Bexhill to Hastings Link Road

Regeneration Statement

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Bexhill to Hastings
Link Road
Regeneration Statement

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Overview

1. This Regeneration Statement (RS) is one of a series of documents produced by East Sussex County Council (ESCC) and their advisers as part of the planning application covering proposals for the Bexhill – Hastings Link Road (the Scheme). The aim of the RS is to assess the potential regeneration impacts of the proposed Scheme to a defined Regeneration Area (RA) covering Bexhill and Hastings. Whilst it is hoped that the reader will find this report a free-standing document, there are a number of cross-references to the Environmental Statement and other documentation accompanying the planning application and the information contained within them.

2. In order for policy makers to tackle successfully high levels of deprivation in the RA, a range of regeneration measures need to be implemented. The Scheme is a core element in the package of measures being pursued actively by all local and regional stakeholders. Without the Scheme, the potential to tackle the current entrenched problems of deprivation will be impeded severely and achieving optimal value from existing and future regeneration programmes will be prejudiced.

3. It is the strongly held view of ESCC and all the other local and regional stakeholders that the Scheme is a prerequisite for the successful economic optimisation of the overall regeneration programme for the RA as embodied in the Five Point Plan produced by the Task Force and agreed by local and regional stakeholders and backed by Government.

4. The proposed Scheme will:

   - Open up a substantial area of land in North East Bexhill with considerable potential to assist the regeneration of the RA; and

   - Provide essential traffic congestion relief along the A259 that would ensure both improved and consistent journey times that will in turn encourage increased public transport services, enhanced regional accessibility along the South Coast Corridor, reduce severance between Bexhill and Hastings and provide greater accessibility to important local projects.

The Challenge

5. The RA suffers from a number of serious economic problems including:

   - A local economy that is highly dependent upon (i) a high level of public sector employment, (ii) a few large employers and (iii) a plethora of SME’s;

   - A shortage of commercial and industrial premises that is inhibiting private sector development;

- Accessibility problems and congestion that will continue to deteriorate; and

- High levels of economic inactivity.

6. The difficulties that local private sector companies face are well documented. A significant number of local companies are forced to operate in constrained circumstances and are actively seeking to expand and require new premises. Without the provision of new B2 and B8 premises, the ability of the private sector to contribute to local regeneration will be severely compromised.

7. Hence, the regeneration challenge for ESCC and the other local and regional stakeholders - if they are to implement the Five Point plan successfully - is to:

- Maximise mid/long term economic benefits to both businesses and the wider community – particularly those living in the more deprived wards;

- Target training resources to ensure the local labour force is adequately skilled to accept the challenges of the changing nature of labour demand;

- Optimise mid/long term socio-economic benefits by (i) reducing unemployment and (ii) increasing economic activity; and

- Provide an enhanced supporting infrastructure in terms of increased housing stock, commercial and industrial premises and transport communications.

8. It is in the context of supporting infrastructure that the RS examines the crucial role the proposed Scheme plays in delivering the package of regeneration policies being actively pursued to combat deprivation in the RA and promote sustainable economic growth and development...

National Policy Context

9. The core objective of this document is to provide an assessment of the potential wider economic benefits that will be facilitated by the Scheme within the RA with specific reference to the More Deprived Wards. The approach to the research carefully follows the analytical requirements detailed in the Department for Transport's Transport Analysis Guidance notes (WebTAG) and also takes note of relevant economic literature on the wider economic benefits of transport infrastructure, particularly in relationship to recognised areas of regeneration.

10. Economic literature is clear that roads can be a facilitator of growth but not generators of growth in themselves. It is the view of ESCC, that the Scheme represents the 'missing' element in a package of regeneration measures that are required to successfully tackle deprivation in the RA.

11. The plight of many coastal towns - including Hastings - has been highlighted in a recent House of Commons report and the document notes that in many coastal towns poor transport infrastructure is a significant constraint to economic growth and regeneration.

Local and Regional Policy Context

12. The Sussex Coast is identified as a priority Regeneration Area in regional guidance. Subsequently, the spatial planning framework at national, regional and local levels identifies policies to address the area's economic and structural problems and bring about regeneration. Under the draft South East Plan (SEP) the Sussex Coast is continued to be identified as a priority Regeneration Area and the draft SEP Sussex Coast sub-regional strategy updates and extends the PAER and provides a bespoke set of policies aimed at addressing the particular social and economic issues faced by the area.

13. Policy RE5 of the draft SEP identifies the Sussex Coast in need of particular attention to deliver economic development. The North East Bexhill Development site is seen by the local authorities as a key to delivering the economic development potential in the Hastings and Rother area. This development cannot be achieved without the Scheme because of the capacity constraints on the local road network and on the A259 between the two towns in particular.

14. Furthermore, the Highways Agency has clearly stated its concerns about any significant development along the A259 without the Scheme. In addition, Hastings will have a strong relationship with this development as a focus for future major employment land, and good access between Hastings and North East Bexhill Development will be necessary.

15. The draft SEP also identifies Hastings as a Regional Hub. The Hub concept promotes large population centres as appropriate locations of strategic growth given their role as employment, service and transport centres. Bexhill plays a complementary and supporting role to that of Hastings' Hub status by providing opportunities for employment development as part of urban extensions on a scale not possible within the constrained urban area of Hastings.

16. The draft South Coast Sub-Regional Strategy has identified the need to '*develop the A27/A259 as an effective artery for the sub-region to provide better connectivity and reduce congestion*'. The Five Point Plan (FPP) produced by SEEDA and its local partners (the Hastings and Bexhill Task Force) has identified that the Scheme will help unemployed residents to access areas of employment. Additionally the provision of the Scheme is seen as a very important element needed to restore and build confidence, particularly of the private sector, in the area. The Task Force considers that the Scheme is a vital component of its vision to regenerate Hastings and Bexhill. In March 2002, the Government announced its backing for the 10 year Task Force Strategy, awarding £38 million of new money to support it during its first three years.

17. The draft South East Plan has identified that between 2006 and 2026 Hastings should provide 4,200 more new dwellings and the Rother part of the Sussex Coast sub-region should provide 4,000 new homes. In Rother, Bexhill is the only sustainable location for strategic levels of development as Rye is constrained by environmental designations, poor levels of accessibility to the sub-region and wider region, and the ability of the local economy to provide sufficient jobs for increased population.

18. The Rother District Local Plan (adopted July 2006) earmarks Bexhill for significant employment and housing development in the North East of the town and this development is dependent on the Scheme. Whilst the Scheme is not essential to the delivery of the majority of housing in Hastings, it is considered essential to creating the economic circumstances necessary to provide an uplift in the local housing market and unlock development opportunities to the extent necessary to meet sub regional targets for market and affordable housing. It also unlocks the employment land that will be required for the increase in housing proposed in both Bexhill and Hastings.

19. The Scheme is identified within the East Sussex Local Transport Plan 2 (LPT2) (2006) as a ‘crucial component’ of the FPP for Hastings and Bexhill, helping to deliver the County Council's wider transport objectives. The Scheme is seen as providing substantial public transport opportunities, both on the new road itself and in the additional capacity released on existing routes that will be developed in parallel. Public transport enhancement continues to be a key objective for the two towns. Local environmental policies including the Air Quality Action Plan for the A259 Bexhill Road AQMA and the Hastings Borough Local Plan (Seafront Strategy) are contingent upon the implementation of the Scheme.

20. A partnership of government agencies, regional authorities and the local authorities has committed funding to a number of regeneration programmes. Key programmes include the Objective 2 Programme in Hastings, the Bexhill/Rye harbour and Hastings Area Investment Framework, the Hastings Local Enterprise Growth Initiative (LEGI), the Greater Hollington Partnership Pathfinder Project, the Neighbourhood Renewal Fund and the projects being carried out by SeaSpace for the Task Force’s FPP and Business Plan. These projects are generally targeted on the most deprived wards, and accessibility to employment areas is implicit in all the regeneration programmes. These initiatives require improvements in the transport infrastructure. The Scheme, therefore, sits within an overall suite of regeneration activity, the most vital of these being the Five Point Plan.

Socio-economic Context

21. With a population in Hastings of some 85,000 and in Bexhill of nearly 42,000, there are nearly 130,000 residents in the Regeneration Area defined as Hastings and Bexhill. However, only 50% of people living in Bexhill are of working age (16-64). The proportion of residents in Bexhill who are elderly is higher than the national average.

22. There are some 30,000 jobs based in Hastings and 25,000 in Rother and a majority of the residents work locally. However, unemployment in Hastings stands at 3.9% and in Bexhill at 2.8%, which is significantly higher that the rest of East Sussex, which stands at 2.1%, the South East at 1.6% and for UK at 2.5%. This represents current unemployment levels of some 2,000 unemployed in Hastings and 1,500 unemployed in Rother.

23. Within Hastings, there is a heavy reliance upon service sector jobs, which accounts for over 60% of all jobs. Within this, public sector (public administration, education and health) accounts for two thirds of all service sector jobs and one third is accounted for by the distribution, hotels and restaurants sector. Some 13% of jobs are in manufacturing and construction. Tourism accounts for 7% of jobs. Only 11% of jobs are in financial services, which is considerably lower than the regional average of 23%. Within Bexhill, service sector jobs accounts for 56% of employment. Some 10% of jobs are in manufacturing and construction, 15% in financial services and 11% in tourism.

24. Average earnings for local residents are considerably lower than the South East and UK average by some 25-30%. Residents of the two towns have a higher proportion of unskilled workers than the rest of East Sussex and the South East. Skills are recognised as an issue for local residents of the Regeneration Area as they can adversely affect the local population's ability to compete for jobs. The need for skills development in Hastings has been recognised within sub-regional and local policies and a number of initiatives and regeneration programmes are underway with specific objectives to contribute to an increase in a more highly qualified workforce. Indeed, one of the points of the FPP addresses this issue directly.

25. Although it is noted that skills ability affect competition for jobs created in North East Bexhill, experience in Kent, where there is a lower skills base, suggests that investors still tend to employ staff from the local labour market. ESCC considers that similar patterns for local employment will be realised at North East Bexhill. New jobs made available in Hastings and Rother are likely to be filled by up to 75% staff from the local workforce. Hastings will have a strong relationship with this major employment land but this is in the most part reliant on improving access between Hastings and the North East Bexhill Development.

Accessibility Impacts

26. An accessibility modelling exercise has been undertaken addressing three key traffic scenarios:
    - 2004 Base;
    - 2010 Without Scheme; and
    - 2010 With Scheme

Without the Scheme, average journey times at peak commuting times throughout the RA will continue to increase. For instance, the average journey time between the town centres of Bexhill and Hastings will increase from 18 minutes in 2004 to 21 minutes in 2010. The modelling exercise forecasts that average journey times will increase by as much as 20% or more between many wards and employment wards in the area by 2010.

27. With the Scheme, average journey times in 2010 will decrease significantly compared with 2010 without Scheme average journey times. Indeed, the Scheme will result in the average journey time of many trips between wards and employment wards at peak times actually decreasing compared with the 2004 base. For example, the outputs of the modelling exercise indicate that the average journey time between the town centres of Bexhill and Hastings will be 16 minutes compared with 18 minutes in 2004 and a forecast 21 minutes in 2010 without the Scheme.

28. Indeed, the Scheme will result in many journeys in 2010 between wards and employment wards being reduced by between a 25% and 50% as compared with the 2010 Without Scheme outcomes. Obviously not all trips will benefit from substantial time savings.

29. Decreasing levels of congestion and increasing local accessibility with the Scheme will lead to both improved and consistent journey times that will in turn encourage increased public transport services, enhanced regional accessibility along the South Coast Corridor, reduce severance between Bexhill and Hastings and provide greater accessibility to important local projects such as the proposed Pebsham Countryside Park.

The Economic Impact of the Scheme upon Local Economic Activity

30. Research has been undertaken on the potential benefits of the Scheme to local businesses and employment for local residents of the RA. A number of recent business surveys of local companies specifically undertaken for this Regeneration Statement as well as for other purposes have consistently identified two main economic weaknesses.

31. Firstly, poor transport infrastructure and attendant congestion is constantly claimed to be a major inhibitor to economic efficiency and the impact of the Scheme on journey times has been mentioned above under accessibility. Secondly, the lack of development land and new commercial buildings is unfailingly claimed by local businesses and the local development agencies to be a key restriction upon economic growth. The Scheme will specifically facilitate 48,000 sqm of strategic employment floorspace in the proposed North East Bexhill Business Park. Without the Scheme, this development will not take place.

32. It is estimated that in excess of 1,500 jobs will be directly generated at the North East Bexhill Development and, in turn, this will produce up to a further 500 indirect and induced employment opportunities. Thus in total, the Scheme has the potential to facilitate some 2,000 jobs in North East Bexhill.

33. The analysis of new jobs in terms of (i) skill requirements, (ii) the match between these skill requirements and the qualifications of the local labour force, (iii) the spatial distribution of the labour force and (iv) the drive times between wards and the location of new employment opportunities provides an approximate guide to the potential take-up of new jobs by area of residence. This analysis indicates that some 60% (1,200) of the new jobs will be taken by residents of the RA, with over half (634) going to the residents of the more deprived wards. This represents a substantial boost to local labour demand in the RA in the context of some 2,800 currently unemployed.

34. The rate of development for a number of key local developments, whilst not totally dependent upon the Scheme, will be heavily influenced by whether the Scheme is built. Indeed, the very announcement that a Scheme was to be built and opening, say in 2010 will have noticeable affects on the rate of build-up at certain town centre developments in Hastings.

35. A detailed review has been undertaken of potential development projects such as the Gap site in Havelock Road, the Priory Quarter Hastings and sites to the north-west of Queensway over the period 2010-2025. The rate of development at many of these projects will at best slow down in the event that the Scheme is not built and the full implementation of these projects will be consequently delayed. Such analysis by its very nature is imprecise. However, there appears to be substantial evidence that failure to build the Scheme will place at risk the creation of a further 1,000 jobs in the period 2010-2025. In effect, the Scheme has the overall potential to facilitate about 3,000 jobs in the RA.

36. Thus, a similar comparative analysis to that undertaken for the accessibility exercise in comparing the with and without Scheme Scenarios indicates that overall employment impact of the Scheme not proceeding will result in reducing labour demand for residents in the RA itself by as much as 1,800 jobs. Of this total, some 950 job opportunities will be lost to the residents of the more deprived wards and a further 850 elsewhere in the RA.

37. The Scheme will facilitate 1,100 new housing units in North East Bexhill and a further 500 new housing units in West St Leonards. Without the Scheme, the North East Bexhill housing development will not take place and a considerable element of the housing requirement in the RA will need to be met elsewhere.

Conclusions

38. In the absence of the Scheme, the North East Bexhill Business Park will not be developed; thereby forsaking the opportunity to create some 2,000 new jobs in the RA. There is no other development that will generate employment at this scale in Bexhill or Hastings in the foreseeable future.

39. There are a number of other key development projects – largely in central and north Hastings – that do have the potential to generate further significant levels of employment. However, whilst it is apparent that these projects are not completely dependent on the Scheme, the rate of development of some of these projects will be materially affected by the presence (or absence) of the Scheme. In the region of 1,000 jobs will be placed at risk in the event that the Scheme was not implemented.

40. Many local companies view the Scheme as an essential part of significant improvement to the local distribution of traffic leading to the future relief of congestion levels. There are grounds for believing that some local companies will consider relocation in the event that the Scheme was not proceeded with – indeed there is some evidence that this has already taken place on a limited scale. Additionally, many companies claimed that space constraints were affecting their plans for expansion.

41. The distribution of employment within any defined area/region is of concern to all levels of government. It is accepted that there are recognisable socio-economic benefits in attracting jobs into areas of deprivation and high unemployment. This is the situation even where there are reasons to suspect that these jobs are being diverted from other regions.

42. Overall, the RS concludes that the proposed Scheme is a necessary condition for the facilitation of both large-scale additional employment and housing in the RA.

43. In conclusion, the Scheme has the clear potential to facilitate some 3,000 new jobs (as well as safeguarding existing private sector jobs) and 1,600 housing units in the RA. There are clear indications that business confidence will be significantly damaged in the event of the Scheme not proceeding and the loss of employment opportunities on this scale will have serious socio-economic implications to economic development and regeneration in the RA and undermine the ability of the agencies working in the area to implement the FPP.

44. In concert with other key regeneration policies, the Scheme clearly offers a unique opportunity for the RA to tackle positively a number of its deeply entrenched socio-economic problems. ESCC believes firmly that the building of the Bexhill-Hastings Link Road is a key plank for success. This vision is shared by all local and regional stakeholders.

1 Introduction

1.1 The Regeneration Statement

1.1.1 This Regeneration Statement (RS) for the Bexhill/Hastings Link Road (the Scheme) supports the Environmental Statement (ES) and the Scheme Planning Application. The aim of the RS is to provide an estimate of the net regeneration and economic benefits that will be facilitated by the Scheme to the towns of Bexhill and Hastings and the surrounding area.

1.1.2 It is not the purpose of the RS to examine critically the regeneration programmes per se currently being promoted in Bexhill and Hastings. Furthermore, the RS accepts that the Scheme whilst being a necessary condition for facilitating economic growth in Bexhill and Hastings is not a sufficient condition; though it is evident that the optimisation of economic gains from a number of major local developments depend upon the Scheme. In this context, the key question that the RS needs to address is whether the Scheme will effectively be a major facilitator of economic growth enabling key regeneration targets to be achieved by local and regional development agencies. In order to undertake this task, the RS has been prepared in accordance with the Department for Transport's WebTAG family of Transport Analysis Guidance notes.

1.1.3 The Scheme is clearly part of the regeneration agenda for Bexhill and Hastings and, whilst it is accepted that as such it forms part of the clearly defined package of regeneration measures promoted by ESCC and other stakeholders, the case for the Scheme rests more on the scale of regeneration impacts rather than the transport impacts.

1.1.4 The objectives of the Scheme are comprehensively described in the ES. The key regeneration objectives of the Scheme are to:

- Support the economic growth of this depressed area of the South East by tackling congestion on the existing A259 and enabling the development of strategic employment and housing land by opening up the northern areas of Bexhill and Hastings; and,
- Support the regeneration areas of these towns by improving accessibility to new employment opportunities particularly benefiting the residents of the more deprived areas in Bexhill and Hastings.

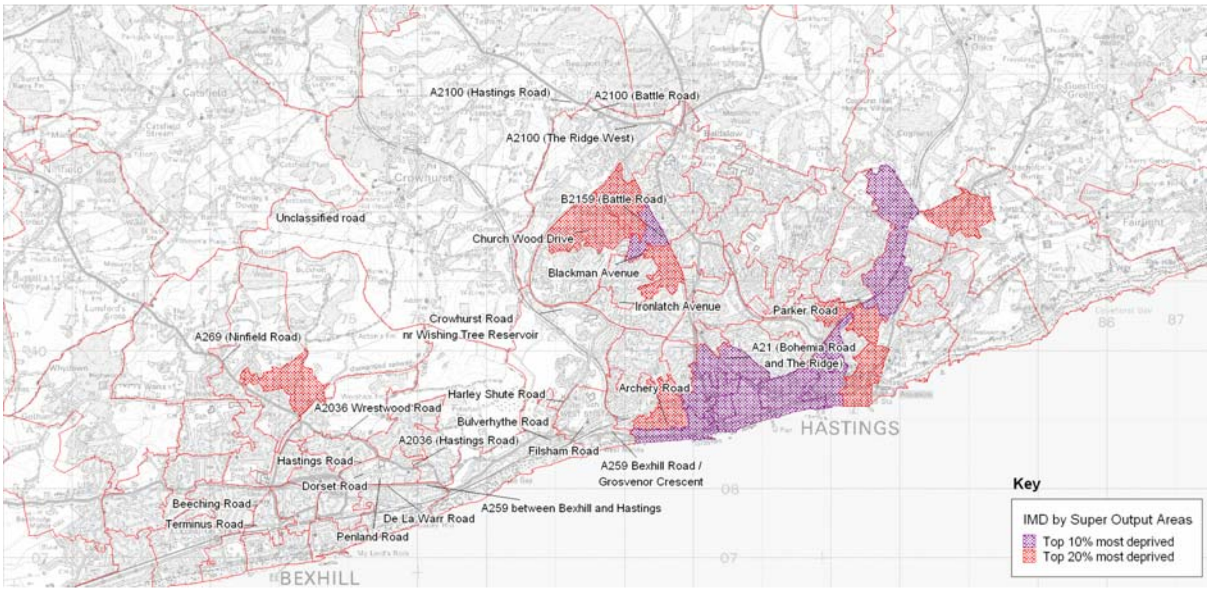
1.1.5 The RS draws upon extensive research undertaken in the period June 2006 to January 2007 by consultants commissioned by ESCC – namely PACEC/Campbell Reith, Volterra and Mott MacDonald. It has also drawn upon the Economic Impact Report (EIR) prepared by Llewellyn Davies (LD) for the Major Scheme Bid in 2004. The RS has sought to address the comments made by DfT (ITEA) on the LD EIR. Although this report depends heavily upon this research, the findings and conclusions are those of ESCC.

1.2 The Regeneration Area

1.2.1 In common with many seaside resorts in the UK, Hastings and Bexhill have suffered from several discouraging economic trends in recent years: a vulnerable and low wage economy, unemployment issues and significant levels of deprivation. Hastings and Bexhill have been hit harder by this economic downturn than many other resorts. The socio-economic conditions in Hastings are particularly acute and the Government's Indices of Multiple Deprivation (IMD 2004)[1] recognise Hastings as one of the most deprived areas in England. Indeed, Hastings is the most deprived community in the South East and the 37th most deprived local authority in England, with Super Output Areas (SOAs) in six of its 16 wards in the 10% most deprived nationally, and a further five wards with SOAs in the 20% most deprived nationally. Sidley in Bexhill is also disadvantaged containing one SOA in the worst 20% nationally. Two other SOAs, one in Central and one in Sackville, fall just outside the 20% most deprived category.

