

PART A – PROBLEMS, ISSUES AND CURRENT DIRECTIONS

1 Physical characteristics of the sub-region

1.1 The Sussex coastal towns range for some 90 miles from the Witterings in the west to Rye in the east. This sub-region is home to nearly 900,000 people, just over 11% of all residents in the South East. Its resident population has grown by nearly 60,000 (7%) since 1991, compared to the regional average of 5% (1991-2001).

1.2 At the centre of the sub-region, the city of Brighton & Hove is the largest of the sub-region's towns with a population of a quarter of a million, whilst Eastbourne, Hastings and Worthing represent the other major-built-up areas along the Sussex coast. Bexhill, Bognor, Littlehampton and Shoreham are other substantial towns within the sub-region that also includes the two county towns of Chichester (in West Sussex) and Lewes (in East Sussex).

1.3 A detailed map showing the towns in the sub-region, main transport routes, major environmental designations and other important physical features is attached at Appendix 5.

Environmental features

1.4 Inevitably, the physical expansion of the towns has been limited by their coastal location. However, for many of the towns their 180° hinterland now affords little if any opportunity for further peripheral development as this is very tightly constrained by major environmental designations and other physical features such as low-lying land.

1.5 Most of the Sussex coast is developed, but with the depth of development never stretching more than a few kilometres inland, generally extending only as far as the A27/A259 trunk road or to the boundary of the Sussex Downs. The Sussex Downs Area of Outstanding Natural Beauty (AONB) running west of Eastbourne (and now proposed to form part of the new South Downs National Park) is, indeed, one of the defining characteristics of the sub-region that can also be viewed in relation to five distinct zones.

- All of the towns from Worthing through to Seaford are built on the dip slope of the chalk downland, with the boundary of the Sussex Downs AONB pressing up hard against the periphery of all of these towns and the western edge of Eastbourne.
- West of Worthing and south of the Downs lies the fertile coastal plain with extensive high quality agricultural land surrounding Littlehampton, Bognor, Chichester, Selsey and the Witterings.
- There are extensive 'levels' (low-lying tracts of largely reclaimed wetland) between Eastbourne and Bexhill and, also, south and east of Rye.
- Surrounding much of Hastings and slightly north of Bexhill is the High Weald AONB characterised by its hilly uplands and deep wooded ghylls.
- Generally to the north of the core study area and running north-west from the East Sussex coast (between the Sussex Downs and High Weald AONBs) is the clay vale of the Low Weald.

1.6 There are extensive SSSIs throughout the sub-region and only two significant areas of the Sussex coastline which remain undeveloped. The first is the designated Heritage Coast between Seaford and Eastbourne where the Sussex Downs meet the sea; the second is the Pevensy Levels international Ramsar site between Eastbourne and Bexhill. The area between Littlehampton and Brighton is almost a continuous linear city-region and, although there are a number of gaps of undeveloped land elsewhere along the coast, these are generally narrow and highly prized as the watersheds of community identity.

Other characteristics

1.7 The particular functions and character of the individual towns is quite varied, reflecting differences in size, location and their history of development etc. As discussed in more detail below, transport connections along the coast are especially poor, with the consequence that there has been relatively little movement between the more distant towns within the sub-region (although we are still awaiting the 2001 Census data on journeys to work).

1.8 Many of the towns developed as coastal resorts and the area's economy is still dominated by the relatively large service sector. However, some of the towns have also traditionally had important industrial and commercial roles, and there are commercial ports at Littlehampton, Rye and Shoreham (where there is also a small airport), as well as at Newhaven which has long enjoyed direct ferry links with Dieppe.

1.9 The high value of the sub-region's natural environment is mirrored by the similar quality evident in parts of the urban areas with their historic townscapes and individual buildings of high architectural value. At the same time, much of the overall stock of housing is very old with, for example, 42% of homes in Brighton & Hove having been built before 1919 (compared to a national average of just 24%). Physical decay is also apparent within some towns, reflecting a low demand to refurbish or modernise existing employment sites and premises, in addition to the maintenance problems faced by many householders (e.g. pensioners) being on low and fixed incomes.

Climate change and flood risk

1.10 The availability (or otherwise) of necessary supporting infrastructure will be a determining factor as to where and when further development may be sustainably accommodated. Key infrastructure in this regard also includes the capacity and facilities needed to manage waste generated, supply water and deal with sewerage and wastewater, all of which are clearly issues for the whole of the South East. Constraints on the location and type of potential development will also be imposed by the location of groundwater source protection zones in the area, the pollution/contamination of which could lead to the loss of water supplies to the area.

