

## Eastbourne ELLP EIP – Action Points

### Sessions 1-3

### Response on behalf of SHL

6<sup>th</sup> June 2016

#### 1.0 Session 2 Action Point 9 Q2.2 Marketing History of Sovereign Harbour

1.1 The attached summary sets out the planning and marketing history of the Sovereign Harbour employment sites.

1.2 Attention is drawn to the consistent and ongoing absence of any hope that viable speculative Class B1a offices can be provided at Sovereign Harbour of the scale and type EBC wishes to see here. Similarly, there is only the remotest prospect of any substantial B1a occupier of sufficient financial strength coming forward to justify the construction of a purpose built B1a building, who is prepared to either finance the building itself or pay a rent that would allow the building to be constructed by a developer using market funds. This is confirmed through the marketing of the sites, EBC's own commissioned reports and now SCS's experience at Site 6.

- Following the grant of the original outline planning permission for Sovereign Harbour, was a period of substantial site preparation and infrastructure works, with the South Harbour forming phase 1 of the development.
- The North Harbour and Sites 6 and 7 were not constructed and available as accessible, serviced plots until 2000.
- Up to that time however SHL was in contact with agencies such as English Partnerships and as a major infrastructure scheme the development was also widely known locally and nationally. Had any serious expressions of interest been received from major employment uses before the North Harbour had been built, the development programme would have been revised to accommodate them – i.e. any such approaches would have been welcomed to assist in meeting upfront development costs, particularly as the early development phases crossed over with the early 1990's downturn and recession.
- As soon as the North Harbour sites were available as serviced land, expressions of interest were received and the on-going marketing of the sites has drawn on a range of agencies and EBC's direct support.
- All expressions of interest were and continue to be fully explored and some still remain as active queries pending the ELLP. However, the only long standing interest that has fallen into the EBC acceptable use classes was from Veritek and all have now ultimately failed to secure deals due to market trends, individual company and organisational choices and the location constraints of SH.
- A raft of viable alternative employment uses have though shown and continue to show interest in the sites but these have consistently been from local commercial or care based services, such as B&Q, a garden centre and numerous car dealerships and care homes, which are not dependent on wider accessibility and connectivity requirements.
- Very significantly, the allocation of the sites has also been under long running review through the previous South East Plan and by EBC itself, supported by a raft of commercial property agents. These have all emphasised the small, local scale of the Eastbourne office market, the constraints of the SH sites and the benefits of reducing the original allocation from 30,000sq.m. GEA. These reports have in turn emphasised these constraints to the market.
- SHL's outline planning permission reflects the ongoing ambition by EBC to secure Class B1 uses at SH as well as agreed acceptable alternative employment uses, with an agreed marketing approach subject to the outcome of the ELLP. This provides for a flexible approach to securing acceptable, new employment generating, economic development for the Harbour and Eastbourne.
- The availability of the sites throughout the ELLP process has remained widely known, through SHW's marketing, SHL/Carillion's contacts, national agents, as well as by EBC/Locate East Sussex and SCS. The only expressions of interest in Site 7a is still from on-going non Class B uses.

## Additional Responses

### 2.0 EIP Action Points Session 1 to 3 – other questions for EBC

- 2.1 SHL has responded here to the request for the marketing information of the SH sites. Other parties have been provided with a programme for their review of this information, providing them with 2 weeks to respond and further time in advance of the EIP session and at the EIP session on 30<sup>th</sup> June to consider this.
- 2.2 EBC has been asked to provide a significant amount of additional new evidence and to consider a number of other matters, with the Council's response to be provided by 14 June 2016. We have outlined to the EIP Programme Officer (email dated 27 May 2016) that we are concerned that SHL has not been provided with an opportunity to respond to EBC's responses before attending the next session on 30<sup>th</sup> June. If we receive EBC's information on or after 14<sup>th</sup> June, this will leave just two weeks to consider it and the EIP session only to set out our responses.
- 2.3 EBC's new evidence will largely relate to matters raised by or following from SHL's objection to the Submission Draft ELLP. We do ask that in the interest of fairness that the EIP programme is revisited to enable SHL an opportunity to respond to EBC's new evidence before the next EIP session.
- 2.4 The following points are however highlighted in response to the additional correspondence issued following the EIP Sessions 1 to 3, and in view of the current programme.