1.2.2 The RA is defined as the town of Bexhill and the District of Hastings. This designation fits with RPG9, which declares Hastings and Bexhill part of the 'Priority Area of Economic Regeneration' (PAER). Under the draft South East Plan (SEP) that will replace RPG9, the Sussex Coast is still identified as a priority RA. Particular attention in the RS is given to those communities within the two towns that are ranked in the worst 20% nationally as per the IMD 2004 at SOA level. These particularly deprived communities are referred to in this document as 'Deprivation Hot Spots' and they are located in twelve wards (the 'More Deprived Wards') in the RA. These wards are Sidley in Bexhill and Baird, Braybrooke, Castle, Central St Leonards, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Tressell and Wishing Tree in Hastings. Whilst particular attention is paid to the More Deprived Wards; the focus of the RS is upon the RA as a whole, which encompasses all of Hastings and Bexhill.

Figure 1-1: IMDs for Hastings and Bexhill



Source: IMD 2004, Communities and Local Government, the Consultants

[1] The Index of Multiple Deprivation 2004 (IMD 2004) is a measure of multiple deprivation at the small area level. The IMD 2004 contains seven Domains of deprivation: Income deprivation, Employment deprivation, Health deprivation and disability, Education, skills and training deprivation, Barriers to Housing and Services, Living environment deprivation and Crime. Where possible, the indicators relate to 2001.

1.3 Brief Description of the Scheme

1.3.1 A full description of the Scheme is set out in the ES. The route for the proposed Scheme will be 5.58km long from its junction with the A259 Belle Hill in Bexhill, which lies in Rother District, to its junction with the B2092 Queensway in Hastings, located within Hastings Borough as shown in Figure 1-2. The B2092 Queensway provides a direct link to the A2100 the Ridge West and thence to the A21 trunk road in north Hastings. To the south, the B2092 connects to the A259 on the western outskirts of Hastings. The first 1.4km section of the road (known as the Bexhill Connection) will be located along the bed of the abandoned Crowhurst, Sidley and Bexhill Branch Railway line cutting passing through the built up area of Bexhill.

1.3.2 As part of the Scheme, a 'Greenway' running adjacent to, but completely segregated from the road, will be implemented to accommodate activities such as cycling, walking and horse riding. The Greenway is expected to be integrated with the paths that will be eventually developed within the proposed Pebsham Countryside Park, including the 1066 path.

1.3.3 At the Bexhill end, the Scheme will connect into the A259 Belle Hill signal junction replacing the existing London Road approach to the junction. A second traffic signal controlled junction just north of this junction will facilitate access to and from the existing A269 London Road to North Bexhill. After passing through the built up area of Bexhill, a new signal junction will be constructed which will form the main access to the proposed North Bexhill development.

Figure 1-2: Scheme Alignment

1.4 Structure of Document

1.4.1 The Executive Summary, at the front of the Statement, serves as the main summary of the findings. This Statement is structured with the following sections:

- Chapter 2 sets out the policy framework;
- Chapter 3 reviews the economic and social context;
- Chapter 4 considers the accessibility impact of the Scheme;
- Chapter 5 estimates the business and employment impacts;
- Chapter 6 addresses the economic importance of the scheme;
- Chapter 7 analyses the wider economic of the scheme; and,
- Chapter 8 provides the conclusions.

1.4.2 **Appendix A** contains views from consultations with stakeholders and agencies as well as the full list of interviewees (section A2) and the pro forma framework which was used to initiate, structure and record the discussions (section A3). **Appendix B** lists the references used in the research.

2 Context of the Scheme in Existing Policy and Plans

2.1 Introduction

2.1.1 The development and regeneration strategies for the eastern part of East Sussex are set within national policy statements, regional spatial strategies, structure plans and local development plans. The planning context for the Scheme is established in Chapter 5 of the ES accompanying the suite of documents for the Planning Application for the Scheme. The Scheme's objectives are set out in Chapter 2 of the Environment Statement (ES), and include a specific objective for the Scheme to contribute towards the Bexhill and Hastings Task Force Five Point Plan for Regeneration. Chapter 5: Policy and Planning of the ES has assessed the Scheme in relation to the local, regional and national spatial planning framework.

2.1.2 The development plan system is in a period of transition as it moves from the old style land use plans to a new system of spatial plans introduced by the Planning and Compulsory Purchase Act (2004). Under the new system RPG9 will be replaced by the South East Plan (SEP), which sets out a regional spatial strategy to 2026. This will in turn replace the adopted structure plans in the region. Through the review of RPG9, the draft SEP will establish the long-term strategy for future development in the region to 2026. It will provide the guiding framework for the detailed local development frameworks and other plans prepared by local authorities.

2.1.3 At a local level the local plans of the districts are under review and will be replaced by Local Development Frameworks. At the time of writing the adopted development plan for the Hastings Bexhill area comprises RPG9, the East Sussex and Brighton & Hove Structure Plan (1999) and the local plans of the both Hastings and Rother. The draft SEP was submitted to Government in March 2006.

2.1.4 The context of the Scheme in this section is examined in the following way:

- How the Scheme will contribute to economic development and regeneration policies and plans founded for the area;
- How the Scheme will contribute to social development policies and plans founded for the area;
- How the Scheme will contribute to environmental policies and plans for the area;
- Context within the Local Transport Strategy; and,
- Context within regeneration initiatives for the area.

2.2 Economic Development

2.2.1 The Scheme is important in its regeneration potential. Hastings is the most deprived community in the South East. The local economy has underperformed compared with the rest of East Sussex, the South East and the UK. The local economy of Bexhill is also underperforming in relation to the South East and the UK. Subsequently, the spatial planning framework at national, regional and local levels identify policies to address the area's economic and structural problems and bring about regeneration.

2.2.2 The Sussex Coast and Towns area including Hastings and Bexhill is identified in the Regional Planning Guidance for the South East (RPG9) as a Priority Area for Economic Regeneration (PAER). Under the draft SEP the Sussex Coast is continued to be identified as a priority Regeneration Area and the draft SEP Sussex Coast sub-regional strategy updates and extends the PAER and provides a bespoke set of policies aimed at addressing the particular social and economic issues faced by the area.

2.2.3 Policy RE5 of the draft SEP identifies the Sussex Coast in need of particular attention to deliver economic development. The North East Bexhill Development site is seen by the local authorities as a key to delivering the economic development potential in the Hastings and Rother area. This development cannot be achieved without the Scheme because of the capacity constraints on the local road network and on the A259 between the two towns in particular. In addition, Hastings will have a strong relationship with this development as a focus for future major employment land, and therefore good access between Hastings and North East Bexhill Development will be necessary.

2.2.4 The core policy (SCT1) of the Sussex Coast sub-region section of the draft SEP aims to deliver major improvements to the strategic transport infrastructure and services to reduce the sub-region's peripherality. The strategy has a strong focus on the regeneration of deprived communities. Policy SCT2 seeks to direct assistance into areas of greatest need, in particular Hastings and Bexhill and advocates giving increased priority to social and economic regeneration to Hastings and Bexhill.

2.2.5 The draft SEP also identifies Hastings as a Regional Hub. The Hub concept promotes large population centres as appropriate locations of strategic growth given their role as employment, service and transport centres. Bexhill plays a complementary role to that of Hastings' Hub status by providing opportunities for employment development as part of urban extensions on a scale not possible within the constrained urban area of Hastings.

2.2.6 The Regional Economic Strategy (RES) was reviewed in 2006. The RES 2006-16 has identified the Coastal South East as an area for economic potential. Addressing the under-performance of the Sussex Coast is a key component of the new RES. In recognition of this the final RES has committed SEEDA to taking forward the development of a Coastal Strategy.

2.2.7 The Prosperity for Hastings and Bexhill Report which responded to the Secretary of State's decision to cancel the bypass proposals, focused on identifying the economic future of Hastings. The report stressed the urgent need for regeneration and stated that '*the Scheme is very significant in enhancing the economic integration of Hastings and Bexhill'*. The report states that whilst the key requirement is to improve the strategic accessibility - that is Hastings' access to London, other major towns and other parts of the South East - measures that impact on accessibility at a local level are more important potentially in terms of stimulating development on particular sites. *'Local measures are important in terms of improving connectivity, which will help people access jobs; and can bring about significant environmental improvements that can unleash regeneration'*. In this context it is hardly surprising that the report stated that the relative inaccessibility of Hastings and Bexhill was a key constraint on the regeneration of the area and that investment in transport infrastructure was an essential part of an overall strategy for regeneration.

2.2.8 The Secretary of State's decision to turn down the bypasses in 2001 was based on environmental grounds, but he made it clear that regenerating Hastings remained vital and instructed SEEDA to develop a regeneration strategy for Hastings. In response to this, the Bexhill and Hastings Task Force, led by SEEDA, formulated a joint strategy for development and produced the Five Point Plan (FPP). The Task Force lead partners are: SEEDA; ESCC; Hastings Borough Council; Rother District Council; English Partnerships; GOSE; and the two local MPS. The FPP identified that the Scheme will help unemployed residents to access areas of employment. Additionally the provision of the Scheme is seen as a very important element needed to restore and build confidence, particularly of the private sector, in the area. The Task Force considered that the Scheme is a vital component of its vision to regenerate Hastings and Bexhill. In March 2002, the Government announced its backing for the 10 year Task Force Strategy, awarding £38 million of new money to support it during its first three years.

2.2.9 Rother District's Economic Regeneration Strategy 2004-2009 states that poor infrastructure contributes to its economic problems. One of the Strategy's seven key aims is to lobby for support to under-performing areas of the District and this includes lobbying for infrastructure improvements including the Bexhill Northern approach road. Hastings' Regeneration Strategy (Making Waves) identifies that local transport improvements are required to provide improved access to jobs and training. With future employment land allocations in the local area largely focused in North East Bexhill, the Scheme will provide improved access to these jobs from Hastings.

2.3 Social Development

2.3.1 Tackling unemployment and housing are two key issues to addressing social development in Hastings. Bexhill also has particular demographic problems. The town has the second highest proportion of people over retirement age of all local authorities in England and the highest proportion of over 85 year olds. There is a net out migration of 19-45 year olds from the District. This low proportion of economically active people contributes to low average income levels[2].

2.3.2 RPG9 states that local pockets of deprivation in the South East, such as in Hastings and Bexhill, will best be tackled locally. RPG9 acknowledged that the poor service provided by the A259 coastal inter-urban route and rail routes were a major factor in the towns' deprivation and stated that the recommendations of the South Coast Multi-Modal Study (SoCoMMS) was a requirement in respect of the transport problems.

2.3.3 The Sussex Coast sub-region section of the draft SEP aims to deliver major improvements to the strategic transport infrastructure and services to reduce the sub-region's peripherality. The strategy has a strong focus on the regeneration of deprived communities. The strategy seeks to direct assistance into areas of greatest need, in particular Hastings/Bexhill and

[2] Rother District Economic Regeneration Strategy, 2004-2009

advocates giving increased priority to investment decisions and other support to enable social and economic regeneration to Hastings/Bexhill. This aims at delivering improvements to east-west transport links, especially the A27/A259, to improve accessibility, facilitate strategic development opportunities and enable the better functioning of overlapping local labour and housing markets.

2.3.4 The draft SEP has identified that between 2006 and 2026 Hastings should provide 4,200 more new dwellings and the Rother part of the Sussex Coast sub-region should provide 4,000 new homes (once taking into account development already anticipated in local plans, extant planning permissions and brownfield site expectations, the residual for the Rother part of the sub-region is some 1,000 dwellings which could take the form of an urban extension to Bexhill). It should be emphasised that the 4,000 includes 1,100 at North East Bexhill. The sub-regional geography is such that in Rother the only urban areas considered for growth are Bexhill and Rye. However, Bexhill is the only sustainable location for strategic levels of development as Rye is constrained by environmental designations, poor levels of accessibility to the sub-region and wider region, and the ability of the local economy to provide sufficient jobs for increased population. The rest of Rother is largely designated AONB, and relatively low levels of housing are advocated. The distribution of development within the Sussex Coast sub-region is based upon the ability of the strategic locations to accommodate growth in the most sustainable manner possible. The distribution proposed in the sub-regional strategy is the best fit given the constraints facing the sub-region.

The Rother District Local Plan (adopted July 2006) earmarks Bexhill for significant employment and housing development in the north and/or west of Bexhill. The Local Plan sees this regeneration as a priority and sees the area as a potential focus for sustainable growth, and helping to meet future workforce needs. This strategy accords with and advances the development pattern established in the adopted Structure Plan. However, this development is dependent on the Scheme. Without the Scheme, necessary housing and employment land at North East Bexhill Development will not be released, and the development strategy of the adopted Rother District Local Plan will not be realised. Moreover, without the Scheme providing the necessary additional road capacity relieving congestion at Glyne Gap, opportunities for further strategic development to the North West of Bexhill anticipated by the draft SEP will not arise. Indeed, the Highways Agency has stated '*that due to capacity constraints at Glyne Gap the Highways Agency will almost certainly want the Link Road in place before any of these sites (other than 228 Ninfield Road) could be considered for development*'[3]. This crucial planning issue is discussed in detail in the Planning Statement accompanying the planning application.

2.3.5 The Hastings Local Plan for Employment Land states that there is significantly greater demand for smaller business units in the area than supply. With existing employment land in Hastings Borough nearly all taken up, the most important new land release within the Hastings area will be at the North East Bexhill Development.

2.3.6 The Task Force has identified capacity for 7,450 new homes in Hastings and Bexhill, which are seen as part of the regeneration package. In

[3] Letter from Peter Minshull (Network Strategy/South East) of the HA to David Marlow (Rother District Council) dated 20/9/04)

addition to the planned housing growth, the main focus for investment for the Housing Corporation is the regeneration of the housing stock in Central St Leonards, achieved mainly through town centre property acquisitions and conversions. The housing intervention is part of a Renewal Strategy that has been prepared for Central St Leonards with a projected public-private spend of £20 million over the next 3 years.

2.3.7 The expected growth in the number of households in Hastings and Rother will increase the supply of the workforce and therefore consumers, the number of potential new business start ups and transport usage. Additionally, house prices are below local and regional averages, but have risen significantly in the last four years due to a combination of the rise in house prices across the region and optimism about the future of the area as a result of the regeneration proposals (at one point, Hastings experienced the fastest growth in house prices of any South East coastal town). However, market research commissioned by the Task Force has identified an underlying fragility which should not be ignored and that the projected demand for housing in Hastings and Rother over the medium term will depend on success of the economic regeneration and improvements in the transport infrastructure.

2.3.8 Whilst the Scheme is not essential to the delivery of the majority of housing in Hastings, it is considered essential to creating the economic circumstances necessary to provide an uplift in the local housing market and unlock development opportunities to the extent necessary to meet sub regional targets for market and affordable housing. The Scheme also provides for an important element of the employment that will be required for the new households.

2.4 Environment and Sustainability

2.4.1 The defining strategy governing development for the area is the national objective to secure a sustainable pattern of development. Chapter 5 of the ES describes that this is explicit in national policy (PPS3 and PPS1) with the preference for urban areas as locations of strategic development. These policy principles are cascaded down to the development strategy for the area. Current and emerging regional guidance (RPG9, the draft SEP and the sub-regional strategy for the South Coast) places a priority on the need to encourage economic success, enhancing the environment, social inclusion, and ensuring that development patterns are sustainable.

2.4.2 Development options in Rother, a rural district with the majority of its area designated as an Area of Outstanding Natural Beauty, are limited. Without urban extensions at Bexhill, there is no other sustainable pattern of development in the district. Its rural nature and the predominance of nationally designated landscape will lead to the scattering of development in small rural settlements with few services, adversely affect the rural character, the settlements and actually increase car dependency and usage in the rural areas.

2.4.3 Furthermore, without the Scheme the development strategy upon which the Rother District Local Plan is founded will ultimately fail, leading to ‘planning by appeal’ and place greater pressures to develop in other less sustainable parts of the County.

2.4.4 An Air Quality Management Area (AQMA) has been declared for the Glyne Gap area necessitating an Air Quality Action Plan and mitigation measures to be developed. The draft Action Plan states that the construction of the Scheme is the action with the greatest impact to reduce PM_{10} emissions within the AQMA.

2.4.5 An objective of the Hastings Borough Local Plan (Seafront Strategy) is to secure environmental improvements along routes such as the A259 on the seafront in order to reconnect the urban area with its seafront. Actions such as improving the public realm in transport corridors in the town, and demand management measures to reduce car dependency will benefit upon the implementation of the Scheme, which will reduce traffic along the A259 along the Hastings seafront.

2.5 Context within Transport Strategy for the Area

2.5.1 The A27/A259 is the principal east-west route for the East Sussex Area, and is the only direct route between Bexhill and Hastings. The A259 corridor, in particular through Glyne Gap, suffers from a number of transport problems. The Traffic Case for the Scheme is presented in the Travel and Transport Report accompanying the Planning Application. The context of the Scheme in terms of an integrated transport strategy was set out in ESCC's Local Transport Plan 2 (2006) and is set out in the Planning Statement for the Scheme.

2.5.2 SoCoMMS confirmed the need for the Scheme to increase capacity and relieve congestion to the west of Hastings. Importantly, it highlighted that this was a priority over eight other proposed improvements on the South Coast. The Hastings Strategy Development Plan (HSDP) agreed that the Scheme should be included in the SoCoMMS strategy as it will reduce the bottleneck along the Bexhill Road between Glyne Gap and Harley Shute Road. It was suggested that this area will worsen considerably over time and public transport/soft measures will have only a limited effect on the route between the two towns. The strategy also considered the relationship between the Scheme and land use scenarios that addressed wider regeneration issues. This included developments in North East Bexhill, which will not be accommodated without increased highway capacity.

2.5.3 The Scheme is identified within the East Sussex Local Transport Plan 2 (LPT2) (2006). The LTP2 sees the Scheme as a 'crucial component' of the Five Point regeneration plan for Hastings and Bexhill, helping to deliver the County Council's wider transport objectives. Any significant delay in its implementation will have serious implications for future developments in the Bexhill and Hastings area. The Scheme will help unlock major housing and business allocations, assist local economic regeneration and contribute to resolving congestion and air quality issues on the busiest section of A259 trunk road at Glyne Gap.

2.5.4 The Scheme is also seen by the LPT2 as providing substantial public transport opportunities, both on the new road itself and in the additional capacity released on existing routes, which will be developed in parallel. Public transport enhancement continues to be a key objective for the two towns. Opportunities for new bus routes between Bexhill and Hastings along the Scheme will be sought as part of S106 agreement with the development of North East Bexhill. The additional capacity released on existing routes, particularly along the A259 coast road, will allow implementation of bus priority, which will be implemented through the Local Transport Plan process.

2.6 Regeneration Initiatives

2.6.1 The needs of the Bexhill Hastings area have been recognised within the South Coast area's designation as a priority Regeneration Area. This has prompted the intervention of a partnership of government agencies, regional authorities, and the local authorities to bring about the regeneration of the area. A number of programmes and strategies to promote economic development are underway and include the following set out in Table 2.1. The active programme requires improvements in the transport infrastructure in order to realise relevant objectives.

2.6.2 The FPP has been translated into a Business Plan that was approved by the DTI in November 2003. It provides for a £341million public/private package of projects over 10 years to deliver 5,700 jobs and 100,000sqm of new business and education space in Hastings and Bexhill. The Business Plan projects are aimed at contributing to regeneration of the two towns and specifically where the economic benefits can be directed to the more deprived wards of Hastings and Bexhill.

2.6.3 The majority of funding will come from the private sector over the long term. In the early years however, significant investment has been made by government sources to establish the programme and attract private investors. Around £85 million has been spent or is committed to 2008 to direct expenditure by the task Force through its regeneration company Sea Space. Early progress on the ground is starting to have an impact:

- Hastings town centre has its new University Centre, the two Creative Media Centre buildings and a new £9 million railway station. Construction of the Lacuna Place office development is underway and work on the new main FE college will start this summer;
- Elsewhere, the Innovation Centre opened in 2006 and the Marina Pavilion revamp and conversion is underway. Restoration of the De La Warr Pavilion in Bexhill was completed in 2006 and land in the Ore Valley has been remediated and prepared for the Millennium Community development.

2.6.4 In 2002, the Government directed review of Hastings and Rother found that post 16 exam results were frequently below average and that many students were voting with their feet by seeking sixth form education outside of Hastings. Some did not stay on at all. There were also concerns about the future viability of some sixth form provision. The review also revealed concerns about the breadth of skills training available in the area, with employers reporting that they struggled to fill vacancies.

2.6.5 During 2005 proposals were submitted to and approved by the Department for Education and Skills for the re organisation of post-16 education and training in Hastings and Rother. Key elements of the proposals included the development of a college with a new vision and mission, supported by £60m investment in new buildings. The investment includes a full relocation of Hastings College of Arts and Technology to two new sites on Station Plaza and in the Ore Valley and the development of a new 6th Form Centre in partnership with four local schools.

2.6.6 The key elements of the Station Plaza college development include a 6 storey building based upon 3 individual blocks covered by a glazed atrium. Also included are 104 residential units, a primary care centre and 353 underground car parking spaces. The Ore Valley campus represents a third of the new College and will be focused around the development of a business, engineering and a technology centre.

2.6.7 Planning permission has been agreed for both sites with construction on Station Plaza planned to begin in the summer of 2007, and work starting on Ore Valley in 2008. It is intended that the first students will take up their places in September 2009. The news follows on from the launch in March of this year of 'Academy 6' - the new centre of learning in Hastings offering school leavers a brand new option for A-levels from September. Academy 6 will play an integral role in the new college development with A-level studies being delivered within the Station Plaza complex.