1.11 However, of particular concern to the Sussex coastal towns sub-region is the existing and increased risk of flooding to the low-lying coastal areas. Although sea and tidal flood defences provide some degree of protection against flooding, the standard of protection provided, particularly when having regard to the anticipated impacts of climate change (due to both wetter, stormier winters and rising sea levels) cannot be considered adequate. This will have significant implications on the possible locations, extent and costs of development in and around many of the coastal towns including the ports of Newhaven, Shoreham and Littlehampton.

1.12 The floods that hit Chichester and Lewes in autumn 2000 demonstrated the devastating impacts that fluvial flooding can have on communities and underline the importance of both flood defences and the management of future risks. The sub-region's coastal location means that many of the towns are at significant risk of flooding from the sea as the majority of the coastal zone is low-lying, some areas being up to 3 metres below sea level.

1.13 The highly developed nature of the Sussex coast presents few opportunities for the realignment of the coastline and, consequently, the predominant policy response has been to hold the line and maintain the existing standards of coastal defence. However, sea levels are forecast to rise by 34cm in the English Channel over the next 50 years and the costs of maintaining such lines of defence will inevitably rise.

1.14 Whilst the existing Shoreline Management Plans for the sub-region are currently under review, and new catchment flood management plans are being developed to provide more sustainable management of fluvial flooding, the increased risk (greater frequency) of flooding will inevitably have significant implications for the extent and location (and cost) of further development within or adjoining the Sussex coastal towns. This is clearly an issue that will need to be looked at very closely when considering the extent to which we should aim to maximise potential development opportunities and increase densities within towns most at risk of flooding.

2 The socio-economic characteristics of the sub-region

Population and households

- 2.1 Just under 890,000 people live in the individual towns along the Sussex coast. The resident population has increased in all of the towns (except Rye) since 1991, and generally at a faster pace than experienced regionally or nationally.
- 2.2 In terms of age profile, the East Sussex and West Sussex coastal towns are very similar with relatively small numbers of children and high numbers of more elderly residents. Overall, over 27% in the East and West Sussex coastal towns are over pensionable age, with this proportion exceeding one-third in towns like the Witterings, Selsey, Seaford and Bexhill.
- 2.3 Contrastingly, Brighton & Hove (and, to a lesser extent, Hastings) has an age profile much more in line with the regional and national picture where less than 19% of the population is over pensionable age.
- 2.4 The age profile of coastal towns is such that there are more deaths than births in every district that forms part of the sub-region. The extent of this natural decline is such that, between 1991 and 2001, the population would have declined by over 40,000 persons were it not for the extensive net in-migration of some 90-100,000 people over the same period. Right across the sub-region, population growth and the associated demand for additional housing therefore only arises because of the large numbers of people moving into the area from elsewhere.
- 2.5 There are nearly 45,000 students (aged 16+) resident in the sub-region during term time, 45% of whom live in Brighton & Hove where there are two well-respected universities providing courses for up to 35,000 students (including 8-9,000 studying part-time).
- 2.6 Not surprisingly, given the high proportion of elderly residents in most of the towns and the large numbers of students, average household size is low across the sub-region at 2.15 persons compared to the regional average of 2.38. Similarly, there is also a high proportion of one person households (36%) living along the Sussex coast.
- 2.7 Less than 24% of households in the sub-region contain dependent children compared to regional and national averages of over 29%. Compared to the regional picture, however, a high proportion of these are lone parent households, particularly in Hastings, Brighton & Hove and Rye.
- 2.8 The extensive environmental designations constraining the physical expansion of most of the towns in the sub-region, together with high external demands for accommodation in the area, has led to the extensive redevelopment and recycling of sites and buildings within the built-up areas. Such intensification of uses over very many years has resulted in high population densities in most of the towns and an overall average for the sub-region of nearly 18 persons per hectare (ha.). This compares to a regional average of only 4 persons per ha. and a national figure of just 3 persons per ha. In larger towns like Brighton & Hove, Hastings and Worthing, population densities are approaching 30 persons per ha. – levels more typically associated with inner-London boroughs.

Housing stock and tenure

2.9 The intense nature of redevelopment and conversion activity within the Sussex coastal towns over many years is also reflected in the composition of the local housing stock. This shows that flats, bedsits and maisonettes account for one third of all household spaces in the sub-region – compared to a regional and national averages of below 20%. In Brighton & Hove, flats and bedsits etc. account for nearly half of the overall stock of homes.