### 3.0 EBC Required Review of Office Development in the Town Centre (Letter dated 18 May 2016)

- 3.1 Reference is made to SHL's proposed allocation of 8,900sqm. of office space in the town centre. This must be considered in the context that we consider the overall allocation of 23,000sq.m. to be too high. BGVA accepted at the EIP that this is based on a series of assumptions, including a growth ambition. The allocation is also over and above BGVA's recommended assessed requirement as set out in their 2013 ELR and which totals 20,766sq.m. taking into account the assumptions already made.

- 3.2 A reduction in the overall office requirement which is better matched to the local market will overcome the need to over-allocate and reserve sites for office use and will help to address viability constraints. Also:

The suggested higher TC allocation reflects the marketing history of the SH sites, national policy that does not support the long term retention of such allocations and EBC's updated ELLP Sustainability Appraisal which appraises the SH sites as sustainable subject to transport mitigation being provided, i.e. which cannot be delivered on viability grounds, as agreed by EBC through the outline permission and linked s106 for the sites.

We appreciate that EBC has allowed other office development sites to be taken up by other uses and their choice of available sites is limited. We therefore look forward to being able to review their reassessment of TC Sites 2 and 3. A lack of alternative sites however will not overcome the location and viability constraints of SH, sites that can deliver a raft of alternative viable and otherwise acceptable job opportunities.

- 3.3 Reference is made to the EBC document SD/28 using standard assumptions applicable to speculative commercial development. As set out in evidence by SHW the assumptions apply incorrect differences between TC and out of centre sites and cannot therefore be considered to apply standard assumptions.
- 3.4 Reference is made to other campus developments being profitable and to the rents that have been secured at Pacific House. At Chaucer, earlier speculative phases have struggled to let. The most recent phases have therefore only progressed through a planning application on a speculative basis and then taken forward only once an occupier had been secured and the planning approvals were amended accordingly.
- 3.5 The rents quoted for Pacific House meanwhile must be placed in the context of their actual letting terms which mean they are well below the headline rents quoted. SHL has commissioned a more detailed viability review of this building in light of the information provided at the earlier EIP sessions and this will further inform the viability of significant additional office space at the Harbour. This review will be provided in advance of the 30<sup>th</sup> June but the following matters have already been highlighted:
  - the short leases granted at Pacific House cannot be directly equated to market rents - SCS confirmed that with one exception, all tenants are able to terminate the leases on 3 months notice. This compares with the investment market when valuing investment income expecting to rely on at least 5 and preferably 10 years term certain in order that it can value the income with any certainty.
  - the limited information made available as to the identity of the tenants makes it clear that in the case of a majority of tenants their covenant strength is not strong, increasing the likelihood of short term occupation.