Table 2-1: Economic Development and Regeneration Programmes in Bexhill and Hastings

Programme	Description
Objective 2 Projects in Hastings	Programme from 2000 until the end of 2008 is focused on the deprived wards of Hastings and is aimed at creating a more dynamic economic environment. Projects in progress include: 1. Projects to encourage innovation, e.g. Hastings Media Centre projects and the Innovation Centre; 2. Sustaining SME growth involving town centre improvement programme; and 3. Creating an attractive town including Hastings Accommodation Upgrade Scheme and the Stade Net Shops Recovery.
Rother and Hastings Area Investment Framework (AIF)	Three year framework to 2007 to plan spending and direct it to local priorities. Specific strategic priorities for directing funding include: 4. Increase the number and range of jobs; 5. Identify and tackle barriers within the social and community infrastructure preventing people from accessing training and employment; and, 6. Build on capital projects being brought forth by the Five Point Plan by ensuring that benefits area brought to the more deprived wards. Specific projects include a destination management strategy and support for sector development to increase and safeguard jobs.
Hastings Local Enterprise Growth Initiative (LEGI)	The LEGI programme aims to increase entrepreneurial activity in the local population. Hastings was awarded a LEGI grant of £3.6m in March 2006. One of the key aims of the programme for Hastings is to reduce business failure rate through a comprehensive business retention strategy and to attract appropriate investment into the more deprived areas. The bid explicitly identified poor transport links in the LEGI area and the dependence of enterprise on the development of the Scheme.

Programme	Description
Central St Leonards Renewal Strategy	This is a 10-year programme to improve living conditions and the wider environment. Hastings Borough Council is carrying out a master planning exercise to investigate how funding can be best invested to help achieve a long term renaissance.
Greater Hollington Partnership Pathfinder Project	Greater Hollington is one of the 20 Pathfinder projects across England and the only one in the South East region. The Greater Hollington vision includes 'connecting neighbourhoods to surrounding areas, town centre, facilities and employment opportunities'. Local people have stated that isolation is a large factor and an important issue is improved transport, and the Scheme is seen as key in helping to realise these ambitions.
Neighbourhood Renewal Fund (NRF)	Neighbourhood Renewal Funding (NRF) is allocated to local authorities which fall within the most 50 most deprived districts in England on any of the six district level summaries of the Indices of Deprivation 2004. The two areas eligible for the NRF in the South East until March 2008 are Brighton & Hove and Hastings. Neighbourhood Renewal is a national government initiative that aims to drive down poverty in the most deprived neighbourhoods. It seeks to bring together service providers, the voluntary sector and the community in an equal partnership to tackle deprivation. Hastings in particular suffers from disproportionate levels of educational underachievement, unemployment, crime & poor health; this in turn has led to issues of social cohesion. The Neighbourhood Renewal Strategy seeks to define some of the problems facing the town, develop long term targets for improvement across key themes and areas, and provide a platform for the development of detailed plans to work towards these targets through the Community Strategy.

3 Labour Market Profile

3.1 Population and Labour Supply

3.1.1 The resident population of Hastings and Rother District is shown in Figure 3-1. The population of the area has grown steadily since the early 1980s. ESCC (CACI) population estimates 2006 stand at 85,422 for Hastings and 87,238 for Rother. The town of Bexhill houses some 48% of the District's population and currently stands at some 41,935. The total population for Hastings and Bexhill is therefore around 126,000.

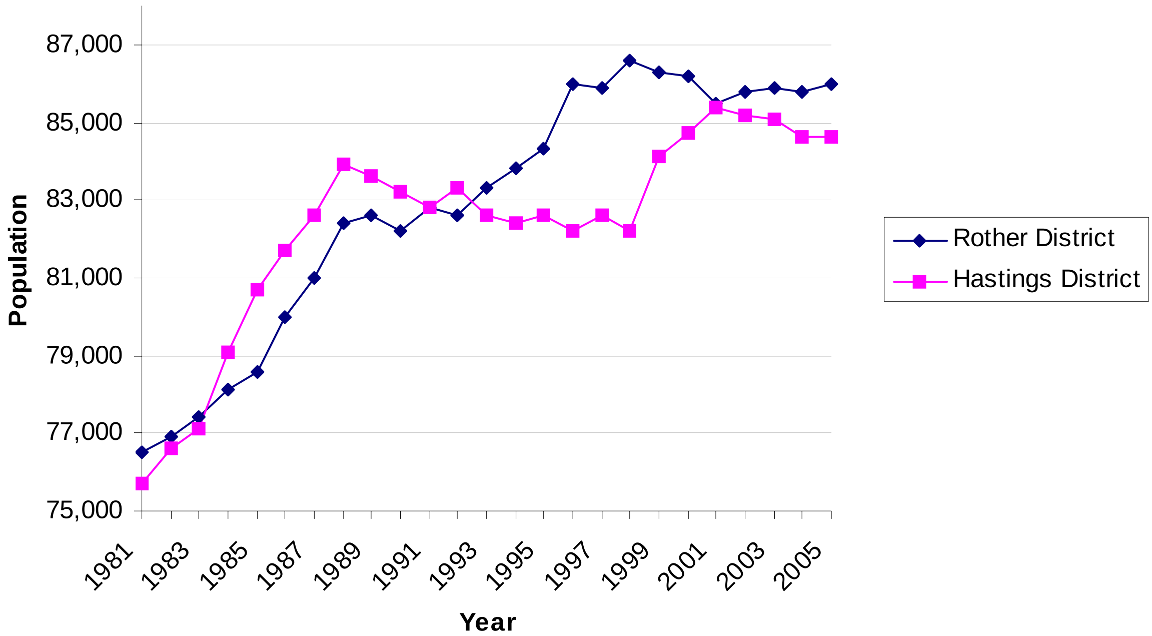
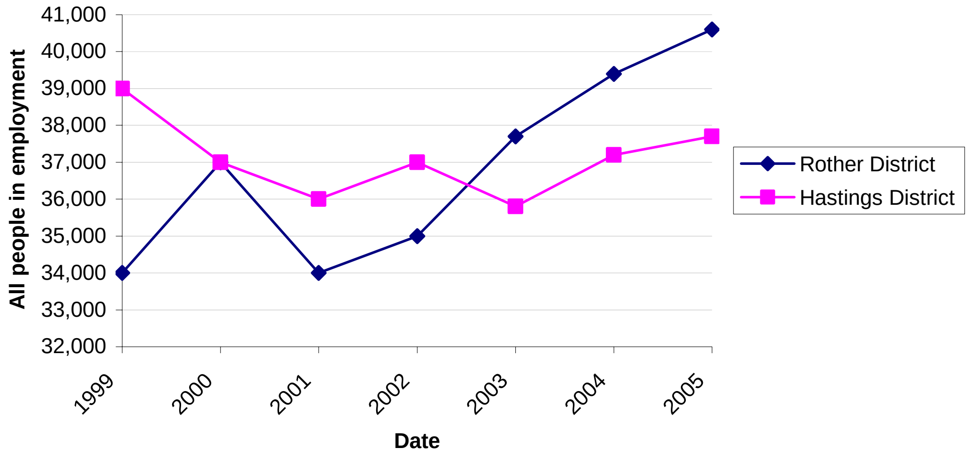


Figure 3-1: Resident Population in Rother and Hastings Districts

Source: NOMIS, the Consultants. Data for Bexhill are not available.

3.1.2 The number of people in employment is shown in Figure 3-2. There are some 38,000 people in employment in Hastings. The data do not identify particular issues in Bexhill. The 2001 census data show that only 50% of people living in Bexhill are of working age (16-64). The proportion of residents in Bexhill who are elderly is higher than the national average. Bexhill has nearly three times the national average of people over 75, with about 21% of the population in that category. The average age in Bexhill is 49, compared to a national average of 38

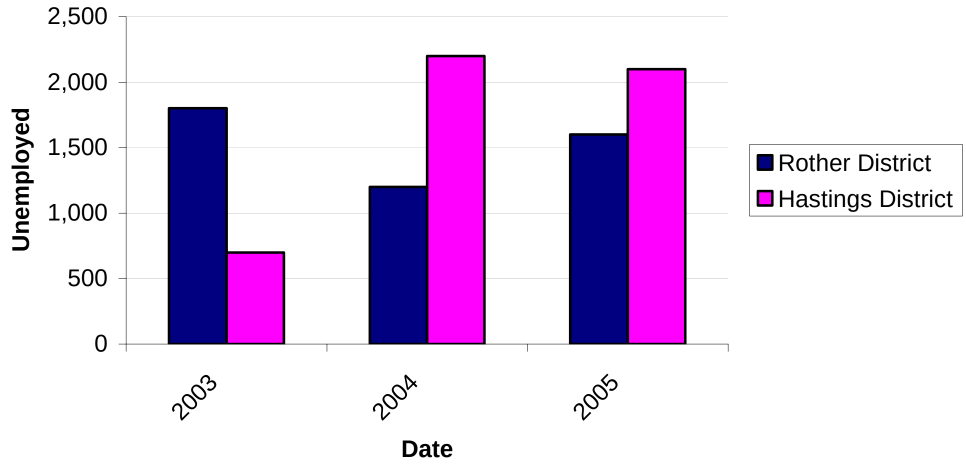
Figure 3-2: Economically Active Population in Rother and Hastings Districts: All People in Employment



Source: NOMIS. Data for Bexhill are not available.
1999-2003 represent the 12 months March to April. 2004-2005 represents the 12 months April to March

3.1.3 The 'economically active' population also includes people who are unemployed and the data are presented in Figure 3-3. This shows that there are some 2,000 people unemployed in Hastings and some 1,500 unemployed in Rother District (2005-2006). From 2001 Census data the total economically active for Bexhill stood at some 13,000 people compared with Hastings at 38,000 at the time. This implies, based on Figure 3.2 that shows that some 35,000 at the time were in employment, some 2,000 'economically active' people were unemployed in Hastings in 2001. The unemployment rate (December 2006, NOMIS/ONS) based on all working age population (active and inactive) stands at 3.9% for Hastings, which is significantly higher than the for Rother District which stands at 1.9%, East Sussex at 2.1%, the SE at 1.6% and GB at 2.5%.

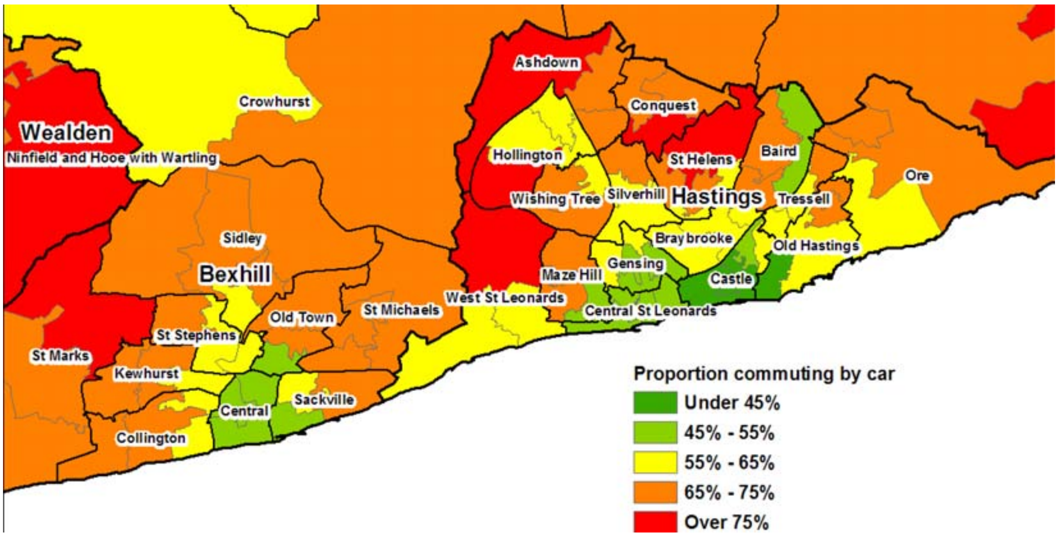
Figure 3-3: Economically Active Population in Rother and Hastings Districts: Unemployed



Source: NOMIS. Data for Bexhill are not available.
2003 represent the 12 month period March to April. 2004 and 2005 represent the 12 months April to March

3.1.4 Figure 3-4 shows the proportion of employed residents commuting within and between Hastings and Rother by car. A higher proportion of residents living further out from the town centres commute by car than do those living close or within the town centre areas.

Figure 3-4: Commuting by Car



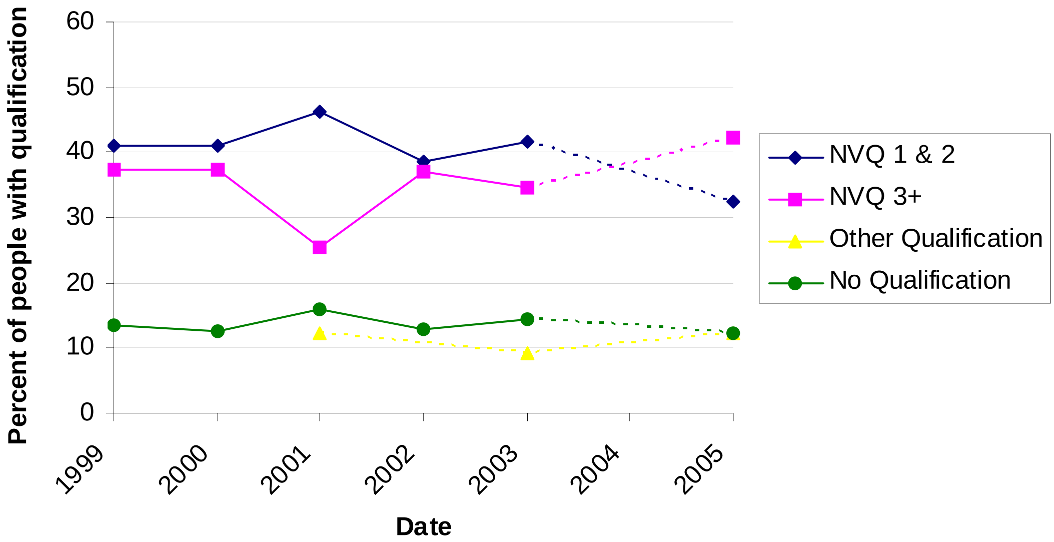
Source: Census of Population, 2001, ONS

3.1.5 The Census 2001 data showed that at the time, out of some 35,000 employed residents in Hastings some 30,000 were employed within Hastings and Rother districts. Some 25,000 people worked in Hastings and approximately 5,000 worked in Rother District. Of the 33,000 plus employed residents in Rother District, approximately 20,000 worked within Rother, and 5,000 in Hastings. A majority of residents therefore work locally. Some 9,000 people commuted from Hastings and some 9,000 commuted from Rother District outside of the two districts. The main destinations to work outside of the two districts were Tunbridge Wells, Wealden and Eastbourne.

3.2 Skills in Hastings and Rother

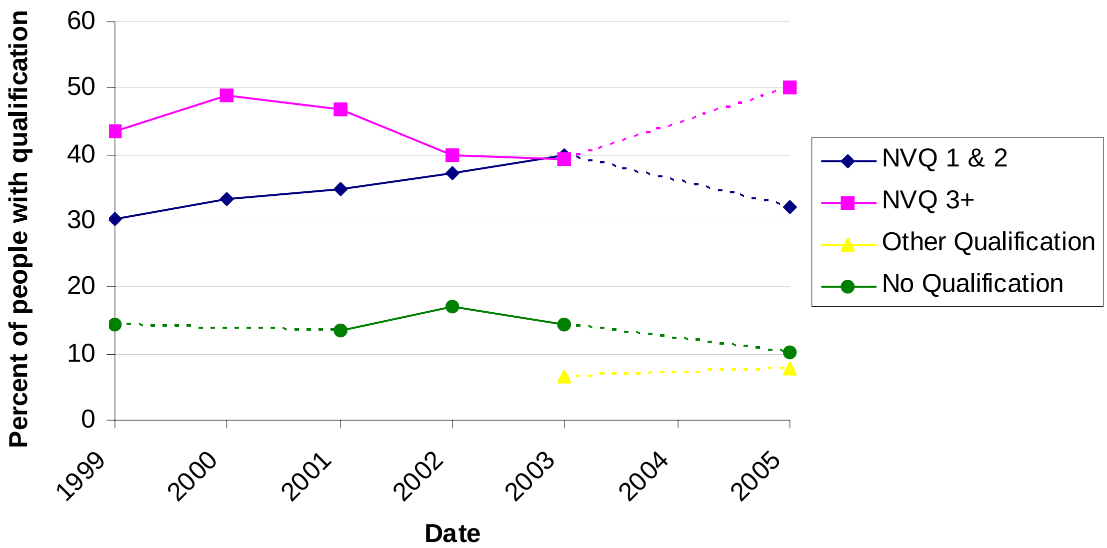
3.2.1 The distribution of level of qualifications attained is shown in Figures 3-5 and 3-6 for Hastings and Bexhill respectively. Residents of the two towns have a higher proportion of unskilled workers than the rest of East Sussex and the South East. The local population is less well qualified by regional standards, with a lower level of the working age population educated to NVQ levels 3/4/5, and a higher proportion with no qualifications or only NVQ level 1. The number qualified to level 2 however (21%) Hastings and Rother is equal to the SE average and will provide a stepping stone at a suitably high NVQ to progress to levels 3 and 4.

Figure 3-5: Hastings Residents' Qualifications



Source: NOMIS. Data for Bexhill are not available.
No 'Other Qualification' data were available for 1999 or 2000. No data were available for 2004. Dashed lines indicate best fit to compensate for unavailable data. Percentage shown is a proportion of total working age population. 1999-3003 represent the 12 month period March – February, 2005 represents the 12 month period January – December.

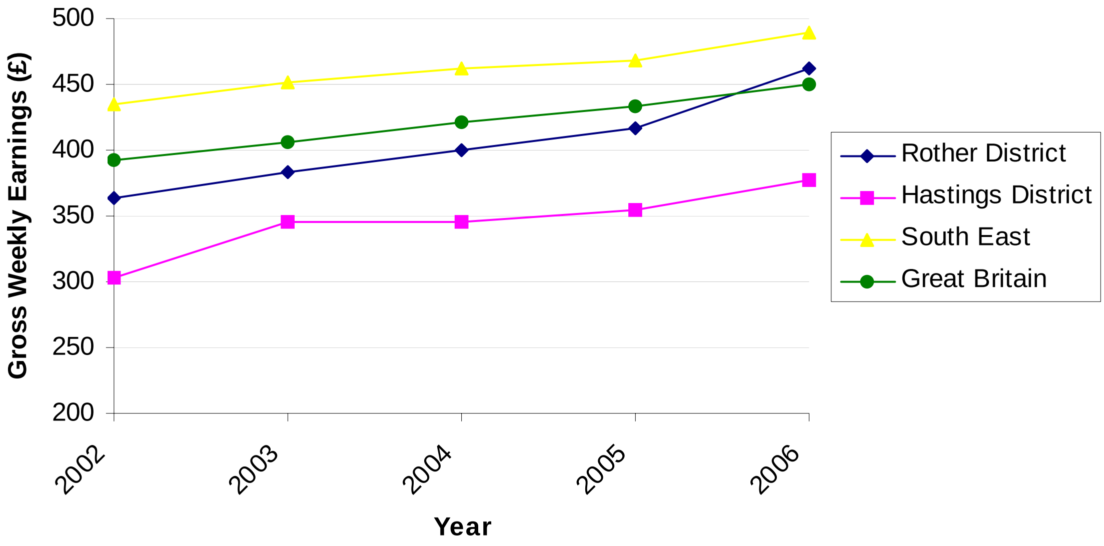
Figure 3-6: Bexhill Residents' Qualifications



Source: NOMIS. Data for Bexhill are not available.
No 'Other Qualification' data were available for 1999 - 2002. No data were available for 2004. Dashed lines indicate best fit to compensate for unavailable data. Percentage shown is a proportion of total working age population. 1999-3003 represent the 12 month period March – February, 2005 represents the 12 month period January – December.

3.2.2 Gross weekly earnings are shown in Figure 3-7 and indicate that earnings in Hastings are considerably lower than the South East and UK average, by some 25-30%.

Figure 3-7: Gross Weekly Earnings



Source: NOMIS. Data for Bexhill are not available.

3.2.3 Skills are recognised as an issue for local residents of the Regeneration Area and will adversely affect the local population's ability to compete for jobs. The need for skills development in Hastings has been recognised within sub-regional and local policies and a number of initiatives and training programmes are aimed at raising skills levels of the workforce. Key programmes including the Objective 2 Projects in Hastings, the Rother and Hastings Area Investment Framework, the Hastings Local Enterprise Growth Initiative (LEGI) and the Greater Hollington Partnership Pathfinder Project are identified in Chapter 2 of the Regeneration Statement. These projects are generally targeted on the most deprived wards, and accessibility to employment areas is implicit in the regeneration programmes.

3.2.4 In 2005 proposals were approved for the reorganisation of post-16 education and training in Hastings and Rother, these important proposals are designed to raise participation and achievement among young people in the area. Key elements of the proposals include £60m investment in two new state of the art colleges on two regeneration sites, one in Hastings town centre, one in Baird ward. Implicitly, post 16 education sites have to be as accessible as possible and the new collegiate model 'split' between Hastings and Rother means that there will be potential implications not only for students but also for staff in moving between sites throughout the working day. The Scheme is key in facilitating accessibility to sites and inter-site travel in terms of reliable public transport.

3.2.5 Although it is recognised that skills are an issue for the RA, and could adversely affect the local population's ability to compete for jobs created in

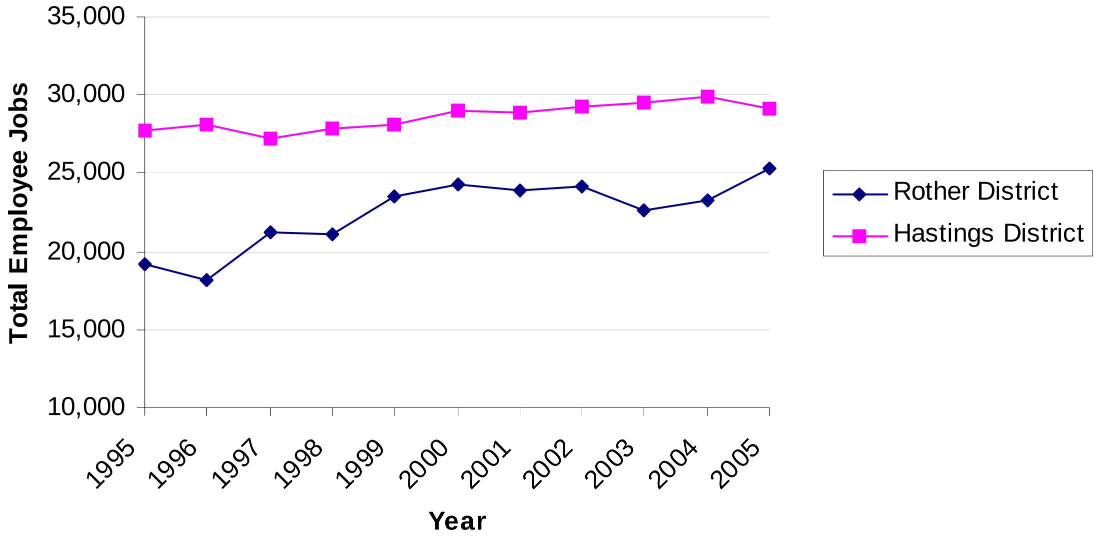
North East Bexhill, experience in Kent seems to point otherwise. The 2002-03 Centre for Strategy and Evaluation Services (CSES) Locate in Kent considered local staff take up by incoming or expanding investors. The final report produced by CSES noted that '*investors tend to employ staff from Kent and particularly from the local labour market*' (52% of all staff). More than three-quarters of the organisations stated in the Report that they had recruited staff from the local area and in a half of these cases the staff concerned made up more than three quarters of the work force.

