to the introduction of an Article 4 direction?

Qn 1.41 For the same reasons, should consideration be given now to increasing the amount of office floorspace to be provided in the town centre?

Qn 1.42 If not, should the EELLP specify a level of loss which would trigger such consideration or review and, if so, what should that be?

Qn 1.43 The Government has recently consulted (December 2015-February 2015) upon possible changes to the National Planning Policy Framework in respect of the long term protection of land for employment use. If carried forward into new policy what implications would that have for the Sovereign Harbour site in particular?