- in the only tenancy of 10 years certain that appears to have been granted - SCS confirmed that the tenant of GF Suite 1 have been granted 1 year rent free. SHW and BGVA agreed that one year rent free is the equivalent of a 20% discount to the market rent - taken over the first 5 years of the term, prior to a market rent review. This means that the reported rent of £16:00/fs has to be discounted by 20% and equates to £12:80/fs ( £16:00 - £3:20).
  - the tenants of Pacific House have shared use of the large middle section of each floor which provides a generous "breakout area" and shared kitchen and other facilities. None of these features are normally found in a market B1a building.
  - SHW maintain that the investment yield on a multi tenanted / short lease building such as Pacific House would be far inferior to the assumed yield on an office building let on leases of 5/10 years certain which is the basis that both BGVA and SHW have assumed in their respective viability work.
  - SHW and BGVA agreed that the headline rents achieved at Pacific House are no guide to the market rent of offices at Sovereign Harbour and that there is no reason to expect market rents at Sovereign Harbour to be higher than in the Town Centre.
  - BGVA and SHW agree that market rents in Eastbourne remain at sub £14:00/fs.
- 3.6 Once the terms that have been agreed at Pacific House are taken into account this would not be sound enough to secure open market funding for further speculative phases. The SELEP is also now only funding infrastructure works. With SCS now to progress the remainder of Site 6 on open market, bespoke / pre-let terms, this will place them in the same position that SHL has been in for a considerable time and dependent primarily on a small local market. Site 6 represents a substantial supply within a clearly defined and delimited site, with other land at SH representing a significant over-allocation.
- 3.7 In respect of EBC's Town Centre site review we have outlined at the EIP sessions concerns about a number of assumptions made to date by EBC including residential unit size, retail viability and car parking assumptions. In addition we do ask that consideration is given to:
- Feedback that SHW have received directly from Network Rail that the current lease for TC Site 2 expires in 2020 and that there is an expectation that options for a mixed use scheme will be progressed. We therefore consider that this site can be taken to be available and deliverable in the current Plan Period;
  - Whether a full replacement of the station car park spaces is required based on take-up of these spaces and of other nearby facilities;
  - CIL charging rates and their impact on the relative viability of different uses.

#### **4.0 Policy EL4 Sovereign Harbour Allocations Interim Conclusions From Session 2**

We do wish to comment as follows pending EBC's further evidence and responses.

- 4.1 Reference is made to rents achieved. Please see our comments above that these must be considered in the context of the overall letting terms at Pacific House. These also do not compare equally with those secured at Chaucer.
- 4.2 There is no logical requirement for SCS to propose a new building on Site 7a before Site 6 is fully developed, especially given the infrastructure works and further funding for such works that have been secured for Site 6.
- 4.3 We understand that SCS's Business Plan assumes full occupancy of Pacific House within 4 years, so well within this Plan period, but it is unclear if this takes into account the letting terms that are being secured and the implications of these for potential 'churn' and voids between re-lettings.
- 4.4 In addition to Site 6 and 7a being employment land allocations for this Plan Period, are also the town centre sites and opportunities within the industrial estates.
- 4.5 EBC and SCS have both outlined in their Matter Statements and SCS in its submission for LEP Funding that the allocation of 23,000sq.m. of Class B1a/b space is not expected to be taken up during this Plan Period. It is therefore confirmed to be an over-allocation. Site 7a is therefore proposed to be held over for the next plan phase. We still contend that the allocation is an over-allocation based on ambition led assumptions, rather than well documented commentaries on the scale and nature of the Eastbourne Market. Central government guidance also takes a broader definition of economic development which, with new job creation can be better met through a wider allocation of uses at SH. SHL's proposed allocation importantly does not remove B1 uses as an option for Sites 4 and 7a.

Against this background and the long history of the marketing of the sites the reallocation of Site 7a for a wider mix of employment uses would not be premature.

- 4.6 In respect of site capacity testing at SH, the SCS layouts can only be taken as indicative and they do not demonstrate the most efficient layout for Class B1a space or for their suggested alternative site for the community hall. Outside of policy matters it will be for EBC to seek the best use of the sites, in particular given the Council's financial interest in Site 6 and generally in the interest of good planning. SHL as freeholder of Site 6 will have the opportunity to comment on future proposals also within the context of all previous, detailed discussions. We would therefore still expect EBC to revert to the extensively appraised and consulted on parameter plans for the site which do include the remodelling of the Site TPO area, the full extent of that area is not required to retain visual screening onto Pevensey Bay Road.

**End.**

## Sovereign Harbour, Eastbourne

### Timeline - History of the development 1988 – 2016: note of Key Activities and Planning Reviews

6<sup>th</sup> June 2016.