3.2.6 Kent is deemed to be a sound comparator with East Sussex as both have similar educational achievement standards. '*All 15year olds pupils 5* with grades A-C' stands at 55% in Kent and 56% in East Sussex*' (02 – 04 Neighbourhood statistics). In respect of vocational achievements, Kent is similar or slightly lower than East Sussex. For example, Kent has10.1% of working age without an NVQ, whilst East Sussex stands at 8.9%; at NVQ 4, Kent is at 26.3%, East Sussex 30.6% (Annual population Survey, Dec. 2005, NOMIS). Given that vocational achievement levels are slightly higher in East Sussex than in Kent, and that 31% of the investors in the report period were from outside the UK (therefore with potentially less loyalty to the local population), ESCC considers that new jobs made available in Hastings and Rother will be filled by a possible 75% staff from the local workforce.

3.3 Labour Demand

3.3.1 Figure 3-8 shows the total number of jobs in Hastings and Rother District. There are some 30,000 jobs based in Hastings and 25,000 in Rother (NOMIS 2005).

Figure 3-8: Total Number of Jobs in Rother and Hastings Districts



Source: NOMIS. Data for Bexhill are not available.

3.3.2 Figures 3-9 and 3-10[4] show the total jobs by industry in Hastings and Rother District. Within Hastings, there is a heavy reliance on service sector

[4] Source: NOMIS. Data for Bexhill are not available.

jobs which accounts for over 60% of all jobs. Within this, public sector (public administration, education and health) accounts for two thirds of all service sector jobs and one third is accounted for by the distribution, hotels and restaurants sector (NOMIS 2005). Some 13% of jobs are in manufacturing and construction. Tourism accounts for 7% of jobs. Only 11% of jobs are in financial services, which is considerably lower than the regional average of 23%. Within Rother, service sector jobs accounts for 56% of employment. Some 10% of jobs are in manufacturing and construction, 15% in financial services and 11% in tourism.

Figure 3-9: Hastings - Jobs by Industry

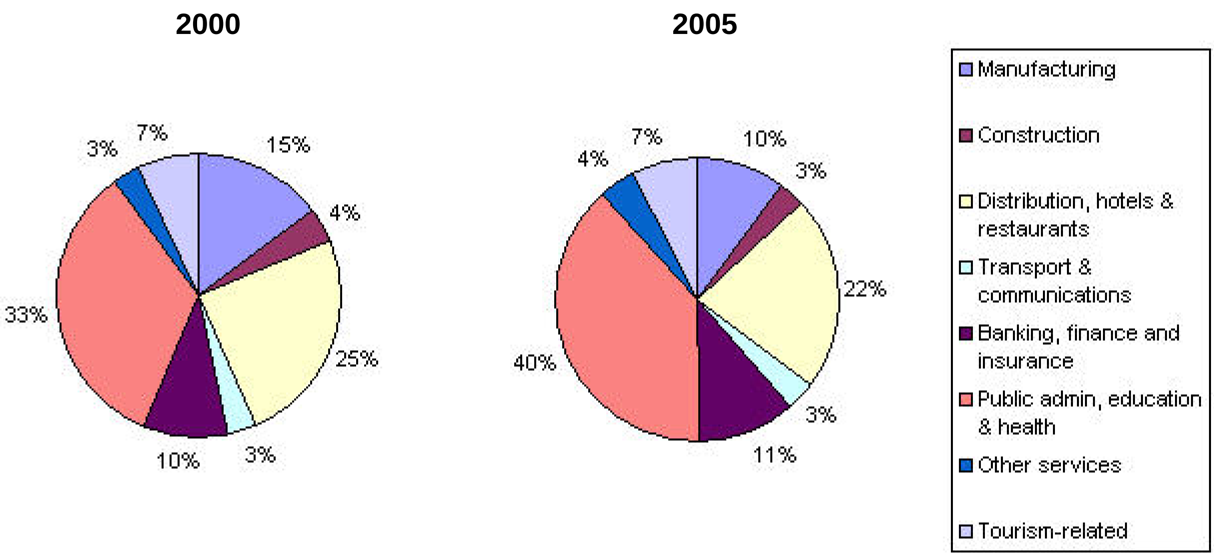
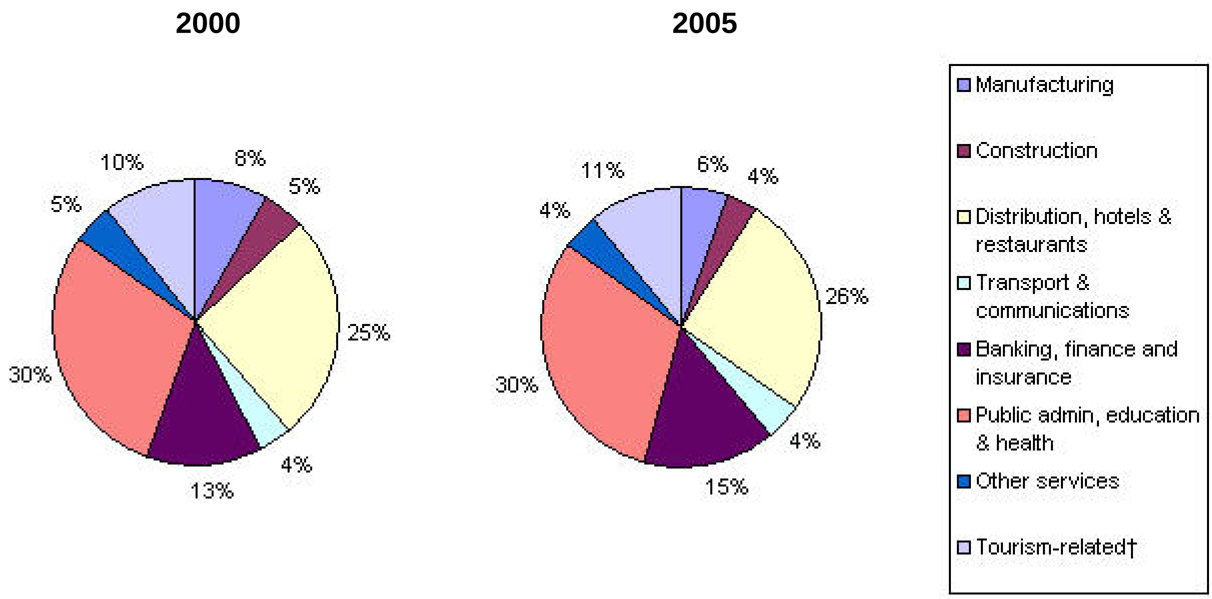


Figure 3-10: Rother - Jobs by Industry



3.3.3 Although only a third of all jobs are notified in this way, the number of job vacancies that are notified at a Job Centre can be considered as an indicator of the number of jobs available in Rother and Hastings. Table 3-1 shows a snap shot for 2006 in 'low' and 'high' seasons. There were 204 and 257 notified vacancies in Rother and Hastings respectively in July 2006 and 48 and 155 in January of the same year. At the same time, there were 825 and 1,815 sought positions in Rother and Hastings in January 2006 and 860 and 1,890 in July for Rother and Hastings.

Table 3-1: Notified and Sought Vacancies

Occupational Category	Notified Vacancies				Sought Vacancies			
	January 2006		July 2006		January 2006		July 2006	
	Rother	Hastings	Rother	Hastings	Rother	Hastings	Rother	Hastings
Managers and senior officials	3	5	26	7	50	45	50	60
Professional occupations	1	4	4	16	35	65	40	65
Associate professional and technical occupations	1	3	8	14	60	100	60	100
Administrative and secretarial occupations	7	14	20	26	80	190	85	210
Skilled trades occupations	7	18	17	21	140	295	140	280
Personal service occupations	5	9	36	38	40	100	45	110
Sales and customer service occupations	6	21	11	33	145	280	170	300
Process; plant and machine operatives	2	19	5	15	65	135	65	155
Elementary occupations	16	62	77	87	210	600	205	605
Total	**48**	**155**	**204**	**257**	**825**	**1,815**	**860**	**1,890**

Source: Job Centre Vacancies, DWP

4 Accessibility Impacts

4.1 Introduction

4.1.1 Measuring accessibility is critical for the appraisal of wider economic benefits, particularly relating to the local labour market. The analysis in this chapter follows the DfT guidance on measuring accessibility. Whilst accessibility modelling is used to forecast the impact of reduced journey times (e.g. shorter distances, redistribution of traffic, and reduced congestion), it is the impact upon future journeys between the residential and employment areas in Bexhill and Hastings (including the more deprived areas), to new and existing employment and residential sites (e.g. North East Bexhill Business Park and the town centre sites/attractions), that are particularly relevant to the analysis.

4.1.2 Poor accessibility between Bexhill and Hastings has been highlighted by all local stakeholders as a major impediment to improving the economic integration of the two towns and represents a continuing and growing problem to both the business and resident communities. Therefore, the accessibility analysis not only addresses the issue of the local labour market accessing newly generated employment opportunities in North East Bexhill, but as crucially analyses the potential improvements in journey times along the A259 corridor.

4.1.3 The accessibility modelling has been developed using the outputs from the traffic model developed by the Consultants for the ES. Three scenarios have been use to develop the accessibility model:

- 2004 Base Year;
- 2010 Do Minimum (i.e. without Scheme); and,
- 2010 Do Something (i.e. with Scheme).

4.1.4 The AM peak hour has been used for the accessibility model in order to include the influence home-school-home trips have upon the road network (in addition to home - work-home), and hence journey times.

4.1.5 Accessibility from all wards in Bexhill and Hastings has been analysed to key destinations, which have been taken as the key employment areas in the two towns. The five wards with more than 3,000 employees in employment (centres of employment) in the 2004 Annual Business Inquiry (ABI) (Ashdown, Castle, Conquest, Hollington and Bexhill Central), as well as Sidley (which includes the North East Bexhill Business Park site), have been used as the destination wards.

4.2 Baseline accessibility (2004 and 2010)

2004 Accessibility

4.2.1 The accessibility model results for the 2004 AM peak period show the average journey time between the town centres of Bexhill and Hastings is 18 minutes. The average journey times to the employment wards are set out in Table 4-1 below.

Table 4-1: 2004 Base Journey Times

District	Wards	Average Journey Times AM Peak (mins) in 2004					
		Bexhill Central	Sidley	Ashdown	Castle	Conquest	Hollington
More Deprived Wards							
Bexhill	Sidley	9.9	-	22.1	24.0	26.3	22.4
Hastings	Baird	26.7	28.7	8.5	5.9	5.0	10.4
Hastings	Braybrooke	23.7	25.6	9.8	1.5	9.4	10.4
Hastings	Castle	21.9	24.0	11.0	-	7.6	10.9
Hastings	Central St Leonards	17.9	20.5	8.6	5.3	8.3	8.5
Hastings	Gensing	19.2	21.3	8.0	4.4	7.5	7.8
Hastings	Hollington	18.8	21.7	2.6	10.9	7.5	-
Hastings	Maze Hill	16.3	18.3	8.2	7.8	8.3	6.2
Hastings	Old Hastings	24.4	25.0	16.8	5.8	12.1	15.7
Hastings	Ore	31.5	33.6	12.1	9.1	9.1	15.8
Hastings	Tressell	25.6	27.5	10.4	4.7	7.0	11.0
Hastings	Wishing Tree	17.3	19.3	5.6	9.9	8.5	3.8
Remaining Wards							
Bexhill	Central	-	9.9	20.0	22.5	23.9	18.8
Bexhill	Collington	3.2	9.8	25.4	25.5	26.5	23.0
Bexhill	Kewhurst	4.4	7.9	20.9	23.6	25.0	19.7
Bexhill	Old Town	4.2	4.2	20.5	20.7	21.7	18.2
Bexhill	Sackville	3.0	7.4	18.8	22.0	22.6	17.6
Bexhill	St Marks						
Bexhill	St Michaels	5.2	5.7	18.6	21.3	22.9	17.5
Bexhill	St Stephens	4.9	6.1	23.8	23.9	25.6	21.5
Hastings	Ashdown	20.0	22.1	-	11.0	5.2	2.6
Hastings	Conquest	23.9	26.3	5.2	7.6	-	7.5
Hastings	Silverhill	20.0	22.1	5.2	6.8	4.6	5.2
Hastings	St Helens	24.3	26.3	7.9	4.4	4.5	11.9
Hastings	West St Leonards	13.8	17.1	10.1	16.6	13.9	8.9

Source: SATURN Model, the Consultants

2010 Accessibility without the Scheme

4.2.2 The 2010 accessibility model indicates that during the AM peak period the average journey time between the town centres of Bexhill and Hastings will increase to 21 minutes.

4.2.3 Without the Scheme, journey times between other areas of Bexhill and Hastings will also increase significantly. A comparison between the 2004 and 2010 base scenarios in percentage terms is set out in Table 4-2.

Table 4-2: 2004-2010 Change in Journey Times without Scheme (%)

District	Wards	Change in Average Journey Times AM Peak (%) between 2004 and 2010 (without The Scheme, with allocated development)					
		Bexhill Central	Sidley	Ashdown	Castle	Conquest	Hollington
More Deprived Wards							
Bexhill	Sidley	16%	-	24%	21%	22%	23%
Hastings	Baird	12%	17%	0%	1%	0%	7%
Hastings	Braybrooke	14%	20%	2%	1%	2%	1%
Hastings	Castle	15%	21%	2%	-	1%	1%
Hastings	Central St Leonards	18%	24%	2%	0%	2%	1%
Hastings	Gensing	17%	24%	3%	0%	2%	1%
Hastings	Hollington	18%	24%	1%	1%	9%	-
Hastings	Maze Hill	21%	28%	1%	0%	3%	1%
Hastings	Old Hastings	14%	15%	0%	0%	5%	1%
Hastings	Ore	13%	17%	4%	4%	4%	7%
Hastings	Tressell	13%	19%	2%	0%	8%	5%
Hastings	Wishing Tree	20%	27%	0%	0%	7%	0%
Remaining Wards							
Bexhill	Central	-	16%	17%	15%	17%	18%
Bexhill	Collington	0%	18%	14%	13%	15%	15%
Bexhill	Kewhurst	0%	21%	17%	14%	16%	18%
Bexhill	Old Town	1%	41%	18%	16%	19%	19%
Bexhill	Sackville	1%	21%	18%	15%	18%	19%
Bexhill	St Marks						
Bexhill	St Michaels	1%	30%	18%	15%	18%	20%
Bexhill	St Stephens	0%	27%	16%	15%	17%	0%
Hastings	Ashdown	17%	24%	-	2%	1%	1%
Hastings	Conquest	17%	22%	1%	1%	-	9%
Hastings	Silverhill	18%	24%	3%	1%	3%	0%
Hastings	St Helens	15%	21%	0%	4%	0%	4%
Hastings	West St Leonards	25%	30%	14%	16%	15%	16%

Source: SATURN Model, the Consultants

4.3 Accessibility Impacts with the Scheme

4.3.1 The 2010 accessibility model indicates that during the AM peak period the average journey time between the town centres of Bexhill and Hastings along the A259 corridor will be 16 minutes with the Scheme. The Scheme will improve journey times along this corridor for general traffic between Bexhill and Hastings by five minutes.

4.3.2 Overall, the Scheme will improve journey times, particularly for those inter ward journeys between the central area of Bexhill and the northern wards of Hastings. A comparison between the 2010 Do Minimum and 2010 Do Something scenarios is set out in Table 4-3 below.

Table 4-3: Change in Journey Times with Scheme (%)

District	Wards	Times AM Peak (mins)					
		Bexhill Central	Sidley	Ashdown	Castle	Conquest	Hollington
More Deprived Wards							
Bexhill	Sidley	-25%	-	-53%	-34%	-32%	-51%
Hastings	Baird	-19%	-35%	22%	0%	2%	-2%
Hastings	Braybrooke	-21%	-37%	3%	0%	-1%	1%
Hastings	Castle	-23%	-34%	3%	-	-8%	1%
Hastings	Central St Leonards	-27%	-37%	3%	0%	-1%	1%
Hastings	Gensing	-25%	-38%	4%	0%	-1%	1%
Hastings	Hollington	-34%	-50%	2%	1%	-3%	-
Hastings	Maze Hill	-30%	-33%	1%	2%	-1%	0%
Hastings	Old Hastings	-21%	-20%	1%	0%	-6%	0%
Hastings	Ore	-24%	-37%	12%	-4%	-3%	-2%
Hastings	Tressell	-20%	-28%	-1%	0%	-6%	-2%
Hastings	Wishing Tree	-32%	-44%	3%	1%	-3%	2%
Remaining Wards							
Bexhill	Central	-	-25%	-36%	-22%	-28%	-34%
Bexhill	Collington	0%	-13%	-39%	-20%	-25%	-29%
Bexhill	Kewhurst	58%	-16%	-39%	-17%	-32%	-37%
Bexhill	Old Town	12%	-7%	-53%	-18%	-36%	-40%
Bexhill	Sackville	1%	-16%	-37%	-23%	-30%	-30%
Bexhill	St Marks						
Bexhill	St Michaels	15%	-1%	-40%	-24%	-32%	-32%
Bexhill	St Stephens	53%	-21%	-57%	-15%	-43%	-36%
Hastings	Ashdown	-36%	-53%	-	3%	36%	2%
Hastings	Conquest	-28%	-32%	36%	-8%	-	-3%
Hastings	Silverhill	-24%	-42%	6%	-1%	-1%	2%
Hastings	St Helens	-21%	-35%	24%	-2%	2%	-1%
Hastings	West St Leonards	-39%	-31%	-26%	-27%	-21%	-29%

Negative Value indicates a quicker journey time; a positive value indicates that journey time will increase with the Scheme.

Source: SATURN Model, the Consultants

4.3.3 The relationship between willingness to commute and drive times (the 'deterrence curve', taken from the 2001 Census of Population for urban areas in England) is described in WebTAG Unit 3.5.11 '*Measuring Accessibility for the Appraisal of Wider Economic Impacts*'. Figure 1 in WebTAG Unit 3.5.11 'Deterrence Function for Travel to Work' has been used to forecast the change in mobility and accessible employment opportunities for the residents of Bexhill and Hastings. For example, the deterrence curve suggests that 56% of people are willing to make the 21 minute commute from the deprived ward of Central St Leonards to Bexhill Central. With the Scheme, the drive time is forecast to be 15.5 minutes, and using the deterrence function curve will indicate that the proportion of commuters willing to travel will increase to 81% - a increase of 50% in the willingness to travel. It is important to note that the deterrence curve is constructed on 'real time' and therefore will not take into account peoples' perception of 'reliability' in respect of average journey times, i.e. where there is greater incidence of unreliability associated with travel time this is more likely to impact negatively on peoples' decision to travel. The Scheme will have a positive effect on reliability.

4.3.4 The improvements in journey time with the Scheme will give rise to increased opportunities for local residents to travel to places of work, and vice versa for local businesses to benefit from a larger pool of accessible labour. These employment effects are the subject of chapters 5, 6 and 7. It is also important to note that access to local services will be improved. A notable example is that journey times to Conquest Hospital, in Conquest ward, Hastings, will be improved to a similar degree as for the employment sites in Conquest ward. Travel times from Bexhill will be reduced by up to ten minutes; thirteen minutes, in the case of St Stephens ward. The relief that the Scheme will provide along the A259 corridor will allow the potential for new bus services to be introduced and for improvements to frequency and reliability to existing bus services.

4.4 Accessibility Impact with the Scheme - Public Transport

4.4.1 At this stage, the bus services that will operate with the Scheme in place are not finalised, however two likely improvements will be sought. The first is an improved journey time and improved journey time reliability for the current services on the A259. The second is the potential for additional bus services to run between Bexhill and Hastings along the Scheme. Opportunities for new bus services between Bexhill and Hastings along the Scheme will be sought by ESCC as part of S106 agreement with the development of the North East Bexhill Development. The additional capacity released on existing routes, particularly along the A259 coast road, will allow implementation of bus priority, which will be implemented through the LTP process.

4.4.2 A provisional route for a new service along the Scheme has been included in the transport modelling for the ES. ESCC anticipated that a service will run in each direction approximately every 15 minutes during the day with an hourly service in the evening. The route assumed starts from Bexhill Railway Station, and runs along Sea Road, turning right to run past the De La Warr Pavilion. The route will turn right into Sackville Road and then along London Road and along the Scheme. The service will enter the North East Bexhill Development before continuing along the Scheme to Hastings.

4.4.3 Some of these services will go through Hollington and St Leonards to Hastings town centre, and other services will run directly to the town centre through St Leonards. The Hollington route will run along Crowhurst Road, Church Wood Road, Church Wood Drive, Blackman Avenue, Battle Road, London Road, and then left along the sea front to terminate at Hastings Railway Station. The direct route will continue along Crowhurst Road then along Gillman's Hill, Springfield Road, London Road, and then left along the seafront to terminate at Hastings Railway Station. The return routes will be the same, apart from necessary diversions due to one-way traffic systems.