2.10 Further evidence of the intensification of development within the towns is that a high proportion of such flattened accommodation – nearly 50% in Brighton & Hove and Hastings – is provided in converted or shared houses.

2.11 Levels of home ownership in the sub-region are generally higher than the regional average of 70%. However, this is not the case in Chichester, Brighton & Hove, Hastings and Rye where only 61-64% of homes are owner-occupied.

2.12 As far as rented accommodation is concerned, levels of social provision vary considerably between towns from less than 8% in Peacehaven and Seaford to 21% in Chichester. At 13%, the overall level of social housing provision is slightly lower than the regional average of 14% and more substantially below the national figure of 19%.

2.13 Conversely, private rented accommodation is a much more significant feature of the housing offer in the Sussex coastal towns than it is regionally or nationally. Over one-in-eight of households along the coast rent their homes privately – some 50% higher than the regional and national averages – with this proportion reaching around one-in-five in Brighton & Hove and Hastings.

Housing need and affordability

2.14 The qualities of the sub-region as a place to live (although not necessarily work) attract many thousands to move here each year. Very many of these in-migrants are moving from other more expensive areas in the South East and, particularly, Greater London and are likely, therefore, to be 'trading down'.

2.15 Many of the coastal towns are still a popular retirement destination but this is now a much less significant feature of net in-migration than hitherto. The 2001 Census shows that economically active adults account for two-thirds of net in-migration to the Sussex coastal towns. However, amongst younger in-migrants of working age, many of those in employment, once having moved, continue to commute to well-paid jobs in major employment centres elsewhere. The overall impact is to exert significant upwards pressure on private housing costs in both the owner-occupied and the rented sectors, pushing these to levels of 'affordability' well-beyond the ordinary means of existing residents working locally.

2.16 Amongst the coastal districts, the average price for a semi-detached house varies from £143,000 in Hastings to £205,000 in Brighton & Hove, compared to a regional average of £180,000 for the first quarter of 2003. Prices in Chichester, Lewes, Wealden and Worthing are also at or above the regional average. Information published by the National Housing Federation (NHF) shows that house prices have increased faster in Brighton & Hove (by over 150%) in the last 5 years than in any other unitary or county council area in the South East.

2.17 The NHF have also examined the relative affordability of housing for sale across the South East on the basis of local house price/earnings ratios. This calculates the local average earnings (April 2002) multiplier required to achieve a mortgage that is equivalent to 95% of the local average price for all homes in Q4 2002. Traditionally, a multiplier of 3.5 times earnings is regarded

as affordable but, at the end of 2002, the earnings multiplier in the South East stood at 6.91 compared to a national average of 5.63.

2.18 The housing affordability problem, however, is even more marked in most of the Sussex coastal towns with seven out of the ten coastal 'districts' exceeding the regional average. These are Chichester (10.47), Wealden (9.85), Arun (8.51), Rother (8.30), Lewes (7.66), Brighton & Hove (7.58) and Worthing (7.04).

2.19 Further evidence of housing need in the sub-region is provided by the increase in the number of households registered with their local authority as being in housing need. Between April 1998 and 2002, this number increased by over 3,700 households in the Sussex coastal districts to a total of 16,200 – an increase of 30%. Over the same period, the number of households accepted as statutorily homeless has increased by 20% to nearly 2,800, whilst the number living in temporary accommodation increased by nearly 45% to just over 1,900 households.

The local economy

2.20 Notwithstanding their rich historic, cultural, architectural and environmental heritage, the Sussex coastal towns are no less distinguished by serious economic problems that largely stem from their:

- *180° hinterland* – affording very little opportunity for further peripheral development due to the major environmental and physical constraints highlighted above;
- *peripherality* – on the edge of the region, providing relatively poor access to wider markets and suppliers;
- *inadequate strategic transport infrastructure* – exacerbating the problems of peripherality and further contributing to perceptions of the area as a poor business location;
- *outworn physical fabric* – particularly in respect of the poor condition and location of much of the existing stock of business premises; and
- *existing shortage of readily available employment sites* – capable of meeting modern business needs in accessible locations.

2.21 The designation in RPG9 of the Sussex Coast and Towns as a Priority Area for Economic Regeneration, and the Regional Economic Strategy's inclusion of the whole of the Sussex coastal strip as part of a Broader Priority Regeneration Area, represent formal acknowledgement of a poorly-performing local economy. It also serves to highlight structural weaknesses in the local economy and the particular difficulties facing many towns along the Sussex coast where traditional industries such as tourism have been in decline.