Year	Activity	Planning	Notes	Strategic Planning Review of Sites
<b>Initial Planning and Infrastructure Works</b>				
1988	355 acre site acquired by Tarmac plc (now Carillion plc and owned by their subsidiary Sovereign Harbour Ltd (SHL))	Outline planning consent (EB/1986/0431) granted by EBC on 12 May 1988 for the Sovereign Harbour development	Vision for mixed use new harbour community.  Residential, commercial, business, hotel, leisure and retail not exceeding 240,000 sq.ft including the construction of harbours and associated works. Phase 1 - South Harbour Phase 2- North Harbour	
1988-1996	Construction of infrastructure for South Harbour including marina and adjoining commercial developments			
1992		Outline permission varied (EB/1992/0048).	Granted 2 April 1992	
1997		North Harbour Outline Permission (EB/95/0267/OL).	Granted 13 August 1997 Residential development including houses and flats and play facilities.	
1997-1999	Construction of The Waterfront Commercial centre and North Harbour infrastructure		<b>The Waterfront</b> constructed with commercial uses at ground floor and commercial uses and office space at first floor levels. <b><u>Still owned and managed by SHL</u></b>  <b>Pacific Drive and Atlantic Drive</b> constructed with bellmouth spurs leading into sites 6 and 7.	

Year	Activity	Planning	Notes	Strategic Planning Review of Sites
<b>Marketing</b>				
1992-2005	Direct marketing by Tarmac plc with support of English Partnerships, SEEDA and EBC <i>Commenced prior to North Harbour being constructed. Had major confirmed interest arisen by companies to locate at SH, this would have been fully accommodated within the programming of works. The phasing of the North Harbour would have been brought forward.</i>			
1999-2000	<p><b><u>Completion of North Harbour infrastructure works</u></b></p> <p><b><u>NORTH HARBOUR SITES AVAILABLE AS ACCESSIBLE, SERVICED LAND</u></b></p> <p><b><u>i.e. 10 year lead-in time following substantial infrastructure works and initial focus on Phase 1 South Harbour</u></b></p> <p><b><u>On completion, first commercial expressions of interest received.</u></b></p>			
1999	Agreement reached to develop part of Site 6 for B&Q to cross-fund development of the remainder of the site for B1 use.	Planning application submitted for B&Q building on part of site 6	Proposed development by Gazeley Properties Ltd for the development of Site 6 with a B&Q Warehouse together with a separate B1a/B1c building for CSM (now Veritek Global Ltd).  <i>Two schemes were ultimately the subject of planning applications (1) subject to planning refusal by EBC and an appeal (2) subject to a planning refusal but no appeal.</i>	
2000-2004	Proposal from Bannertown Call Centre Now to construct 2 call centres. Explored fully in parallel with B&Q proposals.		<p>Negotiations commence with the division of Bannertown Group to construct 2 call centres, each about 50,000 sq.ft on site 7.</p> <p>Bannertown also considering options at Newhaven and nationally</p> <p>Joint press release by SHL and Bannertown issued 10 March 2000 announcing plans for SH with reference to the loss of other office based companies from Eastbourne (<b>Appendix 1</b>).</p> <p>Bannertown ultimately withdrew from negotiations and did not progress any schemes on the South Coast, focussing instead on opportunities in the north of England. The call centre sector also cooled generally, focusing on overseas options.</p>	
2001		Outline permission varied again by reference EB/2000/0729 15 April 2001	Extension of time for reserve matters submissions; extended to 20 May 2006.	