4.4.4 The key benefits of these proposed routes are:

- Shorter bus journey times from Bexhill to the employment sites in the Churchfields/ Castleham Industrial Area (within approximately 20 mins).
- Short bus journey times between potential residents of North Bexhill and the Churchfields/ Castleham Industrial Area (expected to be less than 20 mins).
- Improved public transport between the deprived Hollington ward in North West Hastings and both North Bexhill (also less than 20 mins) and Bexhill town centre.
- Better bus travel times between Hastings town centre and both the Churchfields/ Castleham Industrial Area and North Bexhill.
- Improved journey times between Hastings and Bexhill town centres.
- Better bus journey times along the existing A259, thereby better connecting the deprived wards in the west of Hastings with jobs in Bexhill town centre.

4.4.5 Off-peak drive times, provided by the Automobile Association, from Hastings to Eastbourne are around twenty to thirty-five minutes (depending upon the exact start and end point), and forty-five minutes to an hour to Brighton and Hove. These drive times occur at critical points on the 'deterrence curve', which describes the proportion of people that are likely to commute over a given drive time. For Eastbourne, a reduction in drive time of just five minutes, from twenty-five to twenty minutes, will result in the proportion of people willing to commute rising from 35% to 61%. Fifty minutes is approximately the longest drive time over which a non-negligible proportion of population are willing to commute. Reducing travel times to Brighton below this level will make a small fraction of its employment available to Hastings, though it is less likely to attract people the other way as this will be away from an acknowledged major employment centre.

4.5 Summary of Accessibility Impact

4.5.1 The key points from this chapter are as follows:

- The 2010 Do Minimum accessibility model indicates that during the AM peak period the average journey time along the A259 corridor between the town centres of Bexhill and Hastings will be 21 minutes.
- The Scheme will substantially improve journey times along this corridor by some five minutes. The Scheme will significantly improve

journey times between the central area of Bexhill and the northern wards of Hastings.

- For instance, the analysis indicates that 56% of people are willing to make the 21 minute commute from the deprived ward of Central St Leonards to Bexhill Central. With the Scheme, the drive time is forecast to be 15.5 minutes and the proportion of commuters willing to travel will increase to 81% - an increase of 50% in willingness to travel.
- ESCC will seek opportunities for new bus services to run along the Scheme. These services and the improvements afforded to bus services along the A259 with the improvement in travel conditions offer better access from Bexhill to key employment sites in Hastings, and between Hastings, particularly the deprived Hollington ward in north-west Hastings to North and Central Bexhill.
- Regional accessibility to Bexhill and Hastings along the South Coast Corridor will be improved. Journey times between Hastings and other towns to the west, such as Eastbourne, Lewes, the fast-growing city of Brighton and Hove, and the Southampton-Portsmouth conurbation, will be reduced by between five and ten minutes. The accessibility analysis shows that, for example, a reduction in drive time to Eastbourne of just five minutes, from twenty-five to twenty minutes, will result in the proportion of people willing to commute rising from 35% to 61%.

5 Business and Employment Impacts

5.1 Labour Market Effects and Benefits to Business

5.1.1 A wider labour market catchment will help provide more choice for businesses and employees of Bexhill and Hastings. The previous chapter demonstrated how the Scheme will bring more people within easier reach of a wider range of jobs with the improvement in journey times. At the same time, the Scheme will enable businesses in the area to access a wider labour pool, so for example, a business in the Churchfields/ Castleham Industrial Estates (Hollington and Ashdown Wards) whose labour market will be restricted due to congestion along the A259, will be able to tap into a labour pool in Bexhill who will likely be more willing to travel with the Scheme in place. Using the accessibility modelling and outputs described in the previous chapter, the impacts on potential access to employment has been estimated.

5.1.2 Another notable benefit to businesses in the area will be the improved and more reliable journey times. The Scheme will have the effect of widening the markets that these businesses will serve with the improvements in journey times.

5.1.3 Newly created employment supports further employment elsewhere in the local economy. Indirect employment occurs from companies, located in the new employment sites in the RA, purchasing goods and services from other suppliers in the local economy. A further injection of expenditure in the local economy will arise from spending by extra employees in the RA. This effect is known as indirect and induced employment.

5.1.4 This chapter addresses the potential impact of the Scheme on Business and Employment. This includes:

- Employment effects associated with benefits to existing businesses through journey time savings and transport costs savings;
- Net additional employment through release of land for employment development;
- Indirect and induced employment; and
- An assessment of indigenous growth, inward investment and new start-ups

5.2 Employment Effects Associated with Benefits to Existing Businesses

5.2.1 The Sussex Annual Business Survey (2005) shows that the main market for businesses in Rother and Hastings is within 10 miles of the business itself (44%), and that a further 30% of businesses do some trade within this catchment area. The accessibility analysis in the previous chapter indicated that average journey time savings of some 5 minutes will be achieved within this area. The accessibility modelling showed that an average peak hour journey time of 30 minutes will be a reasonable assumption to make for a 10 mile journey within the RA. The saving in journey time for a journey of this distance will therefore equate to a 17% saving.

5.2.2 Taking the Annual Business Inquiry job figure totals for the wards of Hollington and Ashdown (the wards that contain much of the Churchfield/ Castleham Industrial area) which total 5,700 jobs, it is possible to calculate the jobs directly attributable to the transport effects of the Scheme. This has been based on the Llewellyn Davies method applied in the EIR, which was accepted by DfT (ITEA).

5.2.3 The EIR consultants adopted a method resulting in an estimate of an additional 50 jobs as a result of savings in travel time. An alternative approach base on estimated reductions in transport costs for firms indicates a much lower figure of around 18 additional jobs[5]. We have merged these two estimates and adopted a figure of 34 additional jobs as the employment generated from reduced transport costs wit the Scheme.

5.3 Net Additional Employment through Release of Land for Employment Development

5.3.1 The Scheme will release land for employment development in North East Bexhill. From discussion with GOSE, employment rates and net impact multipliers have been assumed as set out in Table 5-1.

5.3.2 Not all the jobs that are generated in new developments are additional to pre-existing jobs. Some companies will move pre-existing jobs

[5] Employment in the local area of 5,700 indicates a local area GVA of some £155 million. With transport costs estimated to be 5.3% of overall output they are estimated to be around £8 million. Time savings of 17% will translate into transport cost savings of perhaps half of this, say, £0.7 million overall. If transport cost savings are split 50:50 between profits and business expansion, around £350,000 will be invested in new employees. Local area annual labour costs are around £19,000/employee indicating an additional 18 jobs.

onto the new sites, which will have desirable modern facilities near improved transport links, and the released sites will not necessarily be filled by other companies; they take time to fill, they will lie vacant or, although unlikely due to current planning guidance, be reassigned to housing. The parameter used to convert Gross Employment to Net Additional Employment is that used by GOSE, and as agreed by the then ODPM and the European Commission, in their assessment of the £55m Objective 2 Programme in Hastings and Thanet with a multiplier of 0.8. This multiplier takes account of the impacts of displacement and leakage, but assumes minimal deadweight.

Table 5-1: Additional Floorspace and Employment in North Bexhill

Floorspace	48,000 sqm
Gross Employment	1,880 jobs
Source of net impact	Government Office for the South East (GOSE)
Net impact multiplier	0.8
Net Additional Employment	1,504 jobs
Employment arising from reduced transport costs (Section 5.2 above)	34 jobs
Total Direct employment	1,538 jobs

Source: the Consultants

5.3.3 Evidence from local commercial agents suggests that there is an under supply of modern, purpose built, B1 and B2 and B8 accommodation in Bexhill and Hastings and take-up of modern, purpose built units has been moderate or strong. Agents, the local authorities, and Locate East Sussex believe there is a demonstrable demand for B1 and B2 employment land use, supporting the view that the above employment will be realised.

5.3.4 The net additional jobs arising from both new development (1,504) and reduced transport costs (34) is therefore 1,538. This can be broken down by industrial land use class as shown in Table 5-2. This is consistent with information applied by ESCC for the development mix assumptions for North East Bexhill development for the ES.

Table 5-2: Additional Employment by Industry

Occupation (Use Class)	Additional number of employees
Office/light industrial (B1)	769
General Industrial (B2)	461
Warehouse/Distribution (B8)	308
Total	1,538

Source: the Consultants

5.3.5 This section focuses upon the developments at North East Bexhill. Significant additional employment will be facilitated by the Scheme at other developments and this is discussed in Chapter 7.

5.4 Indirect and Induced Effects

5.4.1 The parameters for estimation of the indirect and induced employment have been based on those used by GOSE for the Objective 2 Programme in Hastings. This assumes a total demand of three indirect and induced jobs are created for every 10 new jobs created. The ways in which these jobs are generated are shown in Table 5-3. Starting with businesses that make up a total of 1,538 jobs, the purchases of goods and services arising from the needs of these businesses and their employees, owners and shareholders which are met in Bexhill and Hastings support 355 jobs. These 355 jobs then support a further 82 jobs. These 82 jobs then support a chain of jobs which add up to another 24 jobs. The total number of jobs from benefits to businesses, through release of development land for employment and through indirect and induced employment is therefore some 2,000.

Table 5-3: Indirect and Induced Employment

Effective Multiplier	1.3
Direct jobs	1,538
First round	355
Second round	82
Remaining rounds	24
Total Supply chain	461
Total Additional number of employees	1,999

Source: the Consultants

5.5 Inward Investment, Indigenous Growth and New Start-ups

5.5.1 Inward investment typically consists of large established companies opening new offices and facilities in an area; it is driven by the quality of the infrastructure and buildings, and local labour market conditions and transport. Indigenous growth consists of local companies expanding or moving to new locations within the area; it is driven by the success of the local business economy. New start-ups are driven by entrepreneurship, identification of a market and appropriate business support and accommodation.

5.5.2 As noted already, inward investment is fairly weak in East Sussex. There is a rising trend however as reported by Locate East Sussex. It should also be noted that as reported in the CSES Annual report (02-03) on inward investment in Kent that Locate in Kent has achieved good results in terms of inward investment despite the fact Kent has a less qualified workforce than that of East Sussex.

5.5.3 The Vail Williams Business Unit Supply/Demand survey in 2004 identified from their survey that ‘over a third of companies in East Sussex are expected to expand over the next year or so.’ This suggests a strong local economy with jobs created by expanding companies giving indigenous growth.

This view is currently shared by commercial agents who perceive that local companies have an expectation of growth.

5.5.4 The same survey showed that businesses were requesting improved transport infrastructure and for business parks to be located on the edge of towns (especially in Hastings) thereby allowing access to the labour market without town centre congestion problems. This is further evidence that there is demand for the business premises with good transport infrastructure. This potential for growth, together with the availability of new sites, should give rise to demand for labour from new start-ups, inward investment and growth of indigenous firms.

5.5.5 Most new business floor space which is created is expected to be occupied by the indigenous growth of local firms moving to new and improved premises (and expanding) as shown in Table 5-4. This represents an opportunity of growth for existing local companies and also releases their current premises for other uses, including occupation by start-ups. It is broadly estimated that indigenous growth will account for some 80% of additional employment with a further 10% each arising from inward investment and new starts.

Table 5-4: Source of Additional Employment

Source of growth	Additional number of employees
Indigenous growth	1,600
Inward Investment	200
New starts	200
Total	2,000

Source: the Consultants

5.5.6 The amount of indigenous growth has implications for the mix of industry. Some of the B1, B2 and B8 businesses will be moving from other parts of Bexhill and Hastings. The premises they vacate will either remain in the same sector, or, in the case of town centre locations, will move towards a more personal/ business support services or leisure usage (e.g. tourism), where accessibility has increased due to the decrease in congestion on the coast road and the improvement in public transport. The CSES Report noted that 59% of the businesses involved

with Locate in Kent wanted B2 (general industry) and 33% B1 (office/light industrial). The large under supply of both B1 and B2 across East Sussex as noted in the Vail Williams Study referred to earlier, reiterates the urgent need to accommodate this demand via the release of new strategic employment land as provided by the Scheme.

5.6 Distribution of Employment to the Deprived Wards in Bexhill and Hastings

5.6.1 In order to estimate the likely level of take-up of the new jobs by residents in the RA, it is necessary to establish a match between the current levels of qualification among the workforce accessible to Bexhill and Hastings, and the likely skill levels required by any additional employment created. This exercise involves modelling the application of the reduction in journey times as a result of the Scheme to estimated changes in the ‘accessible workforce’. This is undertaken by calculating the relationship between the accessible workforce and workplace employment. The effect of the ‘deterrence curve’ is discussed in paragraph 4.3.3.

5.6.2 Thus, once the accessible workforce and population for each ward had been calculated, the final step is to estimate the effect of a change in accessibility upon an indicator such as employment density or population density. Linear regression is used to estimate the effect of accessibility. The economic impact of the Scheme is measured in terms of the potential increase in employment arising from the greater workforce that is available to employers.

5.6.3 The workforce accessible to the six employment wards can be divided into three spatial categories, which are used throughout this analysis:

- Outside Bexhill and Hastings
- Within the top 12 more deprived wards in Bexhill and Hastings
- The rest of the RA of Bexhill and Hastings

By comparing the number of workers in each category, and their qualification levels, it is possible to analyse the interaction between the supply of labour and the demand for employees with particular skills. From this, a forecast can be made of the extent to which residents of Bexhill and Hastings will benefit from the new jobs created as a result of the new employment development facilitated by the Scheme.

5.6.4 The outputs of the analysis indicate that 59% of the new jobs facilitated by the Scheme at the North Bexhill Industrial Area will be ‘captured’ by residents within the RA, with 41% of the jobs being taken by in-commuters. It has been assumed that all economically active people are equally likely to compete for jobs. In fact, this assumption will lead to an underestimate of employment that is taken up by residents of Bexhill and Hastings, since levels of unemployment are higher locally than outside Bexhill and Hastings, and therefore there are more people already in the job market.

5.6.5 The residents of the more deprived wards are likely to take a slightly higher percentage of the 59% than residents elsewhere in the RA (31% v 28%). Indeed, the Scheme is in close proximity to Hollington – one of the most deprived wards in the RA. Clearly, residents of Hollington will be able to readily access job opportunities the North Bexhill Industrial Area.

5.6.6 However, it should be noted that this analysis does not take account of programmes such as LEGI to improve skills in the local force, in particular those resident in the more deprived wards. Such programmes will undoubtedly increase the percentage of newly created jobs going to the residents of the more deprived wards above the percentages noted above.

5.7 Summary of Business and Employment Impacts

5.7.1 The key likely business and employment impacts of the Scheme are:

- Demand for 34 additional jobs is likely to arise due to reduced transport costs of existing businesses in Bexhill and Hastings (though these benefits are also shown in the economic analysis in the accompanying Traffic and Transport Report).
- The development in North Bexhill will give rise to a minimum of 1,538 direct net additional jobs.
- These 1,538 jobs are expected to give rise through the multiplier process to a further 461 supply chain jobs, giving a total of some 2,000 jobs.
- In very broad terms, the modelling indicates that some 59% of the new jobs are likely to be taken by residents of the RA, with a slightly higher percentage from the deprived wards. Some 41% of the new jobs are likely to be taken by in-commuters[6].
- 1,600 out of the 2,000 jobs are expected to arise through indigenous growth, with a further 200 coming from inward investment and 200 from new start-ups.
- This level of employment growth is supported by an analysis of the relationship between employment density and accessibility for the South Coast, and the analysis implies that this will be an underestimate of the employment gains that arise from the Scheme.
- The effect of the Scheme upon employment in the North Bexhill employment site will be to increase the proportion of jobs taken up by residents of the more deprived wards in Hastings.
- The above analysis provides the scale of new jobs that will be facilitated by the Scheme – corresponding to 2010 Do Something scenario discussed in Chapter 4. The next chapter addresses the economic importance of the Scheme and the impact on employment levels in the RA in the event that the Scheme is not implemented.

[6] The further analysis in later chapters takes a 30%/30%/40% split for more deprived wards in Regeneration Area/rest of Regeneration Area/outside Regeneration Area respectively.

6 The Economic Importance of the Scheme

6.1 Introduction

6.1.1 The Vail Williams business survey asked local companies what ESCC could do to make East Sussex more attractive to the business sector in order to help retain and grow existing businesses, and attract new ones. The overriding suggestion was to improve transport links. Certainly, companies in the RA continually echo this concern. Furthermore, the lack of room for expansion has also become a growing problem for many companies. The Scheme is viewed both by the business community and the development agencies as critical to not only acting as a catalyst for future expansion but also as the essential element of infrastructure improvement that will ensure - at a minimum - the safeguarding of the existing levels of economic activity and private sector employment.

6.1.2 A very recent House of Commons report[7] on coastal towns discusses their economic plight and identifies the barriers to economic growth, development and regeneration in a number of specific towns including Hastings. The report refers to poor transport infrastructure as one of the main constraints and notes the problems that local businesses have on efficiently accessing markets.

6.1.3 Chapter 5 analyses the business and employment impacts of the Scheme being built and opened in 2010. In particular, it highlights the generation of additional new floorspace (48,000 sqm) at the North East Bexhill Development that will be developed with the opening of the Scheme. Without the Scheme, this development will not take place. Chapter 5 subsequently estimates the total employment impact of the full utilisation of this site both in terms of direct, indirect and induced employment. It concludes that this site at full utilisation has the potential to facilitate a total of 2,000 jobs. Approximately 60% of these jobs will be taken by workers living in the RA. Further analysis indicates that about half the jobs taken by Bexhill and Hastings workers will reside in the more deprived wards. Effectively, employment generation of Scheme will be taken up by people as follows:

- More deprived wards – 620 (31%);
- Rest of the RA in Bexhill/Hastings – 560 (28%); and,
- Outside RA – 820 (41%).

6.2 Businesses' Expectation

6.2.1 The Hastings area economy is very fragile and partially survives on the coattails of SE/UK economy. The regeneration initiatives that have taken place - and those planned for the future - generate a significant boost for local business confidence; however, this impetus remains delicate. Many local businesses believe that if the road infrastructure is not improved, then business confidence in the area will decline markedly. There are three reasons behind this: firstly, the current Scheme is viewed as a step in the right direction to enable Hastings to grow significantly. Secondly, development of

[7] Coastal Towns, Second Report of Sessions 2006-07, Communities and Local Government Committee, House of Commons, 26th February 2007

the Scheme is viewed as a statement that the area is gaining status and thus existing businesses will be persuaded to remain and new business will be attracted. Thirdly, the Scheme enables the development of the North East Bexhill Development for new business premises thus also relieving the existing space pressure and providing space for inward investment.

6.2.2 Indeed, a number of local firms are under the impression that the Scheme had already passed all planning requirements and construction will commence shortly. The presence of consultants researching current and future business and economic needs in relation to the Scheme prior to a planning application came as a shock to a few. The Scheme was described variously as ‘iconic’ and ‘emblematic’, underlining its importance as a publicly supported impetus for the area.

6.2.3 Certainly, local companies continually emphasise that a major impediment to increasing efficiency and growth is poor local accessibility. Improving accessibility to markets, customers and suppliers remains a key aspiration for the local private sector.

6.3 Without the Scheme

6.3.1 It is apparent that without the Scheme, business confidence in the area will suffer. This will manifest itself in two main outcomes. Firstly, a number of key development projects will either be delayed and/or cancelled. Secondly, the road network in the area will suffer from increasing levels of congestion that will further impact upon the efficiency of local firm. In effect, the Scheme has the potential to safeguard and enhance employment both by facilitating new projects and by improving the efficiency of existing companies. This effect is not specifically addressed in Chapter 5, which primarily concentrates upon the generation of one new (albeit major) development in North East Bexhill that will only be able to take place with the Scheme in place.

6.4 Approach to Assessing the ‘Without Scheme’ Scenario

6.4.1 Initially, the assessment of the scale of employment ‘loss’ associated with the Scheme not proceeding was based upon the agreed development assumptions used in the traffic modelling for the ES and the accompanying Traffic and Transport Report. However, in order to provide a more detailed analysis for the RS, additional fieldwork was undertaken by the Consultants in October/November 2006 and is described below. As a result, the potential scale of employment loss was addressed in the event of the Scheme not proceeding based on these two development scenarios.

6.5 Fieldwork

6.5.1 The field research in October/November 2006 was a four pronged approach as follows:

- An email questionnaire was sent to some 2000 companies operating in the south east, of which 400 were largely in Hastings and Rother DC;
- Meetings took place with the public sector, including SeaSpace, Rother DC, 1066 Enterprise and Hastings eBiz Centre;

- Meetings took place with the private sector, some 27 companies located locally; and
- A roundtable/workshop took place with senior representatives of 7 local businesses.

6.6 Consultation with the Private Sector

6.6.1 The email questionnaire was organised by ESCC and coordinated through the Federation of Small Businesses (FSB). There were 47 responses[8] (the low response rate was attributable to the time pressure and that email was the chosen communication medium). The responders were located along the seaboard from Brighton to Rye, and inland as far as Uckfield.

6.6.2 The meetings with local businesses included more than 20 small and medium enterprises (SME's) as well as the largest private sector employers in the region accounting for over 1,200 employees (FTE's). The meetings lasted from 15 minutes for the very small companies to over two hours with the larger companies. The willingness of senior management of these companies to meet and to devote time to an open discussion about business and economic developments in the area was noteworthy.

6.6.3 The roundtable/workshop, by invitation only, was at aimed businesses that 1066 Enterprise - the local enterprise support agency - viewed as key 'movers and shakers' in the local business landscape.

6.7 Consultation with the Public Sector

6.7.1 The consultants also had several in-depth meetings with SeaSpace, a detailed meeting with Rother DC and discussion with the combined local business support groups in Hastings Town centre. The meetings with SeaSpace spanned local business and industrial development requirements and plans, local educational development and plans, local infrastructure needs, local housing requirements and plans. They also included a review of the development that had taken place already in the area and the impacts these were having on local business, employees and tourism.

6.8 Private Sector Concerns

6.8.1 The following sub-reviews reflect the results of the meetings/interviews and, to a lesser extent, the email survey.

Employment

6.8.2 Firstly, there is a broad consensus that the labour pool for low and unskilled workers is presently sufficient, in part being met by the new additions to the pool by East European citizens seeking work in the area.