2.22 Similar national and international recognition of the deep-rooted economic problems evident in many parts of the sub-region is further reflected in the designations of: Hastings as a qualifying area for EU Objective 2 funding; the coastal wards from Shoreham through Brighton & Hove to Newhaven as an Assisted Area (Tier 2); and the rest of Brighton & Hove and all of Hastings as Enterprise Grant Areas (Tier 3). More recently, the most deprived areas within both Brighton & Hove and Hastings have been awarded Neighbourhood Renewal funding to develop community-based Neighbourhood Renewal Strategies.

2.23 The nature and extent of fundamental weaknesses in the sub-regional economy is clearly evident from only a cursory review of some key economic indicators.

- *Gross Value Added (GVA) in 2001* – On a per capita basis, GVA in East Sussex is 31% lower than the UK average – the worst in the South East after the Isle of Wight. Brighton & Hove's figure is only 90% of the national average and, whilst GVA per capita in West Sussex is

slightly higher than the UK figure, it is still 7 points below the regional average with this figure being 'held up' very much by economic performance in the county's more central districts around Gatwick.

- *Average earnings in 2003* – Gross weekly earnings in the Sussex coastal districts are the lowest in the mainland South East. At only £374 per week, average earnings in Hastings are £102 (21%) below the average for Great Britain (£476) and £132 (26%) below the equivalent figure for the South East (£505). Average earnings in all the other East and West Sussex coastal districts are all between 13% and 17% below the Great Britain figure, whilst in Brighton & Hove they are 6% lower than the national average.
- *Business growth, 1994–2002* – In many of the coastal districts, growth in the number of VAT-registered businesses has exceeded the national average of 9.5% but been below the regional average of 14.3%. However, there has been little business growth at all in Hastings and Rother, and only 6% growth in Eastbourne and Worthing.
- *Economic activity rates 2001* – Levels of economic activity in the sub-region are generally lower than both the national and the (higher) regional average although, in some towns like Bexhill, this more reflects its elderly age structure.
- *Unemployment rates in 2001* – Unemployment is relatively high in many of the wards along the Sussex coast. Overall unemployment rates in Arun, Eastbourne, Lewes and Rother are above the regional average of 2.7%, whilst in Brighton & Hove and Hastings rates of 4.1% and 4.8% respectively exceed the national average of 3.9%. There are also six wards in both Hastings and Brighton & Hove and one in Eastbourne where total unemployment exceeds 5%.
- *Part-time employment in 2002* – Nearly 40% of jobs in the sub-region are part-time compared to a regional average of less than one-third.
- *Qualifications in 2001* – A relatively high proportion of residents aged 16-74 in the East and West Sussex coastal towns have no qualifications. Selsey, Littlehampton, Adur, Peacehaven, Newhaven, Hailsham, Bexhill, Hastings and Rye are all towns where around one-third of adults have no qualifications (compared to a regional average of 24%).

2.24 The sub-region is not without its success stories however and, in certain respects, the Brighton & Hove economy has picked up considerably over recent years on the back of extensive grant aid, including through successive rounds of the Single Regeneration Budget. SEEDA now regards Brighton & Hove as the second main economic driver (after Gatwick) in the East Surrey/Sussex sub-region, with its recent growth due to the strong performances of the new media and financial service sectors. However, although the number of jobs in Brighton & Hove increased by 20% between 1998 and 2002, and despite around one-third of jobs being in growth and high-value-added sectors (information economy, cultural industries and high-tech manufacturing), average wages in the city are still amongst the lowest in the South East and, as highlighted above, GVA per capita stands at only 90% of the UK average and is nearly 20% below the regional figure.

2.25 The sub-regional economy is predominantly service-based (although a relatively high proportion of jobs in Adur, Arun, Hastings and Lewes are in manufacturing) and, generally, over-dependent on low-value, insecure employment in low paying sectors such as public services and retail/wholesale distribution, hotels and catering. Compared to a regional average of just below, these two sectors account for over two-thirds of employment in Eastbourne and Hastings (and more than 60% of employment in the three other east Sussex districts) and the area as a whole is heavily dependent on consumer and tourist expenditure. The employment offer in the Sussex coastal towns may therefore be characterised by relatively high proportions of residents working in routine or semi-routine occupations and there being a relatively small proportion of good quality jobs requiring higher skills and qualifications and which pay higher wages.