Year	Activity	Planning	Notes	Strategic Planning Review of Sites
	Agreement with English Partnerships to advertise the land as available on their website			
	Discussion with East Sussex County Council (ESCC)		Looking to relocate the County office operation and wanted 13,000m2. Enquiry failed due to location.	
2003		B&Q Appeal decision - dismissed	<p>Refused on the grounds of loss of employment land amongst other matters.</p> <p>Evidence by Mr Stapleton (SHW) reviewed the nature of the Eastbourne office market, viability of office space at SH and of alternative uses.</p> <p>This included evidence that Grant Finance had been investigated in direct conversation with SEEDA (22 May 2002) and EBC's Economic Development Manager (4 November 2002). This confirmed:</p> <ol style="list-style-type: none"> <li>1. SEEDA recognised the land is not suitable for speculative development</li> <li>2. But SEEDA was not at that time able to contribute to any funding at SH</li> <li>3. Connectivity and access constraints with improvements to it at that time were not helpful to SH.</li> </ol> <p><b>(Appendix 2).</b></p>	
2005 onwards	Appointment of SHW as commercial agents alongside continued support of EBC.		<p>Marketing directed at occupiers or developers conditional upon finding an occupier who will immediately proceed with any development.</p> <p>Resulted in numerous open marketing strands and approaches from a breadth of interested organisations for bespoke employment focused schemes.</p> <p>The marketing of the sites has clearly stressed the original focus of hotel use on Site 1 (now residential) and Class B1 space on Sites 6 and the originally larger Site 7 (a to c). The resulting approaches for non B1 uses reflect the only commercial</p> <p>EBC supportive only of ongoing approaches by Veritek, as other interested uses all fell outside of Class B1 activities.</p>	<p>EBC undertake a number of policy reviews of the SH allocations each of which identified viability constraints and advised on the reduction of the allocation from 30,000sq.m. GEA</p> <p>See below and <b>Appendix 3.</b></p> <p>These reflect the nature of the Eastbourne market and realistic prospects for SH. They however also signal to the market, site constraints and that the sites are over-allocated. All by leading national commercial agents who are advising clients on location options.</p>

Year	Activity	Planning	Notes
2005	ETI UK Ltd looking for a 1 acre site with 10,000 sq.ft		Subsidiary of a Danish company specialising in hi-tech telecom test equipment. Then based in Eastbourne and needing more space to expand
2006*			

Strategic Planning Review of Sites
<p><b>SE Plan submission 2006</b>  <b>Draft Policy RE2</b> stresses:</p> <ul style="list-style-type: none"> <li>- Need for employment locations to be accessible</li> <li>- Need for efficient use of land</li> <li>- Promotion of mixed use development</li> </ul> <p><b>Draft Policy SCT3</b> outlines LPAs should be prepared to permit mixed use schemes on existing allocated employment sites which would be unviable for an employment only development.</p>

2007*				<p><b>Donaldson's Report, May 2007 Sovereign Harbour Business Park, Site Evaluation. For EBC &amp; the East Sussex Economic Partnership.</b></p> <p>Confirms:</p> <ul style="list-style-type: none"> <li>- Eastbourne largely caters for local firms.</li> <li>- SH is subject to abnormal development costs and viability issues</li> <li>- Cross subsidy from other uses would assist. Specific reference is made to bulky goods retail, car dealership use, residential.</li> </ul>
				<p><b>SE Plan Panel Report 2007 para 17.27</b></p> <p>Recommended allocated to be listed within policy SCT3 to increase their chances of being unlocked – being explicit in this way would give greater clarity to developers, landowners, investors and other agencies.</p>
2007-14	Full marketing campaign refreshed	<p>SHW relaunched full marketing campaign for sites 6 &amp; 7.</p> <p>Expressions of interest received are ultimately reflected in outline planning application and permission in terms of acceptable alternative employment uses outside of Class B1.</p>	<p>SHW instructed by Sovereign Harbour Ltd, to implement full refreshed marketing campaign with national advertisements in the Estates Gazette (January 2008) and marketing brochure extensively circulated.</p> <p>No enquiry by or on behalf of an office occupier was received in that period apart from CSM (now Veritek). Other interest received from a range of uses (some ongoing) including:</p> <ul style="list-style-type: none"> <li>- Car dealerships</li> <li>- Hotel, restaurant uses (one ultimately located on another Carillion scheme in the NE of England)</li> <li>- Garden Centre</li> <li>- Extra Care Nursing homes (full, high intensity care providers)</li> </ul>	
2008*				<p><b>SE Plan SofS Changes July 08 Amended Policy STC3</b> lists Sovereign Harbour as one location that has persistently remained undeveloped and that will benefit from delivery mechanisms to unlock and implement the sites.</p>