6.8.3 Secondly, there is a consensus that the availability of skilled workers in the area is poor and nearly all firms have to recruit from the South East and further into the rest of the UK. Clearly, this has a significant cost implication for those firms that require higher skill levels. On the other hand, the annual

[8] Whilst it is accepted that the response rate is not statistically significant, the information collected nevertheless corroborated the findings of the direct discussions with local businesses.

turnover of skilled staff in the area appears to be very low, estimates ranging from a low of less than one percent generally to around 6% in one firm (this firm noted exceptional circumstances as it is winding down part of its operations). The reasons put forward for the low skilled turnover are generally competitive salary levels and perceived better quality of living. In addition, house prices in the area are generally low compared with elsewhere in the South East and thus moving to another area requires a significant increase in equity/borrowing.

6.8.4 Business felt that the location of a Brighton University led University Centre in Hastings will have a beneficial impact on longer term education and skill levels. However, retaining these skills in the area was felt to be a significant challenge in the future.

Lack of Expansion Space

6.8.5 One recurring concern amongst businesses in the area is the lack of modern premises and larger premises. A portion of the current business premises stock is 60 to 70's developments and is viewed as not suitable for current work practices and thus impacts on efficiencies and costs.

6.8.6 The greater issue is the lack of larger premises. At present, there is a stagnation of expansion due to an insufficient availability of appropriate premises. This results in larger firms being unable to find larger premises and those that have been able to expand have done so by spreading their operations across a number of premises (for example, one of the larger companies has four separate buildings – on one site – and another has several premises scattered across the area). This has substantial negative impact on efficiency and cost implications for these companies. This has implications for SME's seeking to expand, which will normally take place through the mechanism of SME's moving into premises vacated by larger company's expansion, and are unable to do so. In turn, this is affecting the small companies, for the same reason, and at the bottom of the chain, the embryonic companies that are succeeding are also facing problems. Thus the whole business expansion chain is constrained by insufficient availability of larger premises.

6.8.7 The discussions specifically revealed nine companies that are facing space constraints at the present time, of which four have asked for confidentiality. Additionally the consultants have been informed by a leading local agent that there are other companies with space problems but that these companies have explicitly asked the source of this information for confidentiality.

6.8.8 Unless the pressures on the constrained business space issues are addressed in the medium term, it will be very likely that a number of firms will be forced to relocate outside the area. A number of firms that have already left the area due to transport and space constraints were held up as examples of this constraint.

Transport Infrastructure

6.8.9 There was consensus from the local businesses that the transport infrastructure is exceedingly poor. This encompasses all modes. Both the north-south and east-west links are considered to be major problems, with particular emphasis on the Bexhill to Hastings route along the A259 and the A21 into Hastings from Kipping Cross. Congestion in and around Hastings is substantial during peak periods. A ‘rat-run’ has developed along the B roads from Bexhill to Hastings via Crowhurst and to a lesser extent via Catsfield. Users of this ‘rat-run’ have said that it is also quite congested and, as the roads are very narrow; this is leading to an increasing number of motoring incidents. This ‘rat-run’ is also too narrow in places to let two commercial vehicles pass. The bus links suffer from the same congestion issues as cars and lorries.

6.8.10 A quote from one meeting, which was echoed by many others, was ‘*the last time a decent road was built in the area was during the Roman occupation’*. Another quote in a similar vein, ‘*there’s been no significant investment in road infrastructure since 1066’*. Although seemingly trite, these accurately reflect the sentiments of most of the businesses in the area.

6.8.11 The rail network is considered inadequate, with out commuters from the Bexhill area often driving to Battle to catch trains on the Charing Cross line.

(i) Impact on Employment

6.8.12 As noted above, there is a consensus that the current road infrastructure does not meet peak commuter requirements and there was much anecdotal evidence that average journey times were more than six times higher in peak compared to off-peak times. This has impacted both the employees, particularly higher fuel costs and frustration experienced (arguably this also impacts productivity), and the employers, by reducing the catchment area for employees to (largely) east of Bexhill. Some employees have been forced to relocate from Bexhill to Hastings to overcome this problem.

6.8.13 Some firms provided estimates of the impact on employment arising from improved road infrastructure with the North East Bexhill Development versus the status quo. This ranged from a productivity increase of around 1-2% pa to an increase in net employment of up to 20%. The downside included an estimate in excess of a 10% decline in employment from present levels, which does not include the impact of one of the larger employers leaving the area.

(ii) Isolation

6.8.14 One thread that came out of the conversations is the degree to which people and businesses in and around Hastings feel isolated. This is partially the result of the very poor transport infrastructure.

(iii) Reduced Business Opportunities

6.8.15 Generally the local businesses managed to deliver goods and services to their clients, despite congestion problems. However, the consensus is that the poor road links are causing these firms to experience higher costs. A common example was the servicing of clients, for instance, one company is physically limited by congestion to the number of client visits that can be made in one day. A number of companies using heavy goods vehicles (HGVs) to ship goods said that the delays mean that drivers have to pull over for their scheduled timed ‘tacho’ breaks much sooner in elapsed miles than experienced elsewhere. This clearly has an upward pressure on costs as well as an impact on delivery schedules. One firm requires HGV drivers to leave the premises at 5.30am each day to minimise delivery delays and has a concurrent increase in costs related to the additional employment hours.

6.8.16 A number of firms made the point that their business development is forced to be substantially outsourced. This is the direct result of potential and/or existing customers reportedly not keen to travel to Hastings as the journey time was viewed as excessive. The issue is, that although Hastings is only 70 miles from central London, similar to Folkestone, the journey time is perceived to be similar to, say, Bournemouth (which is another 30 miles further) and beyond. There is a similar issue with the east-west route, with clients from Europe that could come into Newhaven or Southampton eschewing the journey along the coast.

(iv) Inward Investment

6.8.17 There are two linked disablers for inward investment. Firms looking to locate to or start-up (with the exception of local residents) in Hastings face a cost disadvantage compared to locating in other areas. To some extent this is offset by lower rents, but the perception that the additional journey times present a barrier to entry is not being overcome by financial incentives.

6.8.18 The transport disabler contributes to the impression that Hastings is a backwater, and thus not an area in which to invest.

6.8.19 There were anecdotal accounts of potential inward investors being caught on heavy traffic on the A21 on the way to both view premises and discuss relocation that cancelled their meetings and (presumably) chose alternative locations.

Sustainability of Existing Initiatives

6.8.20 By all accounts, local businesses acknowledge that significant steps have been made to regenerate the area and there is a general feeling that these will prove beneficial. The major concern is that the impact of these initiatives will stall without transport infrastructure improvements in the near future and thus much of the potential effect will be dissipated.

6.8.21 Local businesses view that transport infrastructure improvement and development will act as a catalyst for sustainable regeneration in the area.

6.9 Conclusions

6.9.1 Nearly all of the businesses felt that the regeneration approach to the Hastings and Bexhill area should be holistic and that the Scheme was a crucial aspect of ensuring the success of the holistic approach.

6.9.2 Another aspect of the holistic approach was the need for continued co-ordination of all transport modes. This included the possibility of placing a rail station near Upper Wilting adjacent to the Scheme, cycle lanes running alongside the Scheme, and an integrated bus policy.

6.9.3 Whilst there have been clear signs of economic development in the RA in the past few years, this recovery has been partially on the back of overall national/regional economic growth, as well as expectations about both the Scheme and the development of additional business space. In particular, many local companies view the Scheme as part of a significant improvement to the local distribution of traffic leading to the relief of congestion levels.

6.9.4 There are clear indications that business confidence will be significantly damaged in the event of the Scheme not proceeding and that this will have serious economic implications to economic development and regeneration in the RA.

7 The Economic Impact of the Scheme

7.1 Key Development Projects

7.1.1 The Five Point Plan has provided a focus and framework for the development of a number of key projects in the RA. Overall success of these projects is dependent upon all the key component parts materialising. The Scheme is a vital component of the overall package of measures that will ensure the facilitation of a number of major individual schemes. Discussions with SeaSpace and other development stakeholders both in the public and private sector have highlighted the negative impacts on the deliverability of some of these projects without the Scheme. In some instances, the take-up of schemes will be seriously compromised, whilst in other instances, the schemes will not proceed.

Key Commercial Development Projects

7.1.2 The following key development projects have been appraised by the Consultants together with SeaSpace on a risk register basis. It is apparent that some of these projects are totally or partially dependent upon the Scheme going ahead, whilst others will not be influenced significantly - if at all.

- North East Bexhill Development (48,000 sqm B1,B2);
- Ivyhouse Lane (33,000sqm B1,B2 and B8);
- Gap Site, including University Centre Phase 1 (13,000sqm B1 and retail);
- Priory Quarter, including University Centre Phase 2 (48,000sqm B1, retail and leisure); and,
- Pelham Place (7,000 sqm B1, retail and leisure).

Housing Requirements

7.1.3 The **Draft South East Plan** has laid down that between 2006 and 2026, Hastings should provide 4,200 new homes and Rother should provide 4,000 new homes. The North East Bexhill development has the potential to provide some 1,100 housing units. The West St Leonards housing development has the potential to generate 600 new housing units of which 500 units will be dependent upon the Scheme.

The Impact of the With and Without Scheme Scenarios upon the Development Projects (Traffic Modelling assumptions)

7.1.4 Future commercial developments for inputs to the modelling were agreed with SeaSpace and are shown in Table 7-1. Most of these developments are being actively promoted or developed by SeaSpace through their Business Plan.

Table 7-1: The Impact of the Scheme upon Key Development Projects used in the Traffic Modelling

Development Ward	Site Location	Development Type	2004 – 2010 Gross Floor Area (m^2)	2010 – 2025 Gross Floor Area (m^2)	
				Without Scheme	With Scheme
Bexhill Old Town	North East Bexhill Development	50% B1, 30% B2, 20% B8			22,000
Bexhill Sidley	North East Bexhill Development	50% B1, 30% B2, 20% B8			26,000
Hastings Hollington	Northwest of Queensway, north	70 B1, 30% B2	13,006		
Hastings Hollington	Northwest of Queensway, south	70 B1, 30% B2	14,864		
Hastings Baird/Tressel	Ivyhouse Lane, north of The Ridge	50% B2, 50% B8		22,250	22,250
Hastings Baldslow	Baldslow	50% B1, 30% B2, 20% B8		11,148	11,148
Hastings Castle	University Centre Ph. 1		3,500		
Hastings Castle	Gap Site	B1	8,100		
Hastings Castle	Gap Site	Retail	1,100		
Hastings Castle	Priory Quarter	B1		26,900	26,900
Hastings Castle	Priory Quarter - University Centre Ph. 2			14,500	14,500
Hastings Castle	Priory Quarter	Retail		4,500	4,500
Hastings Castle	Priory Quarter	Leisure (cinema)		1,700	1,700
Hastings Castle	Pelham	B1		3,800	3,800
Hastings Castle	Pelham	Retail		2,300	2,300
Hastings Castle	Pelham	Leisure		1,000	1,000

Source: SeaSpace

7.1.5 In broad terms, the traffic modelling exercise assumes that the North East Bexhill Development is totally dependent upon the Scheme, whilst the other proposed post 2010 developments will all be completed by 2025 irrespective of the Scheme being in place or not. It also assumes that some developments such as the Gap Site will be developed before 2010 irrespective of the decision on whether the Scheme is approved. Thus by taking two points in time for the development assumptions (2010 and 2025) it is only possible to estimate an employment impact at these 2 points based on Table 7-1. As is evident from Chapter 5, the Scheme has the potential to facilitate some 2,000 new jobs and based upon Table 7-1, these jobs will not be generated without the Scheme.

The Impact of the With and Without BHLR Scenarios upon the Development Projects (Regeneration Statement refined assumptions)

7.1.6 As mentioned above, for the purposes of the RS, it was decided to undertake a more detailed review of each key development project with SeaSpace. This involved an in depth appraisal of each scheme by SeaSpace and the Consultants applying a risk appraisal of the key factors facilitating each project (i.e. funding, planning, timetable etc.). The results were later verified by ESCC. Tables 7-2 and 7-3 below provide details of the forecast implementation of the key schemes with and without the Scheme on a staged basis. Evidently, the North East Bexhill Business Park will only proceed with the Scheme. A number of other projects will be restricted without the Scheme i.e. Pebsham Countryside Park. Many of the projects are viewed as indirectly dependent upon the Scheme and without it are likely to:

- Take longer to develop because of reduced market interest; and/or
- Prove more difficult to finance from private sector funds; and/or
- Attract lower quality occupiers and/or have reduced capacity.

7.1.7 For example, the Bexhill-A21 Economic Corridor[9] sites will not benefit from significantly improved site potential and connectivity that will enable it to perform as an business development entity – thus it will not perform as well as it will with the Scheme. Similarly, the aim in Hastings town centre is to create an office employment sector from a base that currently provides little more than local services. The key town centre office (and retailing) developments are aimed at tackling market failure and success will be highly dependent upon a robust response from the market and potential funders. The Scheme represents a key element in the package of measures that are required to achieve this climate of certainty and confidence.

7.1.8 Without the Scheme, projects will be harder to implement, their take-up will be slower with later projects being significantly delayed. These impacts are shown in Table 7-3. However, it should be noted that the future amount of B2 and B8 premises in the RA will remain largely dependent upon the development of North East Bexhill Business Park.

[9] The importance of developing the A21 Corridor was identified in the Five Point Plan and been endorsed both by local and regional authorities.

Table 7-2: Development Take-up of Key Local Developments assuming Scheme Approval in 2008 and Opening by 2010

SITE	DEPENDENCY	FLOORSPACE (SQM)	TAKE-UP (%)			
			2006-2010	**2011-2015**	**2016-2020**	**2021-2025**
North East Bexhill Development west of Scheme 50%-B1, 30%-B2, 20%-B8	Total	22000		20%	60%	20%
North East Bexhill Development East of Scheme 50%-B1, 30%-B2, 20%-B8	Total	26000		50%	50%	
Northwest of Queensway - north - 70%-B1, 30%-B2	Partial	13000	20%	60%	20%	
Northwest of Queensway - south - 70%-B1, 30%-B2	Partial	14864	50%	50%		
Ivyhouse Lane, north of The Ridge 50%-B2, 50%-B8	None	22250				
Baldslow 50%-B1, 30%-B2, 20%-B8	None	11148				
University Centre Phase I	Done	3500				
Gap Site - B1	Partial	8100	50%	50%		
Gap Site - Retail	Partial	1100	50%	50%		
Priory Quarter - B1	Partial	26900		40%	40%	20%
Priory Quarter - University Centre Phase II	None	14500				
Priory Quarter - retail	Partial	4500		40%	40%	20%
Priory Quarter - leisure	Partial	1700			100%	
Pelham - B1	Partial	3800		20%	60%	20%
Pelham - retail	Partial	2300		20%	60%	20%
Pelham - leisure	Partial	1000			100%	
TOTAL		245787				
of which: Total		48000	0	17400	26200	4400
of which: Partial		77264	14632	33612	21520	7500

Source: SeaSpace, ESCC, the Consultants

Table 7-3: Development Take-Up of Key Local Developments Assuming no Scheme

SITE	DEPENDENCY	FLOORSPACE (SQM)	TAKE-UP			
			2006-2010	2011-2015	2016-2020	2021-2025
North East Bexhill Development west of Scheme 50%-B1, 30%-B2, 20%-B8	Total	22000				
North East Bexhill Development East of Scheme 50%-B1, 30%-B2, 20%-B8	Total	26000				
Northwest of Queensway - north - 70%-B1, 30%-B2	Partial	13000		30%	30%	30%
Northwest of Queensway - south - 70%-B1, 30%-B2	Partial	14864		30%	30%	30%
Ivyhouse Lane, north of The Ridge 50%-B2, 50%-B8	None	22250				
Baldslow 50%-B1, 30%-B2, 20%-B8	None	11148				
University Centre Phase I	Done	3500				
Gap Site - B1	Partial	8100	30%	40%	30%	
Gap Site - Retail	Partial	1100	30%	40%	30%	
Priory Quarter - B1	Partial	26900			25%	25%
Priory Quarter - University Centre Phase II	None	14500				
Priory Quarter - retail	Partial	4500			30%	30%
Priory Quarter - leisure	Partial	1700				100%
Pelham - B1	Partial	3800				
Pelham - retail	Partial	2300				
Pelham - leisure	Partial	1000				
TOTAL		245787				
of which: Total		48000	0	0	0	0
of which: Partial		77264	2760	12039	19194	18134

Source: SeaSpace, ESCC, the Consultants

7.1.9 The net impacts of the Scheme not proceeding in terms of new commercial floorspace potentially 'foregone' over the period 2011 – 2025 are as follows:

- Total dependency: 48,000 sqm; and,
- Partial Dependency: 77,264 sqm.

7.1.10 For the purposes of this exercise, it was decided that a proposed development site south of A269 and north of Turkey Road remains highly speculative even with the Scheme due to its dependence upon other significant transport infrastructure improvements. This scheme has the potential to deliver 48,000 sqm of floorspace (50% -B1, 30% - B2, 20% - B3). Whilst it is evident that without the Scheme this development becomes even more unlikely, it has been decided to exclude this potential development from the further employment analysis below. This position is consistent with the analysis in the Traffic and Transport Statement

7.1.11 Thus the total dependency element comprises the 48,000 sqm at North East Bexhill Development. It is also considered that the progress of many of the proposed key projects – industrial, office and retail – will be detrimentally affected if the Scheme did not proceed. In total, the analysis indicates some 77,000 sqm of commercial premises is forecast to be developed in the period to 2025. Whilst the majority of this floorspace will be partially delayed in the event of the Scheme not proceeding, almost one-third will be unlikely to be developed and/or taken up in the period to 2025.

The Impact of the With and Without Scheme Scenarios upon the Housing Supply

7.1.12 It is evident that housing (1,100 units) at North East Bexhill Development is directly related to the Scheme and will not proceed without it. Without the Scheme, necessary housing and employment land at North East Bexhill will not be released, and the development strategy of the adopted RDLP will not be realised. Development options in Rother, a rural district with the majority of its area designated as an Area of Outstanding Natural Beauty, are limited. Without urban extensions at Bexhill, there is no other sustainable pattern of development in the district. Its rural nature and the predominance of nationally designated landscape will lead to the scattering of development in small rural settlements with few services, adversely affect the rural character the settlements and increase car dependency and usage in the rural areas. Furthermore, without the Scheme the development strategy upon which the Rother District Local Plan is based will founder and place greater pressures to develop in other less sustainable parts of the County.

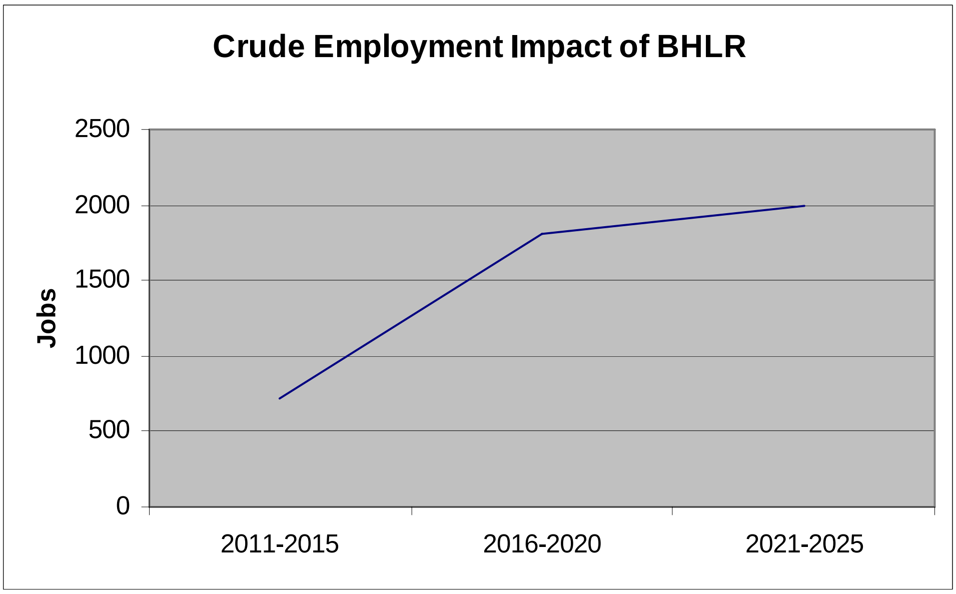
7.1.13 Housing development at West St Leonards is planned to provide some 600 new units. Without the Scheme, only 100 of these units would be attainable.

7.1.14 The provision of 1,600 new housing units represents a significant element (some 20%) of future housing requirement in the RA.

7.2 The Impact upon Employment of the Scheme not proceeding

7.2.1 Based upon the build-ups shown in Table 7-3, Figure 7-1 shows the employment ‘facilitated’ by the Scheme at the North East Bexhill Development plus indirect and induced employment. It is estimated that some 725 jobs will be generated in the period from the opening of the Scheme in 2011 to 2016. A further 1,100 will be generated in the period 2016 to 2020 with an additional 175 reaching full capacity of the site within the final period to 2025.