2.26 Not surprisingly, in these circumstances, very large numbers of residents have to travel to another area in search of a decent job. One striking feature of the Sussex coastal economy is that virtually every district has a net commuting outflow – that is more residents travelling out of the district/area to work than are commuting in from elsewhere. The only exceptions to this are Chichester which experiences a net inflow of just over 2,800 employees and Eastbourne with a net inflow of just 300.

2.27 Another striking feature of these travel to work flows is the extent to which out-commuting has increased in the last ten years. In East Sussex, the net outflow has increased from just over 27,000 to nearly 31,500 persons – an increase of 16%. In Eastbourne, the daily net inflow of nearly 3,000 commuters in 1991 has now virtually disappeared and, in Brighton & Hove, the net inflow of 3,700 persons has completely turned around to become a net outflow of 5,400. Similarly, Worthing in West Sussex has seen a net inflow of around 1,100 commuters in 1991 turn around to become a net outflow of 900 persons by 2001.

Deprivation

2.28 Results from the Indices of Deprivation 2000 provide yet further evidence as to the extremely high level of needs apparent in the sub-region. In terms of the overall Index of Multiple Deprivation (IMD), 7 wards (5 in Hastings and 2 in Brighton & Hove) fall within the worst 10% affected wards in England. This concentration of deprivation has led to Neighbourhood Renewal Funding being granted to support the development and implementation of a Neighbourhood Renewal Strategy in the worst affected wards in both Hastings/St. Leonard's and East Brighton.

2.29 In addition to the overall measurement of multiple deprivation, the Indices of Deprivation 2000 also provide detailed information about the extent of child poverty across the country and five other key aspects (or 'domains') of deprivation covering income, employment, education, housing and health.

2.30 A broader picture of deprivation in the sub-region is revealed by looking at the number of coastal wards that are amongst the 20% worst affected in England in respect of the IMD, the Child Poverty Index and any of the other five separate domains. It should be emphasised here that being amongst the worst 20% of the 8,414 wards in the country for any measure of deprivation will also (almost) always place that ward within the worst 10% of the 1,583 wards in the South East region.

Table 2 – Indices of Deprivation 2000

	Total number of wards included	No. of wards falling within the worst 20% of wards in England						
		Index of Multiple Deprivation	Child Poverty Index	Income domain	Employment domain	Education domain	Housing domain	Health domain
Adur	9			1		8	1	
Arun	8	3	3	3	1	6	5	3
Chichester	1		1					
Worthing	4	1	1	1		1	3	3
Brighton & Hove	19	7	7	3	10	7	19	6
Eastbourne	5		5	2	1	2	1	
Hastings	15	11	13	12	11	10	7	11
Lewes	5	2	1	2	3	5		2
Rother	3	2	2	2	2			2
Wealden	1	1	1	1		1	1	
Sussex coastal towns	70	27	34	27	28	40	37	27

2.31 As shown in the table above, altogether, there are 70 wards in the Sussex coastal towns that fall within the worst 20% of wards in England for one or more measures of deprivation. About half of these wards are shown as deprived against one or two domains, whilst the rest more clearly suffer from multiple deprivation. In fact, 27 wards in the sub-region (11 in Hastings, 7 in

Brighton & Hove, 3 in Arun, 2 in Lewes and Rother, and 1 in Wealden and Worthing) are ranked within the worst 20% of wards in England as measured by the overall Index of Multiple Deprivation.

2.32 Appendix 6 gives full details of the ranking for Sussex coastal wards that fall within the worst 20% of wards in the country for any one of the seven deprivation measures given by the Indices of Deprivation; and rankings shown in bold text indicate a position within the worst 10% of wards in the country.

3 Strengths, weaknesses, opportunities and threats (SWOT)

3.1 At an early stage of the study, a brief SWOT analysis was conducted at meetings of the Members Steering Group and Officers Advisory Group. Some very clear messages emerged from these two brainstorming exercises – a consolidated summary of which is given in Appendix 7 – the most important of which are highlighted below.

Strengths

3.2 Clearly, the sub-region has many significant environmental qualities that help to make it such an attractive place to live for the thousands of migrants choosing to move here each year. The area enjoys a rich heritage whilst the city of Brighton & Hove has grown into a major cultural centre that also provides a strong focus for new media and other knowledge industry activities.