				<p><b>Roger Tym ELR April 08 for EBC and Wealden DC</b></p> <p><b>Recommended (para 11.41)</b></p> <ul style="list-style-type: none"> <li>- Those committed sites which we have assessed as poor quality should be de-allocated and some new, better quality and less constrained employment sites should be identified in more accessible locations.</li> <li>- EBC to reallocate land at Sovereign Harbour, Eastbourne from B1 to an office employment les mix of uses (at least 50%) including uses outside the B Class.</li> </ul>
				<p><b>GVA Eastbourne Hailsham Triangle Masterplan October 08</b></p> <p>Identifies SH for a Business / Science Park signature project but with SH clearly shown on all mapping as peripheral to the main corridor. This document is still listed on Wealden's Planning Policy pages as background evidence to that LPA's Plan.</p>
<b>2009</b>	Interest again from CSM (Veritek) in development of part of site 6 to relocate their offices and B1c requirement		Extensive discussions took place with CSM and their advisers, plans prepared. Ultimately CSM declined to proceed.	
<b>2009-2012</b>				Discussions with SEEDA to understand viability again and possible developments on the site
<b>2011</b>	Sale of 0.25 hectare on site 7 for medical centre	Planning consent EB/2009/0438	Negotiations commenced in 2009; consent granted for 840 sq.ft 2 storey medical centre with 40 car spaces.	

<b>2012-2013</b>	Further discussions with CSM (now Veritek) in providing a site for their requirements.		<p>Negotiations continued into 2013 when an agreement was reached to sell the land to SeaChange Sussex (SCS).</p> <ul style="list-style-type: none"> <li>- EBC was fully engaged and led on discussions with Veritek in 2012-2013.</li> <li>- SHL provided detailed site layout plans and reviews of Veritek's existing sites for residential potential as part of a possible package arrangement.</li> </ul>	
<b>2012</b>				EBC Core Strategy Local Plan EIP – 15-17 May 2012
				EBC CSLP Inspector's report with requirement for ELLP by end 2014 21 November 2012
<b>2013</b>				EBC Town Centre Local Plan EIP 16-17 May 2013
	SHL agrees sale of site 6 to SCS		Agreement reached May 2013, legals commence	
				EBC TCLP Inspector Report confirming importance of ELLP 9 September 2013
		<b>SHL outline planning submission (Ref 131002)</b> made 18 Nov 2013	Includes provision for B1a, b, c on Site 6 @ EBC request to accommodate Veritek.	
		<b>Pacific House Application (Ref 130967)</b> - made 19 Nov 2013		
<b>2013-2015</b>	Veritek continue discussion with SCS		Veritek agent's report that they turned down Sovereign Harbour because of location and cost.	
<b>2014</b>	Pacific House commences			
	Sale of site 6 to SCS completed		Restricts development to Class B1 uses only. Any proposals for alternative uses will require SHL agreement.	