Figure 7-1: Crude Employment Impact of the Scheme

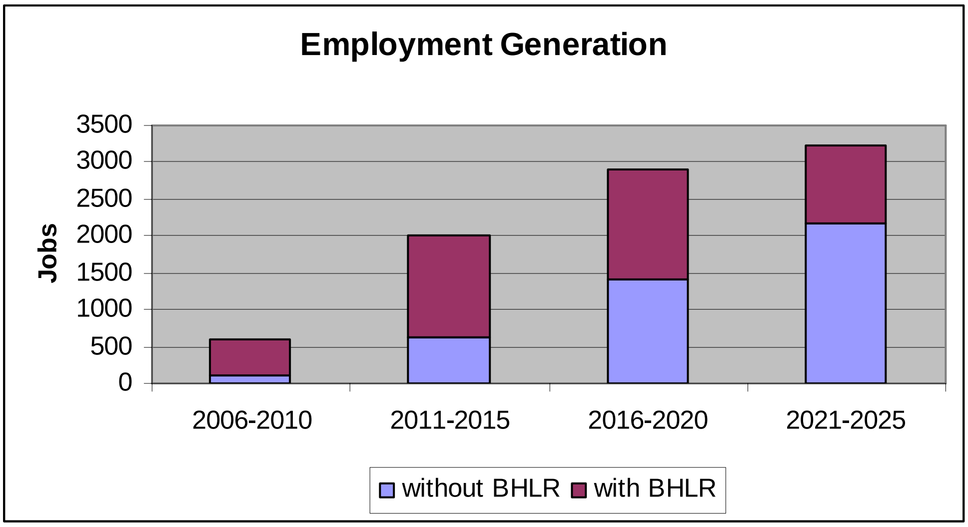


7.2.2 In effect, these job opportunities will not arise without the Scheme.

7.2.3 Table 7-3 indicates the additional employment generation at risk at the other key projects that are not entirely dependent upon the Scheme. In effect, some major projects will have a slower take-up without the Scheme and some projects will be seriously delayed with employment generation taking place post 2025. Thus, it is estimated that the key projects (excluding North East Bexhill Development) will generate some 3,200 jobs with the Scheme and only 2,200 jobs without the Scheme by the end of the period. This does not represent the peak of jobs ‘foregone’ as a number of projects delayed as a result of the Scheme not proceeding do develop later in the period. It should also be noted that it has been assumed that some projects will commence before the Scheme opens as a result of the announcement to proceed will instil confidence in funders and investors.

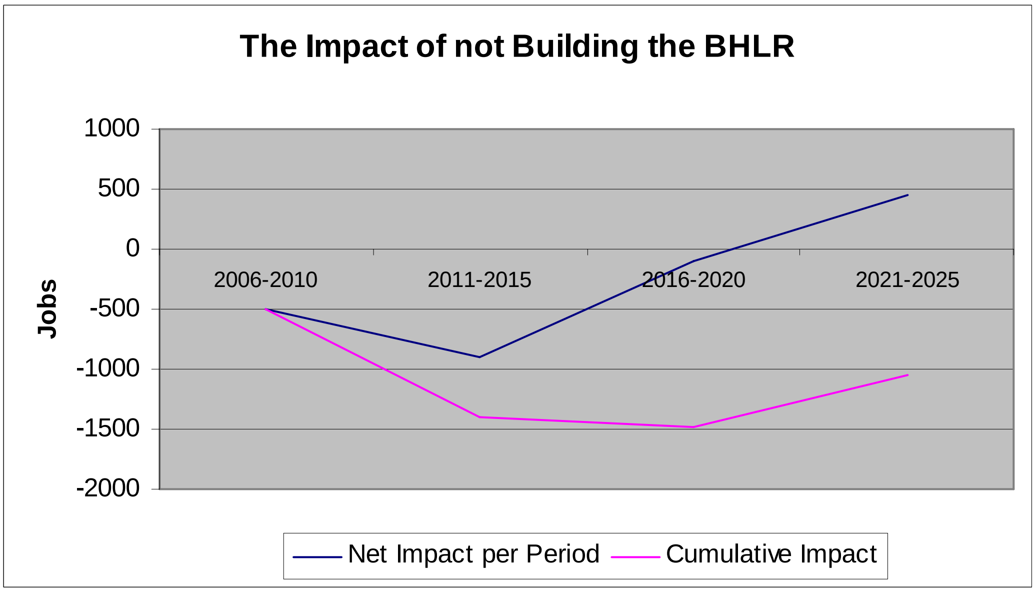
7.2.4 Thus, approximately an additional 1000 jobs are facilitated in 2025 with the Scheme than will be generated without the Scheme. Applying GOSE’s net additional employment multiplier and the indirect/induced effects (see sections 5.3 and 5.4); this translates into some 1,050 jobs. The real situation is slightly worse than that because the job gap will begin to narrow towards the end of the period. Thus in terms of average job losses over the period 2009 - 2025, some 36,500 man years of employment will be facilitated with the Scheme compared to 16,850 man years without the Scheme. This actually represents an average job loss of some 1,150 jobs over the whole period without the Scheme. This is illustrated in Figure 7.2 below.

Figure 7-2: Employment Generation by the Key Local Developments (ex North East Bexhill) With and Without the Scheme



7.2.5 Figure 7-3 shows the net and cumulative loss of potential jobs over the period – in effect it measures changes in job levels compared with now. These losses additionally take account of the loss of efficiency resulting from increased congestion in the area resulting from the Scheme not being built. Congestion will have a minimum impact of efficiency losses of some 0.25% pa – this will translate into some 50 to 100 further jobs at risk.

Figure 7-3: The Net and Cumulative Impact of not proceeding with the Scheme



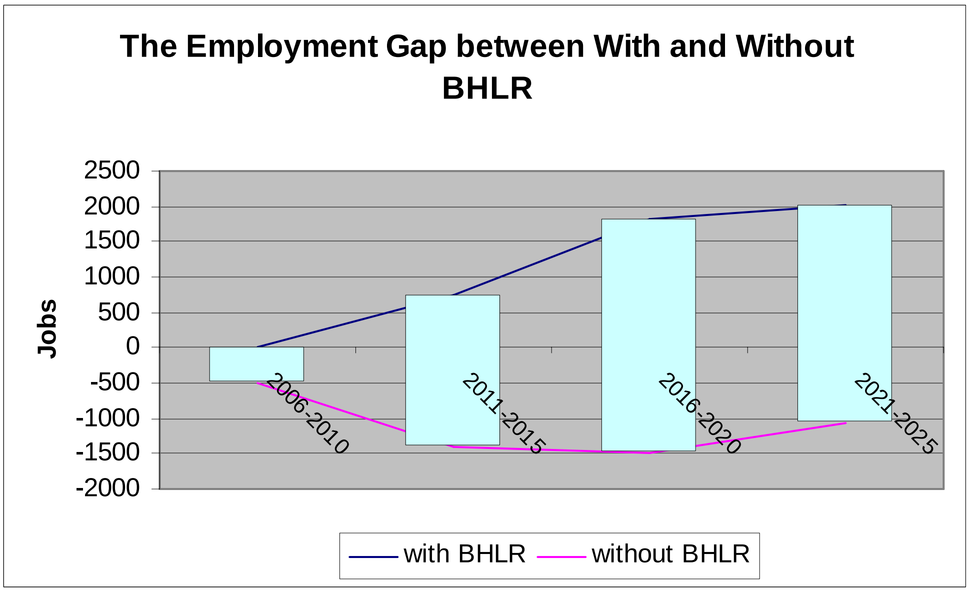
7.3 The Overall Impact of the With and Without Scheme Scenarios

The Net Impact

7.3.1 Figure 7-4 indicates that without the Scheme some 1,050 potential jobs plus will be 'lost' as a result of propositions outlined above. With the Scheme, some 2,000 new jobs will be created through the direct, indirect and multiplier effects. The Scheme has an overall net impact of facilitating some 3,000 jobs in 2025.

Based on the broad distribution of jobs by area of worker residence and the accessibility modelling, the 2,000 new jobs facilitated at the North East Bexhill Development will be split into 600 of these new jobs expected to be taken by residents in the more deprived wards with a further 600 by residents from elsewhere in the RA. This, by definition, will also imply some 800 jobs will be taken by residents outside the area. The distribution of the further 1,050 jobs at risk will be more skewed towards residents of the RA as some of the projects involved are town centre developments. However, based on a similar distribution assumed for the North East Bexhill Development, the Scheme will facilitate a total of 300 jobs for residents of the deprived wards with a further 300 for residents elsewhere in the RA.

Figure 7-4: The Net Impact of the Scheme



7.3.2 The above analysis concentrates upon employment generation at new developments either totally or partially dependent upon the Scheme opening in 2010. A number of studies previously referred to in Chapter 2 and earlier in this chapter clearly indicate the continuing fragility of the local economy. It is evident that many leading local companies continue to be concerned about their ability to sustain current levels of operations in the event that the Scheme is not implemented. Four of the largest companies located in Hastings were interviewed November 2006 and between them they account for some 10/15% of all private sector based jobs. Their concerns about sustaining operations in the RA in the mid to long term are considerable and combined with the feedback from interviews with smaller companies and evidence provided by SeaSpace; it is evident that the existing levels of labour demand by the local private sector will be placed at risk without the Scheme.

7.3.3 Growing reliance upon the public sector for employment opportunities, particularly in Hastings, is demonstrated in Chapter 3. Out of some 54,000 jobs in the RA, approximately one-third is in the public sector. In Chapter 6 it has been noted that some private sector firms are apprehensive about their ability to maintain current employment levels. Overall, failure to proceed with the Scheme was identified by the private sector as a possible harbinger of declining fortunes in their future ability to sustain and possibly enhance their local operations.

7.3.4 It would be conjecture to provide an estimate of the current local force in employment at risk in such circumstances. Some 35,000 local jobs are in the private sector and many existing local employers view contraction as a reality in the absence of the Scheme leading to an ever growing reliance upon the public sector to provide employment to the local labour force.

7.4 Uncertainty and Employment Generation

7.4.1 It is evident that the Scheme is a necessary but not a sufficient condition for the significant economic development in the RA. There is clearly great uncertainty about whether the target employment generation can be achieved in scale terms as discussed earlier. Without both the Scheme (and the other packages of support) the potential for job creation is highly limited. As stated in WebTAG guidance '*at best a transport Scheme can only provide opportunities for new economic activity that others may then choose to exploit or not. There is no guarantee attached to the outcomes.'* WebTAG suggests that any forecast of new jobs should be classified under three bands as shown in Table 7.4 below.

Table 7-4: Forecast of New Jobs

Band	**Quantity of Evidence**
1	Hypothetical, based on changes in accessibility etc, but with no corroborative evidence, such as enquiries from employers.
2	Cases where a reasonably high level of serious interest from employers can be demonstrated, but not necessarily firm commitments.
3	Cases of high probability where firm commitments have been made.

7.4.2 The new jobs discussed in this Chapter and earlier in Chapter 5 are effectively Bands 1 and 2. This is unsurprising as it would be highly unreasonable to expect documentary evidence of intent from prospective employers and developers at this early stage in the possible development of the Scheme. However, the overt and robust support of all the key local and regional stakeholders and their conviction of a consequential significant increase in competitive advantage afforded to the RA by the proposed packages of support provide firm grounds for concluding that new jobs will be generated. Furthermore, the evidence from the survey work clearly indicates the real and significant concern that local companies have regarding expansion of their current activities without the Scheme. It is apparent some companies will consider relocation from the area.

7.4.3 Many companies view the Scheme as a local distributor and the likelihood of adverse impacts resulting from transport improvements is minimal. There is no evidence that improved accessibility within the RA will result in greater vulnerability to increased external competition or retail leakage from Bexhill and Hastings. Similarly, the nature of the transport improvements are unlikely to lead to improved access to better paid jobs elsewhere, thereby resulting in increased wage levels at a local level that will be unaffordable by local companies. It is concluded that there will be no significant adverse impacts.

7.5 Monetarised Value of Employment

7.5.1 The WebTAG methodology does not include guidance for making a monetary valuation of the regeneration benefits of facilitating new jobs. However, a number of studies have assessed such values resulting in a range from £23,000 to £56,000 per new job facilitated. The lowest value originates from a National Audit Office (NAO) report. The accompanying Transport and Traffic Report applies the NAO value and estimates that as the Scheme will facilitate 2,000 additional local jobs in North East Bexhill, the total ‘value’ of this is estimated at £44.8m, equivalent to a PVB of £22.2m in 2002 prices.

7.5.2 The total number of jobs facilitated will be some 3,000 – though the RS estimates that about 40% will be taken by in commuters to the RA. This would indicate that the ‘value’ to the RA would be in the region of £20m in 2002 prices.

7.5.3 It should be noted that roads in themselves do not create jobs, though they may well be a necessary condition for facilitating economic growth. Certainly, the Scheme is a necessary condition for significant employment growth though such growth clearly depends upon the other key regeneration initiatives described in Chapter 2.

7.6 Conclusions

7.6.1 The Scheme will have a significant impact upon the local economy. In addition to directly facilitating the increase in both housing and employment sites in North East Bexhill, it will have the essential impact of indirectly providing impetus to a number of key schemes in the RA. There are overt signs of local companies suffering spatial constraints and unless the current blockage in the availability of suitable premises can be eased some of these companies will actively consider relocation.

7.6.2 The accessibility modelling provides residents in the more deprived areas will take evidence that some 30% of the jobs facilitated by the Scheme with a further 30% by residents living elsewhere in the RA. These figures also imply a leakage of jobs to be taken by people commuting into the RA. However, some these people will nevertheless be spending money in the local economy so some of their multiplier effect will not be lost. SeaSpace and other stakeholders have indicated that they will seek ways of optimising the percentage of jobs to be taken by local residents by a number of means including public transport improvements and targeting of job opportunities for residents in the deprived wards and investigating planning gain interventions.

8 Conclusions

8.1 Economically Disadvantaged Areas

8.1.1 Many peripheral and coastal locations are economically disadvantaged and high quality access and/or transport infrastructure is viewed as an important requirement to help offset the disadvantage of remoteness from major markets and is evidenced by EU transport and regional policy research[10].

8.1.2 As the Fifth EC Periodic Report on regional competiveness noted, *'For many peripheral and lagging regions, a key problem is the deficiency of the internal network rather than the inter-regional links, which is not always revealed by any regional indicator, since this will not take account of how well different parts of the region are connected*.'[11].

8.1.3 More recently, another EC report noted, ' . . . *the conclusion is that transport improvements have strong impacts on regional development when they result in removing bottlenecks'*[12]*.*

8.1.4 Relevant research[13] addressing road infrastructure improvements in Objective 1 areas, peripheral areas and areas of economic decline provides interesting case study - and economic literature – evidence. *In toto*, the case studies suggest that road transport investment – or more often the lack of investment – can have clear impacts on the location of economic activity and of population in certain areas. DTZ Pieda's research provided examples of investment in industrial, commercial, retail and housing development being influenced by new roads investment or being held back by the lack of such investment.

8.1.5 The case study work revealed strong evidence of road investment impacting upon the decisions of investors to develop industrial and commercial sites in disadvantaged areas. Other studies support this conclusion. However, whilst road investment will also affect the distribution of economic activity, it is usually through impacts on the development and marketing of business sites. This is of particular significance regarding the enhancement of economic activity levels at a very local scale (i.e. in a town such as Hastings or in a regeneration area), even though the net effect at the regional level maybe relatively minor or negligible.

8.1.6 The DTZ Pieda work also found that roads investment has a powerful impact on the location of retail and housing investment – although this will not usually impact upon the level of regional economic growth, it can be important to local area regeneration.

8.1.7 Overall, the case studies led to the conclusion that impacts are mainly local rather than regional or national. That is to say, the effect of

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[10] The Costs of Peripherality, REGI 111EN, 2001
[11] Competitiveness and Cohesion: trends in the regions, Fifth Periodic Report, EC, 1994.
[12] Towards a European Peripherality Index – Final Report, DG XV1 EC 2000
[13] Economic Effects of Road Infrastructure Improvements, series of three reports for National Assembly for Wales by DTZ Pieda, 2003

transport infrastructure was to cause investment and development to take place in one part of a sub-region rather than another.

8.1.8 The scale of economic impact of road infrastructure investment in a disadvantaged area is determined by the existence of economic potential which can be realised by improving accessibility – both on an inter area and intra area basis. Overall, the regeneration impact of road investment will generally be local in character – benefiting specified towns or localities and thus, when looked at in isolation, will be seen as a support to local area regeneration more than regional development.

8.2 The Scheme

8.2.1 The proposed Scheme is a key pre-requisite for the economic development and social regeneration of Bexhill and Hastings. The regional, sub regional and local policy framework places the Scheme as central to realising regeneration priorities. The Scheme has strong interrelationships with employment land, housing allocations, employment growth, business competitiveness and growth, inward investment, enhanced quality of life and social inclusion. Critically, the road will provide access to new strategic employment land**.** It will considerably reduce commuting times between Bexhill and Hastings as well as between some of the more deprived areas and employment areas. This will provide some 2,000 extra jobs of which approximately 60% will be captured by local residents. A further 1,000 jobs in key development schemes will be facilitated by the Scheme. In addition, the Scheme will also safeguard a number of existing jobs in the private sector. This scale of undoubted employment benefit coupled with improvement to public transport will reduce deprivation and improve the social fabric of local communities.

8.3 The Impacts of the Scheme

Access

8.3.1 The Scheme will provide significant relief to the congested A259 corridor between the two towns, particularly during peak periods, and is forecast to reduce journey times for general traffic between Bexhill and northern wards of Hastings by five minutes. Its provision will also significantly improve public transport penetration and reliability. The estimated willingness to travel (the proportion of people willing to make a journey) rises from its 56% for the 21 minute journey time without the Scheme to 81% for a 15.5 minute journey with the Scheme. The reductions in journey time give rise to increased opportunities and choice for residents (especially those from the more deprived wards) to travel to places of work, and for local businesses to make use of a larger pool of accessible labour and markets.

8.3.2 There will also be reduced bus journey times on the A259 as well as an additional bus service between Bexhill and Hastings along the new Scheme, which is anticipated to run every fifteen minutes on weekdays. This, together with the reduced congestion on the A259, will lead to better and more reliable bus journey times between the town centres of Hastings and Bexhill, access from Bexhill (including potential residents of North Bexhill) to the employment sites in the Churchfields/Castleham Industrial Area, and between the more deprived Hollington ward in north-west Hastings to North and Central

Bexhill. This will also provide a viable alternative to the 'car culture', and a valuable transport link for low-income families who are not able to maintain a car.

8.3.3 Regional accessibility to Bexhill and Hastings along the South Coast Corridor will be improved with the Scheme. Journey times between Hastings and other towns to the west, such as Eastbourne, Lewes, the fast-growing city of Brighton and Hove, and the Southampton-Portsmouth conurbation, will be reduced by between five and ten minutes.

8.3.4 The Scheme therefore provides improved accessibility in three ways:

- that of providing the sole means of access into the new strategic employment and housing land at north Bexhill;
- by increasing the accessibility of new and existing employment sites for local communities including those from the more deprived wards and;
- by increasing the access to new markets and workforce for business.

Deprivation

8.3.5 The effect of the Scheme will be to benefit disproportionately residents of the more deprived wards. The Five Point Plan and the Seafront Strategy recognise the Scheme as part of a comprehensive regeneration strategy and the prerequisite for the development of specific strategic employment and residential land in Bexhill that will also serve Hastings. The Scheme also fits with relevant social policy priorities for tackling deprivation in Bexhill and Hastings. The Prosperity for Hastings and Bexhill Report, asserts that the benefits of the Scheme will help tackle low skills and poor housing and increase access to local employment from deprived wards, creating a virtuous economic circle for local communities.

8.3.6 The Local Enterprise Growth Initiative (LEGI) aims to increase entrepreneurial activity in the local population. This initiative complements the Bexhill and Hastings Taskforce FFP by tackling, amongst others, barriers to enterprise including entrepreneurship particularly in Hastings. The LEGI bid also explicitly mentions the poor transport links in the LEGI area and the dependence of enterprise on the development of the Scheme. LEGI aims to reduce business failure rate though a comprehensive business retention strategy and attract appropriate investment into the more deprived areas and making better use of local labour. Producing Supplementary Planning Documents on Planning Gain is another way to increase economic inclusion of people from the more deprived wards. For example, contribution towards construction training, provision of waged construction training placements, and on-site recruitment / training facilities will be investigated.

8.3.7 The link between increasing access to work opportunities and reducing deprivation, have been identified within Chapter 2. The revenue initiatives that Hastings in particular has brought forward through LEGI for example, will underpin the increasing ability of those from the more deprived wards to compete on a more equal footing with those from less deprived areas. This will ensure benefit to the more deprived wards.

8.3.8 The Scheme will, critically, also help stimulate significant additional private sector investment in Bexhill and Hastings by signalling Government recognition of the importance and potential of Hastings and Bexhill. This will add value to existing public sector spend, currently at £38 million via the Hastings and Bexhill Task Force alone. There will also be additional investment by firms who move to the area and / or expand as their competitiveness improves. This increased private sector investment is likely to be accompanied by increased willingness by the private sector to lend, which will also help tailor the public expenditure on projects to secure additional socio economic benefits which will result in reduced deprivation in Bexhill and Hastings.

Business Constraints

8.3.9 The Vail Williams survey found that 61% of businesses in East Sussex thought that improved transport links would make the area more attractive to business. The majority felt that the Scheme would have a significantly good effect on business in the area. The provision of the Scheme will provide significant congestion relief and reduce journey times within a ten mile radius of Bexhill by an average of some 10%. Regional accessibility to Bexhill and Hastings along the South Coast Corridor will be improved with the Scheme. Journey times between Hastings and other towns to the west, such as Eastbourne, Lewes, Brighton and Hove and the Southampton-Portsmouth conurbation, will be reduced by between five and ten minutes. Without the Scheme, journey times between Bexhill and Hastings are set to increase significantly between now and 2010 and will become a more of a major constraint to business economic activity in the area in the future. The efficiencies in road access, made possible by the Scheme will assist local businesses to trade more competitively both with their mainstay local markets and also encourage them to trade with markets further a field thereby potentially increasing their profitability, competitiveness and sustainability.

8.3.10 The Scheme will also significantly improve public transport penetration and reliability. The reductions in journey time give rise to increased opportunities for local businesses, including employment sites in the Churchfields/Castleham and North Bexhill areas to make use of a larger pool of accessible labour. It will also provide a viable alternative to the ‘car culture’ and a valuable transport link for low-income families who are not able to maintain a car. There will also be savings in business costs, and this equates to an extra 34 jobs in Hastings.

8.3.11 Critically, the Scheme will open up the new strategic employment and housing land in North Bexhill and allow some early smaller land releases for new employment premises and redevelopment of existing employment land in the town centres. This in turn this will encourage business growth and inward investment to Hastings. The increased density of business use within the town will require improvements to access by public and private transport, the Scheme will significantly contribute towards this. Development options in Rother are limited, because it is a rural district with the majority of its area designated as an ‘Area of Outstanding Natural Beauty’. Without the urban extensions in North Bexhill therefore, there is no other sustainable pattern of employment or housing land development in Rother.