3.3 There is also a substantial and growing presence of higher educational establishments throughout the sub-region, centred around the presence of two major universities in Brighton & Hove's 'academic corridor'. All these higher education institutions are placing a growing emphasis on 'third stream' activities with local businesses. This not only involves assisting companies that are already established but also taking forward ideas developed inside the institution and turning these into new businesses.

3.4 Commuting links to major employment centres such as Crawley/Gatwick and London vary in quality but are generally quite good from the more central parts of the sub-region and, particularly, from Brighton & Hove.

3.5 Despite the long-term decline in traditional seaside holidays, the coastal towns still attract very large numbers of visitors as, with varying degrees of success, they have sought to adapt to changing needs. This has included responding to the increased demand for day trips and short breaks etc. whilst seeking to exploit niche markets and expand conference trade opportunities.

3.6 On the face of it, the sub-region has some significant locational advantages in terms of connections to mainland Europe and the rest of the world. Gatwick Airport is only 40 km. north of the Sussex coast and its nearness would appear to confer several advantages in terms of international access, business opportunities and as a source of employment (whether directly or indirectly related to airport activities). However, such advantages substantially weaken the further east or west you move away from Brighton & Hove and, generally, the coastal towns do not appear to particularly benefit from their physical proximity to Gatwick. The same is also true of the sub-region's 'links' to Ashford and the Channel Tunnel, again highlighting the poor quality and limited capacity of the strategic transport links, particularly east-west within the sub-region and eastwards from Hastings. At the same time, the coastal towns' own direct maritime connections to Europe, particularly from Newhaven, remain relatively under-developed.

Weaknesses

3.7 As the above discussion has suggested, serious inadequacies with the strategic transport infrastructure undermine the sub-region's ability to capitalise on its strengths and realise its full regeneration potential. Problems associated with the coastal towns' peripheral location (with only an 180° hinterland) providing poor access to wider markets and suppliers are further exacerbated by the major shortcomings in the trunk road network and rail services, particularly east-west links. Together, this only serves to create a sense of the coastal towns being relatively remote and reinforce quite widespread perceptions of the area as a poor business location.

3.8 This historic lack of investment in the strategic transport network and services is repeatedly highlighted by local employers in annual surveys as the most serious impediment to business

growth. However, poor accessibility is not just an obstacle to the expansion of local firms or in attracting new investment to the area. Improvements in the transport infrastructure are also needed to unlock the development potential of a number of key strategic employment sites at, for example, Bexhill/Hastings, Newhaven, Polegate and Shoreham. Significant investment in upgrading the strategic communications infrastructure is clearly a vital element in the comprehensive package of measures that will be needed if the sub-region is to narrow the substantial economic performance gap with the rest of the South East.

3.9 Inevitably, particular attributes that might appear as strengths when looked at from one perspective can also appear as weaknesses when viewed from another. This is certainly true of the sub-region's high quality environment which is one of its most significant assets but also acts as a very substantial constraint on the area's future development potential. It is therefore crucial to the towns' future well-being that the economic development potential locked up in the limited number of strategic employment sites that have been identified is fully realised. As highlighted above, in some cases this will require prior improvements to the rail and road network in order to provide necessary access to the sites.

3.10 Realising the regeneration potential of key strategic employment sites would help to tackle another of the fundamental weaknesses currently inhibiting economic performance along the Sussex coast. The sub-region currently suffers from a serious shortage of good quality and readily available employment sites capable of meeting modern business requirements in accessible locations. Many of the employment sites that are available (including brownfield sites) are of poor quality and much of the existing stock of employment premises is in need of modernisation and refurbishment.

3.11 There has also been little or no new office development in many of the coastal towns over the last 15 years and, crucially, the fundamental weakness of the local economy is holding back any speculative development of potential employment sites. Very low and depressed rental values mean that expected rates of return on prospective employment sites are extremely low, or even negative. Consequently, planning authorities are under increasing pressure from landowners and developers to grant permission on identified employment sites for other more profitable retail schemes or residential uses. In these circumstances, further intervention by public agencies will clearly be needed to facilitate the implementation of key business sites and to ensure the ready availability of sufficient sites of the right size and quality to attract potential investors.