		<b>Pacific House Application</b> (Ref 130967) - granted 31 March 2014	Harbour Innovation mall consisting of new 3-storey building totally 2323 sq.m (NIA) on a site of 0.64 hectare and incorporating 130 car spaces	
		<b>SHL outline permission with S106</b> (Ref 131002) - granted 2 December 2014	Includes reference to proposed employment uses on Sites 4, 6, 7a and committed to marketing strategy pending the ELLP for Site 7a  S106 cannot make provision for highways and transport related improvements in view of viability constraints.	
2015		Pacific House car park application (Ref 150221)	Made 25 February 2015, Granted 21 May 2015	
	Pacific House completed		August 2015	
2015		EBC issue further updated draft ELLP for consultation	Based on: <ul style="list-style-type: none"> <li>- 2013 ELR which appraises a requirement for 20,766sq.m. NIA of B1a/b space which includes growth assumptions and growth 'ambition'. Inflated further to 23,000sq.m. NIA for allocation purposes.</li> <li>- Jam SEA which includes mitigation requirements (section 7) and a requirement for the SH employment sites to contribute towards the Eastbourne Quality Bus Corridor in order to make this location sustainable in transport terms.</li> </ul>	
2016	Veritek announce move to Polegate		Veritek sign agreement to lease 10,000 sq.ft B1, 10000 B1c at Polegate for possession in July & October 2016	
<b>Current Marketing Position</b>	<ul style="list-style-type: none"> <li>- Site 6 directly marketed by SCS and Locate East Sussex for EBC. This is confirmed as being required to be on open market terms with further grant funding for infrastructure works only. No further speculative buildings are to be provided and no profit is expected to be recycled from Pacific House.</li> <li>- Site 7a directly marketed by SHW with on-going interest from non Class B1 bespoke uses held, pending the outcome of the ELLP</li> <li>- The Outline Planning Permission sets out a further agreed marketing approach to be agreed between SHL and EBC pending the outcome of the ELLP. This will draw on <ul style="list-style-type: none"> <li>- SHL's experience of managing The Waterfront and of the local and national markets</li> <li>- The wider Carillion group's significant experience of marketing and delivering significant regeneration sites</li> <li>- EBC's resources including Locate East Sussex and other such agencies as per pre SCS involvement at SH.</li> </ul> </li> </ul>			

# APPENDIX 1

10 March 2000

### 1000 NEW JOBS FOR EASTBOURNE IF PLANS GET GREEN LIGHT

The next phase of Sovereign Harbour's development was unveiled this week with the announcement of plans to build two call centres at the site - promising a bright employment future for Eastbourne.

Carillion, owners of Sovereign Harbour marina and the adjacent development land, has announced this major investment initiative following hot on the heels of the recent planning application by B&Q to open a new warehouse at the harbour to replace its existing store in Lottbridge Drove. The new B&Q warehouse will greatly extend the range of goods on offer and improve customer service facilities.]

In partnership with Bannertown Call Centre Now, a division of the Bannertown Group, Carillion is proposing to build two call centres which together could provide up to 1000 jobs. This represents a total investment in the B&Q/Call Centre development of over £36 million.

Bannertown Call Centre Now, a specialist development company, is involved in a number of building projects throughout the South East. "In the past, companies have not been attracted to the south coast towns because of their poor transport infrastructure," explained managing director Tony Beadle, "However, call/data centres have different criteria for choosing a particular location. They require key strategic sites, a suitable and ample local work force and a state-of-the-art IT network; all of which are available in Eastbourne."

With the recent departure of traditional office based companies from Eastbourne, including South East Water, PPP and Rhone Poulenc-Rorer, who blame poor transportation as a key problem, the arrival of service sector organisations who do not depend on transport links is an exciting prospect.

More...

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The picturesque marina location, coupled with the convenient local facilities offered by The Waterfront and the Retail Park make Sovereign Harbour particularly attractive for prospective businesses. Although the call centres have yet to be approved and built, Tony Beadle has revealed that four or five national companies involved in the financial sector and service industry are interested in establishing such an operation in East Sussex.

The commitment of a major corporation to re-locate to Eastbourne would also stimulate similar businesses to investigate the area's potential and could herald an economic renaissance for the town.

Mark Orriss, development director, Sovereign Harbour, is enthusiastic about the opportunities: "In planning the expansion of the harbour development, Carillion has carefully considered the impact on the surrounding area and the benefits to Eastbourne's local community. The designated land has long been earmarked for employment generation and this objective forms the basis of the current planning applications. The B&Q warehouse will help kick-start this employment development and, with the call centres, will bring a welcome injection of new prosperity to Eastbourne, putting the town firmly back on the economic map of the South East."