Employment Land

8.3.12 The Five Point Plan will allow some early release for new employment premises mainly in Hastings' town centre, redevelopment of existing employment land and the encouragement of business growth and inward investment to Hastings. Town growth is constricted to the north, east and west by environmental constraints and to the south by the sea. As said, the increased density of employment use within the town centre will require improvements in access by public transport and car to which the Scheme will make a significant contribution.

8.3.13 There is an acute shortage of modern and flexible office accommodation, suited to the needs of expanding modern hi-tech companies: this constitutes the greatest property gap in East Sussex, which is a major barrier to investment success. In total, a quarter of companies in Hastings and Rother are actively looking for new business space, and over four out of ten reported that this was part of their ongoing business aims (Annual Business Survey 2005).

8.3.14 In turn, the existing policies provide the planning framework for new sites to be developed for employment (i.e. the North East Bexhill Business Park), housing and improved access between them and the main workforce centres including those in the more deprived wards. The sites will provide premises for both indigenous firms and inward investors, potentially improving competitiveness and business retention. Supporting policies will help to ensure the appropriate mix of housing, including affordable, improved education choice including the new Higher Education provision at the University Centre Hastings, and recreational facilities (for example Pebsham Park), together with an environment/lifestyle that helps to attract and retain firms and visitors whilst meeting the needs of residents in the RA. Key policies are aimed at improving the labour supply through education targeted training and workforce/entrepreneurial development and improving the competitiveness and practice of firms. To enable the residents to compete more equally on a socio economic footing important policy strands and actions are targeted on the more deprived areas and social groups at the local level, especially in Hastings.

8.3.15 The Scheme in this context is derived from the transport and spatial planning strategies. It has very strong interrelationships with business competitiveness policies for existing firms and start-ups and inward investors, especially those needing office and light industrial premises, who will relocate to the proposed North East Bexhill Business Park. The Scheme will stimulate significant additional private sector investment in Bexhill and Hastings as the new sites, and some existing ones, are developed for offices, industrial, recreational and housing uses. The sites that the Scheme opens up will be a focus for development and will complement and add value to the ongoing regeneration of the two town centres. There will also be additional investment by firms who move to the area and / or expand as their competitiveness improves. Employment growth will increase the incomes of residents and enhance their local spending power that will have a positive knock on effect onto the local and wider economy and the exchequer. This increased private sector investment provides the opportunity to make public sector funds, including those of the Task Force, go further and thereby help secure additional site development, economic rents and higher value customers. This in turn will encourage further private sector development and complementary public sector works to better meet the business demand for land and premises.

Employment Issues

8.3.16 Special measures, including the provision of a joint strategy, are being put in place by Jobcentre Plus and the Sussex Learning and Skills Council, to enable local unemployed people to return to work – particularly those currently on incapacity benefit. Additionally there has recently been strong jobs growth in Hastings at 4% from 2001 to 2004 as against a reduction in the SE and a smaller growth in the County overall. Thirdly, there is a higher than average proportion of under-16s in Hastings, which will swell the workforce, if the supply of jobs can be increased accordingly and the new growing work force has the right skills for the jobs. The economic potential of the RA therefore needs the impetus that the Scheme provides in order to be fully realised.

8.3.17 The go-ahead for the Scheme is the sole mechanism that will open up new strategic land for additional employment and housing in North Bexhill. It will also signal high level confidence in the economic potential in Hastings and aid public/private sector redevelopment of existing sites in the town centres, as well as encouraging business growth and inward investment to Hastings and Bexhill.

8.3.18 The provision of the Scheme will increase willingness to commute from Hastings to Bexhill from 56% for the current average 21 minute journey time, to 81% for a 15.5 minutes journey that the Scheme will bring. The reductions in journey time give rise to increased employment opportunities for residents, especially those from the more deprived wards, to travel to places of work. The provision of the Scheme will also significantly improve public transport penetration and reliability, which will provide a viable alternative to the car.

8.3.19 The supply of the new jobs available per level of qualification is a good match for the profile of accessible economically active people although less so for those with NVQ Level 0 where, in line with more deprived areas, there is an over supply of labour.

8.3.20 The area to be opened up in North East Bexhill, both in terms of the proposed Scheme, housing and employment unit build, offers scope for planning gain. This, through local policy development, will in turn be focused on the more deprived wards in respect of gains for these communities, for example, in terms of training and employment, to better enable them to compete for the job opportunities generated as a result of the Scheme.

Housing

8.3.21 The expected growth in the number of households in Hastings and Rother will increase the supply of the workforce, the number of potential new business start ups and transport usage. House prices are below local and regional averages, but have risen significantly in the last four years due to a combination of the rise in house prices across the region and optimism about the future of the area as a result of the regeneration proposals (at one point, Hastings experienced the fastest growth in house prices of any South East coastal town). The issue of affordable housing is therefore growing as, based on borrowing at four multiples of salary, only the top quartile of full time wage earners could currently afford to buy a typical flat or maisonette in Hastings (ASHE 2005, HM Land Registry 2006).

8.3.22 However, market research commissioned by the Task Force has identified an underlying issue that the projected demand for housing in Hastings and Rother over the medium term will depend largely on the success of regeneration initiatives and improvements in the transport infrastructure, notably road links.

8.3.23 The Scheme fits into the social policy priorities for tackling deprivation, low skills, poor housing and a lack of affordable housing in Hastings and Bexhill, through the strategic development possibilities only the Scheme can provide. The importance of the Scheme as the key mechanism in the release of the housing allocation of 1,100 houses in North Bexhill and 500 houses at West St Leonards cannot be understated.

8.4 Conclusions

8.4.1 Without the Scheme, the North East Bexhill Business Park will not be developed, thereby losing the prospect of creating some 2,000 jobs and 1,100 housing units in the RA. A further 1,000 jobs at key development projects and 500 housing units at West St Leonards would also be put at risk without the Scheme.

8.4.2 The Scheme provides a key element in a package of regeneration measures aimed at halting a long-standing problem of economic underachievement that particularly manifests itself in the more deprived wards.

8.4.3 Considerable investment has been targeted at a number of key developments, particularly in Hastings. The full potential of this investment will not be achieved without the Scheme and as stated above some additional 1,000 jobs will be jeopardised. In addition, the safeguarding of existing jobs in the private sector will be enhanced by the Scheme.

8.4.4 Failure to implement the Scheme will seriously prejudice the ability of the local authorities and agencies to tackle successfully the high levels of deprivation in the RA and achieve the economic aims and objectives of the regeneration policies.

8.4.5 In concert with other key regeneration policies, the Scheme offers clearly an unparalleled opportunity for the RA to tackle a number of its deeply entrenched socio-economic problems. ESCC believes firmly that the building of the Bexhill-Hastings Link Road is a key plank for success. This vision is shared by all local and regional stakeholders.

Appendix A Consultations

A1 Introduction

Some twenty-five interviews were undertaken with a range of local and regional agencies and organisations to gather views on the present state of local transport infrastructure and the potential impact of the Scheme in terms of social and economic benefits or disbenefits. In addition over 30 local companies were personally interviewed both as part of an interview survey in the RA as well as a workshop.

The full list of interviewees (excluding the private sector companies) is listed below. Senior members of organisations were interviewed, usually Chief Executive, Chair, President, Department Manager or a senior board member. Their views represent the collective views of the organisation they represented.

The aggregated response of these consultations was collated and written up and the results have been integrated in the body of the RS. The evidence represents subjective evidence – views and perceptions – and is therefore not a collection of “hard” facts.

A2 Local Perceptions of Accessibility

Consultations were undertaken to obtain views on strengths and weaknesses of local transport and the potential impact of the Scheme. The aggregated response is as follows:

Strengths of baseline transport infrastructure

Roads

- A21 offering access north from Hastings
- In the surrounding area: Polegate bypass has improved traffic movement
- Connections to Eastbourne from Bexhill – the A259 west Bexhill

Rail Services

- New rolling stock introduced. Slam door trains replaced.
- Bexhill to Hastings service running 3 times per hour has improved connectivity between the two towns
- Bexhill has three stations: Cooden, Collington and Bexhill (from west to east)
- Two rail routes to London: through Tunbridge Wells (Charing Cross) and via Lewes (Victoria)

Bus Services

- Free bus pass for retired (>60yrs for women, >65 for men) in Rother and Hastings residents.
- Reported increase in use.

- A range of buses providing network of routes throughout the area. Community Bus with disability access, and network with rural reach particularly Battle and Rye.

Weaknesses of baseline transport infrastructure

Major Roads

- The A27 – A259 link was never completed which has left the coastal road insufficient to deal with traffic demands of present day.
- The A259 is the only main road offering accessibility through Hastings from Bexhill and is insufficient and inadequate for the volume of traffic. Alternative routes from Eastbourne or Bexhill route traffic in a detour north towards Battle on local B roads or minor roads.
- A259 suffers from congestion and unreliable journey times between East Bexhill (De La Warr Road following King Offa Way) and West Hastings (through St. Leonards) particularly during peak travel times (morning commuter / school run from 8am to 9.30am and late afternoon 4.30pm – 6.30pm). Traffic flow slowest from Glyne Gap, Bexhill Road, Bulverhythe, Harley Shute Road and to traffic lights at Filsham Road.
- Erratic journey times because of unreliable traffic flow. Excessive journey times need to be planned for the short trip distance between the two towns (6 miles). This is a great problem for business movements whether provision, supplies or people. Times are said to be often 20% outside estimated journey time. For businesses this translates as costs to production cost, productivity and can critically impact on opportunity costs such as business lost / forgone and negative impressions for attraction of investment.
- Congestion and traffic volume on the A259 added to by the Glyne Gap retail park (East Bexhill). The retail park only has one entrance / exit which funnels traffic to where the De La Warr Road (A259) meets the Hastings Road (B2036).
- Bexhill does not have a clear connection to the A21 for north bound traffic. Presently to head north and join the A21 traffic takes local roads to Battle. This contributes significantly to local road traffic loads and displacement. This will include heavier traffic (distributors) which flow north through places such as Catsfield (B2204) / Henley's Down and up to Battle to join Powdermill Lane (A2100) onto the A21.
- The A21 as the main route north-south from / to Hastings and Tunbridge Wells, is inadequate. This road requires dual carriage but it is mostly single lane. The volume of traffic creates congestion and bottlenecks. Part of the A21 has recently been 'de-dualled'.
- Routes taken by road hauliers / logistic heading to the ports such as Folkestone and Dover from West of the region will divert north to take A27- M3 – M25 – M20. This longer route is taken since there is no adequate coastal access.
- There is anecdotal evidence of some displacement of delivery vehicles on to local, residential roads e.g. through Hollington estates.
- Queensway (B2092) is a fast and busy road with higher traffic accidents.
- Traffic on the Ridge (Hastings) is impacted by School drop off and pick up.

- Deprived (priority) wards of the conurbation have lower levels of car ownership and, for travel, a greater reliance on public transport, which is said to be insufficient.

Rail Services

- Twin tracking of rail service from Hastings to Ashford is seen as critical for improved accessibility between these towns. This line has yet to be electrified which limits prospects for upgrading the capacity of the line in terms of speed.
- A rail station at Glyne Gap is said to be required (by some) to alleviate, among other things, the volume of vehicular traffic accessing the Ravenside retail complex.
- The Hastings to London rail line has single track tunnels and without significant upgrading to these tunnels and dualling of the rail lines transit speed and time is relatively slow. A typical journey time from Hastings to London Charring Cross takes 1.45hrs. This is quicker than the route to Victoria via Lewes. Many Bexhill residents, travelling to London by train, are inclined to drive and park at Battle station (not West St. Leonards due to the A259 congestion). An estimated 75% of parking at Battle station car park is taken by non Battle residents.
- The Bexhill – Ore service is too infrequent. Ideally, a minimum of 4 trains per hour is needed. The service also needs extending west into capture Cooden and Collington.
- There is no rail link to the Conquest Hospital (the location of the Hospital was initially conceived with rail and road transport links. Bexhill residents must travel to Hastings for A&E and other acute care, which Bexhill Hospital cannot provide). It follows that there is reliance on cars, buses and taxis for this journey.
- Movement of goods by rail have ceased which adds to local road haulage.

Bus Services

- Failure of local private bus service to invest means routes have been cut back which has limited catchment and appeal to residents.
- Routes: places where they start from and finish and the duration of these journeys are thought to be poorly planned.
- Early evening timetable finish times greatly hinder access and places reliance on cars or taxis. The bus companies fail to provide access for the evening economy (restaurants, clubs, pubs etc.).
- Failure to adequately serve the Conquest Hospital for Bexhill population.
- Insufficient frequency of businesses moving between the two urban centres, particularly at peak demand times (morning and evening commute). This may be a factor of the congestion and unreliable journey times suffered on the A259.
- Users deterred by a lack of information on bus routes and times. There is a lack of timetables and poor signage.
- Routes need reconfiguring to improve coverage and timetables. Presently, some routes are convoluted, too long and too time-consuming to be beneficial.
- Routes to Bexhill College have seen cut backs.

A3 Local Perceptions of potential impacts of the Scheme

Direct transport impact

Congestion

- Consultees agreed that the Scheme would successfully tackle congestion between towns as opposed to around or within the conurbation. Overwhelmingly, consultees believe that congestion between the towns would fall. The general view argued was that a large proportion of non-essential coastal traffic would divert from the A259 to use the Scheme. Logistics, through traffic and traffic accessing north areas of the conurbation would particularly benefit.
- It was less clear how the Scheme would relieve congestion around the towns with views split between no improvement and improvement.

Access and journey times

- A similar picture was given when discussing accessibility and journey times; that is, consultees thought that the greatest benefit would come about via improvements for access and journey times between the two towns, but there would be no change within the towns. Views were split between benefit and no change regarding benefits around the towns.
- Consultees believe that the Scheme would improve journey reliability and predictability; there were fewer comments regarding further deterioration in congestion, access, journey times or bus services if the Scheme were to be built.

Bus services

- The consensus of opinion supported the idea that bus services between and around the towns would improve, though it was less clear whether improvements would be made within town centres.

Effect on businesses and employers

Collectively, organisations believed that there would be a positive impact for businesses. Cost of product / goods distribution, receiving supplies, and business travel would be cut. Improvements would be felt for many industries not just benefit tradable sectors. The cost of transport for employees to travel to work was not considered a factor that would change significantly. Businesses using the A259 loose time and suffer opportunity costs – the lost of contracts and business prospects. Negative impressions can be made from late arrival at meetings and vice-versa frustration from visiting businesses.

There was a clear belief that access to labour, markets and suppliers, customers and business networks would be improved following the development of the Scheme. With improved access, comes growth in catchment area of population able to access and source new markets and markets for businesses.

Most significantly the Scheme is seen as a trigger for opening up employment land space in north Bexhill and with it the prospect for quality premises for commercial use. This is seen as critical to boost local business confidence, retain local business by offering space for relocation space and expansion with more suitable premises, and attract new private investment to the area. Employment in the two towns is heavily dependent on public sector and there is a need to draw private enterprise and investment and raise the standard of living through higher wage levels, etc.

These issues plus a wider range of supplier and distributor networks, improve skills matching (marginal) and better access to jobs would help improve productivity and profitability levels.

These views combine to provide strong support for the Scheme from an economic position of businesses. Competition was not thought to increase from other towns in the sub-region.

Effect on residents

Generally, the Scheme development by improved journey time is thought to impact positively on social and community issues. It was less clear how the Scheme alone may improve community integration (approximately half indicated there would be improvements and half no change) but the Road would not damage community development.

Positive impacts were: better access to family and friends between towns and more broadly, a closer ‘emotional’ link may strengthen between Bexhill and Hastings (West Bexhill – Cooden and Little Common, perhaps leaning more towards Eastbourne). This may be enhanced by improved interchange of service and social functions (e.g. Clubs which have joint-town representation and membership) between the two towns.

Organisations were split in their opinion as to whether other areas beyond the conurbation in Sussex and Kent would also be more accessible. This would be a marginal benefit and more associated with Bexhill residents, for example heading east to access the A21.

Wider benefits of the Scheme

The Road cannot solve all the socio-economic troubles of two towns- improving communications and alleviating transport problems alone will not determine whether businesses invest in the area. Organisations, however, argued that the Road would act as a trigger mechanism to bring about improvements. This is because the area is constrained by lack of land for development. Sites to the North of Bexhill offer development prospects, and brownfield land (such as Sidley goods yard) will be released, but this depends on accessibility issues and rental values of land. For this reason the Scheme that will solve access issues and allow residential and commercial development is key to releasing land and bringing forward underdeveloped sites. Residential development in North Bexhill is likely to be family units, will bring in younger people, skills, reduce dependency, and raise business / employment prospects.

Critically the image of the area has suffered over the past decade, but there are signs of renaissance and revival through capital projects such as those led by SeaSpace. The is a sense and belief that regeneration and urban uplift is taking place and the Scheme is a critical component in raising economic capacity and bringing new life into the towns. The confidence of the residents and business ‘hang in the balance’, and if the Scheme is rejected it would be a ‘body blow’ to residents and businesses. Business organisations indicated that even some loyal businesses have considered leaving the area, not because of accessibility per se, but the debilitating effects of low economic standards. The two towns however, offer a location appeal to those looking for work – life balance and a good a quality life (countryside, sea, etc close by), which would mean that population, would not be lost.

Bexhill and Hastings Town Centres, Environment and facilities in the town centre

The Scheme is thought to bring positive impacts to the town centres.

General congestion was thought to be reduced but with improved access, traffic had the potential to increase. Links were drawn with improved access and increased densities and movement of pedestrians. Shops and recreational facilities and the general urban environment and physical characteristics of the town centres would be enhanced. As a smaller urban area, the critical density of footfall and passing trade is something that Bexhill suffers and the Scheme could enhance local trade prospects. Environmentally a factor such as noise was not thought to get worse. With freer movement along the A259 bus services routes may extend and improve access and frequency to town centres.

Benefits if the Scheme is not built

Consultees did not look favourably on the prospects for the two towns without the Scheme.

Interviewees did not view the Scheme as the panacea to take away all local problems. Without the Scheme most interviewees still thought that ‘some’ benefits to residents, employers would still come about. The conurbation of Bexhill and Hastings, however, would continue to face serious accessibility issues and limited attraction for local businesses - lack of new / quality premises, premises for expansion and limited attraction of private investment. With the lack of employment land inward investment would continue to be deterred and without residential development there would be no ‘population injection’- perceived as an important component to spurring local wealth.

Increase in the weaknesses if the Scheme is not built

Organisations were clear that without the Scheme the towns would continue to suffer. Residents would suffer in terms of accessing functions and services (including critical functions such as Bexhill residents reaching the Conquest Hospital), and employment. Businesses in particular will suffer. Organisations listed the following outcomes:

- Traders will continue to struggle (Small retailer in particular will suffer due to falling passing trade). The trend is businesses closing without anyone reopening.
- Employment creation will fall
- Down turn in tourism offer continues
- Confidence would be lost – both residents and businesses. Businesses will continue to be hampered by journey time, expansion, skill issues which may result in more companies closing or moving out.

A4 Full list of consultees

Table A4.1 List of Organisations consulted

Organisation	Name
Rother District Council	David Marlow, Tony Leonard, Graham Burgess and Frank Rallings
Hastings Borough Council	Simon Hubbard, Richard Homewood, Dick Harman and Tim Cookson
Hastings and Bexhill Taskforce (SeaSpace)	John Shaw and Paul Adams
1066 Enterprise	Graham Marley
Locate East Sussex	Mike Cogswell
Sussex Enterprise	Mark Froud
East Sussex Federation of Small Businesses	Ken Stevens
Bexhill Chamber of Commerce	David Getties
Hastings and Bexhill Economic Alliance	Christine Goldschmidt
Hastings & St Leonards PCT and Bexhill & Rother PCT	Richard Watson
Learning and Skills Council Sussex	Paul Stoggles
Hastings College of Arts and Technology	Tim Hume
University Centre Hastings	Margaret Wallis
Hastings LSP	Clive Galbraith
Hastings LSP	Carole Bailey
Bexhill Community Partnership / Rother Voluntary Action	Martin Fisher

Source: the Consultants

Appendix B Bibliography

Name	Source	Date
Draft Regional Economic Strategy (RES) 2006-2016	SEEDA	2006
Regional Planning Guidance for the South East (RPG 9)	GOSE	March 2001
South East Plan	SEERA	March 2006
South East of England Regional Transport Strategy	SEERA	2004
Prosperity for Hastings and Bexhill (DTZ Pieda)	SEEDA	2001
Hastings and Bexhill Five Point Plan (DTZ Pieda)	SEEDA	March 2002
SeaSpace Business Plan	HBTF	2003
Coasting Along - A Study of Business Impacts and Regeneration In the South East Coastal Towns (New Economics Foundation)	SEEDA	2005
South Coast Corridor Multi Modal Study (Halcrow)	GOSE	Nov 2002
East Sussex and Brighton and Hove Structure Plan 1991-2011	ESCC	1999
East Sussex Local Transport Plan (2)	ESCC	2006
Learning and Skills Council: South East Regional Statement of Priorities 2005-2006	LSC	2005
Sussex Coastal Towns Sub-Regional Study	ESCC	April 2004
Area Investment Framework (AIF)	H and B Alliance	2004
Hastings and Bexhill Master Plan	SEEDA	2002
Seafront Strategy	SeaSpace	May 2005
East Sussex School Organisation Plan	ESCC	2003
Rother District Local Plan	RDC	Nov 2003
Hastings Local Plan for Employment Land	HBC	2004
Hastings Local Transport Plan	HBC	2004
Hastings Strategy Development Plan	HBC	2002
Hastings Local Plan for Housing	HBC	2004
Central St. Leonards Renewal Strategy	HBC	Aug 2004
Local Enterprise Growth Initiative (LEGI) 'Climbing the Ladder. A Step Change to a Thriving Hastings Economy'	HBC	2006
Single Regeneration Budget (SRB) Interim Evaluation	HRP	April 2003
Coastal Towns, Second Report of Session 2006-07, Communities and Local Government Committee	House of Commons	Feb 2007