3.12 As is further emphasised in the following section, continuing with and further developing a comprehensive approach will be essential to securing the regeneration of our coastal towns. Another key element in this sustainable economic development toolkit concerns education and skills. NVQ Level 2 or intermediate skills are increasingly thought to be necessary for effective participation in the labour market. However, the previous chapter highlighted the fact that around one-third of all adults in many of the coastal towns have no qualifications whatsoever and, in Sussex as a whole, over 40% of adults aged 16-64 have only low level qualifications (NVQ Level 1 or none). Although the two county towns (Chichester and Lewes) and Brighton & Hove (which is home to two universities) have relatively high proportions of residents with degree level or higher qualifications, this is by no means the case in the rest of the sub-region. Only around 14-15% of adult residents in Adur, Arun, Hastings and Rother, for example, have a degree or higher level qualification compared to 20% nationally and 22% in the South East.

3.13 The availability of relevant skills, knowledge and expertise is obviously of major concern to employers and improving the sub-region's 'offer' in this regard will be critical to its future success. Furthermore, in the context of increasing globalisation and the growing relocation of more semi-routine and routine jobs to cheaper employment markets in developing countries, the acquisition and lifelong development of improved skills is likely to become increasingly important to both residents' employability and the sub-region's future economic prosperity.

Opportunities

3.14 Implicit in the above summary review of strengths and weaknesses in the local economy are a number of significant opportunities that will need to be fully exploited if the sub-region is to be successful in turning round its economic fortune. These include the potential to:

- capitalise on the area's extensive environmental qualities as an economic asset/attractor;
- use the sub-region's inherent environmental qualities, including the coastal environment, to re-invigorate the tourist and recreation offer, including 'green tourism';
- work with SEEDA to unlock the development of key strategic employment sites (including brownfield opportunities) at, for example, Bexhill/Hastings and Shoreham – the Harbour and neighbouring sites;
- improve the coastal town's links with mainland Europe through the further development of its own ports (especially Newhaven), by improving the strategic transport links to Ashford and the Channel Tunnel, and by implementing the South Coast Cycle Route (between Newhaven and Portsmouth) and other key schemes as part of the National Cycle Network.
- improve the sub-region's links with Gatwick Airport, including the employment opportunities it offers, both direct and indirect;
- build on the very limited road improvements/schemes that are being taken forward following the South Coast Multi-Modal Study and work with the Highways Agency in developing new, alternative schemes;
- assist the Strategic Rail Authority with its regional planning assessment of travel needs/opportunities to improve services locally and direct to other major centres such as Ashford, Crawley/Gatwick and London;
- increase business access to and take-up of broadband connectivity; and
- nurture the further development of high value-added, new media and knowledge industries by maximising links with higher education establishments (and their satellite links) to help retain qualified graduates in the area and grow new businesses.

Threats

3.15 Just as public and private agencies within the Sussex coastal towns will need to continue to work closely together to make the most of the sub-region's economic development potential and opportunities, so too will deliberative action be required to head off any identified threats to its future economic well-being. This will include action to:

- appreciate the needs of business in an increasingly global market, tackle potential skill shortages through concerted action to improve education and training, and ensure the availability of quality sites and premises;
- manage transport demands whilst improving accessibility and tackling congestion;
- respond to climate changes, including rising sea levels and an increased risk of flooding and coastal erosion; and
- reject 'nimbyism' because this would undermine the area's ability to meet legitimate needs for development and change and further exacerbate the economic performance gap between the Sussex coastal towns and the rest of the South East.

4 Planning and transport strategies for the future

4.1 The existing strategic planning policy framework for the sub-region is set out in the adopted East Sussex and Brighton & Hove Structure Plan 1991-2011 and in the Deposit Draft West Sussex Structure Plan (incorp. the Proposed Modifications) to 2016.

East Sussex and Brighton & Hove

4.2 Regenerating the coastal towns and promoting economic are key objectives for the East Sussex and Brighton & Hove Structure Plan which was adopted in December 1999. This takes a strong and positive approach to economic development and attracting inward investment, integrated with environmental protection and physical regeneration, to raise overall economic performance, increase the range and quality of local employment opportunities and achieve a better balance between people and jobs.

4.3 Key elements of this strategy for sustainable economic development are:

- the productive use and re-use of existing employment sites, generally protecting these from proposals for other uses (whilst recognising the opportunities that may be afforded by mixed-use schemes to unlock the employment potential of sites unattractive to the market);
- the allocation of new strategic employment sites and the reaffirmation of existing commitments to new, high quality business parks to serve the Brighton & Hove, Newhaven, Eastbourne, Polegate, Bexhill and Hastings areas;
- focusing most development and change in the coastal towns through the implementation of existing commitments and the renewal and re-use of previously developed sites and other environmental enhancements;
- improving the environment and vitality of town centres as places to live, shop, work, visit and access services (including a better range of retail, tourist and leisure facilities and activities); and
- upgrading the strategic transport infrastructure (as part of an Integrated Transport and Environment Strategy) to improve access to the coastal towns and ports, to facilitate the development of key strategic sites for both employment and housing and, generally, to make the area a more attractive business location capable of attracting much needed inward investment.