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-ENDS-

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# APPENDIX 2

**THE REFUSAL OF EASTBOURNE BOROUGH COUNCIL  
TO GRANT PERMISSION FOR  
REDEVELOPMENT OF SITE ADJACENT TO  
CRUMBLES RETAIL PARK, SOVEREIGN HARBOUR,  
PEVENSEY ROAD, EASTBOURNE**

**VIABILITY OF ALTERNATIVE USES**

**PROOF OF EVIDENCE**

**BY**

**RICHARD H STAPLETON, FRICS**

**December 19, 2002**

**STILES HAROLD WILLIAMS  
CASTLE SQUARE HOUSE  
9 CASTLE SQUARE  
BRIGHTON BN1 1DZ**

- 5.0 **PLANNING POLICIES FOR EMPLOYMENT LAND (Contd)**
- 5.1.8 The Draft Plan notes the shortfall against the floor space requirement of the County Structure Plan and makes a provision for additional sites for business/industrial purposes within the Borough by releasing additional land at Willingdon Drove and Hammond Drive. (Policy B13)
- 5.2 **B1a Allocation and Sovereign Harbour**
- 5.2.1 Policy B11 in the Draft Local Plan deals with the pre-conditions for the re-allocation of land allocated for B1, B2 or B8 use to non-employment use. The policy sets out criteria against which the proposal should be considered and accepts that, in certain conditions, re-allocation should be permitted.
- 5.2.2 The draft Local Plan states that supplementary planning guidance will be prepared to assist definition of generally redundant sites. I understand that the supplementary planning guidance has yet to be published.
- 5.2.3 The Sovereign Harbour land as identified in the Draft Local Plan is described as land with an outstanding outline Planning Permission for 8.9 hectares. The allocation was considered by DTZ Pidea Consulting Ltd in their September 1998 Report *Development of Strategic Sites in East Sussex* and stated that Sovereign Harbour should be a priority site as there are no significant constraints to its immediate development. Unfortunately, the report simply dealt with availability of land and not the economic viability of its development.
- 5.3 **Availability of Grant Finance**
- 5.3.1 I conclude in this report that it is uneconomic to develop the subject site for B1a purposes. I have therefore considered whether or not it might be possible to obtain grant funding to assist the bringing forward of land for B1 development in Eastbourne.
- 5.3.2 I am familiar with the availability of grant funding in certain circumstances to enable commercial development. To my knowledge, no such funds are or are likely to become available for the funding of B1a schemes in Eastbourne.

- 5.0 **PLANNING POLICIES FOR EMPLOYMENT LAND (Contd)**
- 5.3.3 In correspondence with Ms Penny Shearer, the Head of Regeneration of Eastbourne Borough Council, I have obtained her view and that of SEEDA as to the availability of public funding by way of grant finance or any other means. The correspondence referred to is attached at RHS 9. It will be noted that in response to my enquiry Ms Shearer has advised me by her letter of 4 November 2002 that *"I can confirm that SEEDA are not at this time able to contribute to any funding on this site"*.
- 5.3.4 Ms Shearer also attaches a letter from SEEDA dated 22 May 2002 which recognises that the land is not suitable for speculative development and concludes that the opportunity should be taken to secure terms that will encourage the development for B1 purposes of the remaining land at Sovereign Harbour.
- 5.3.5 Although central government is in the course of promoting infrastructure improvements within the Hastings area, I know of no proposals that will have any effect either on improving the infrastructure for Eastbourne or introducing any significant external funding to assist the Eastbourne area, nor are any such proposals likely to come forward in the future. The recently completed Polegate By-Pass and associated link to the A22 have improved the road system around Eastbourne but the A22 itself remains a poor road.
- 5.3.6 In my judgement it would be unreasonable for any decision-maker to determine this Application on the basis that grant assistance "may be" available at a later date.

# **APPENDIX 3**

## **(See attached)**