West Sussex

4.4 Promoting the wider economic health and prosperity of its coastal towns is also a key element of the vision set out in the emerging West Sussex Structure Plan to 2016. Regeneration of the coast is one of the three main elements of the plan's overall development strategy and includes:

- diversifying the economy;
- guiding investment to the coastal towns;
- improving infrastructure – particularly transport links between the coastal towns and areas of growth in the north east of the county; and
- supporting the re-use of underused land, particularly at Littlehampton and Shoreham Harbours and at Shoreham Cement Works (through proposals compatible with its AONB location).

Transport investment

4.5 A major theme running throughout this first section is the inadequacy of the strategic transport infrastructure serving the sub-region. The serious shortcomings of the existing road and rail network and services is currently acting as a serious impediment to economic growth today that is, for example, continuing to hold up long-standing proposals to develop high quality business parks at north Bexhill and Polegate (as well as associated strategic allocations for new housing development).

4.6 The report of the South Coast Multi-Modal Study (SoCoMMS) covering the area from Southampton to Thanet was published in spring 2002. The overall aim of this study was to propose measures to improve access to and between regeneration areas and other areas of economic activity whilst resolving congestion, safety and environmental problems. The SoCoMMS report set out recommendations for a comprehensive and integrated package of measures to improve accessibility in the south coast corridor. However, the Government announced in July 2003 that it did not support the large majority of these recommendations. It has asked the local Highways Authorities in East and West Sussex to work with the Highways Agency to identify 'less environmentally damaging' improvements to the A27/A259 south coast trunk road.

4.7 Whilst mainline rail services focus on London, Gatwick and East Croydon, the South Coast line serves the main coastal towns from Portsmouth through to Ashford. However, the poor quality of these services echoes problems with the strategic road network and include:

- lack of investment in infrastructure;
- crowded trains and out-of-date rolling stock;
- limited through services with slow travel times;
- reliability problems; and
- stations in need of modernisation.

4.8 Although some improvements to rail services are in prospect – for example, a new, fast hourly service between Brighton and Ashford from late-2005 – a more comprehensive programme to upgrade the South Coast line and services must be implemented if rail is to play its vital role in improving travel choice and accessibility to and within the sub-region.

4.9 Whilst improving accessibility to the coastal towns is a necessary condition to revitalising the local economy, improvements to the strategic transport network (and links from the towns to this) are also a vital element in the integrated comprehensive packages that are needed to deliver important environmental and social benefits by:

- removing traffic from less suitable rural roads;
- taking traffic out of the coastal towns themselves (that will help to facilitate the proper implementation of local packages to manage transport demands, increase travel choice and the use of more environmentally-friendly modes, reduce pollution, improve the urban environment and revitalise town centres);
- in association with strategic allocations for housing and employment, helping to reduce the need to travel.

4.10 The Government's failure to support the SoCoMMS recommendations have certainly undermined current prospects for strengthening and diversifying the sub-regional economy, realising development potential and attracting new investment to the coastal towns.

4.11 Without significant improvements to the strategic transport network, the SoCoMMS transport model indicates (on a –‘do minimum’ scenario) growth for the south coast corridor, between 2000 and 2030, of:

- 44% in vehicle trips;
- 40% in vehicle kilometres;
- 74% in vehicle hours; and
- 44% in rail journeys.

4.12 The current limited capacity and poor quality of the strategic transport infrastructure is already acting as a critical constraint on accommodating strategic scale development for employment and for housing in the sub-region. The SoCoMMS travel forecasts demonstrate increasing demand for travel by both road and rail throughout the sub-region over the next 25-30 years. In the absence of any coherent strategy for implementing a comprehensive and integrated programme of improvements, this would inevitably lead to:

- substantially worsening problems of congestion;
- reduced reliability of road-based public transport services;
- increased travel times;
- worsening reliability for freight movements; and
- additional traffic leading to further safety problems.

4.13 Sussex Enterprise estimate that the current failings of the transport system already costs each business in Sussex nearly £29,000 per year. Not only would a worsening transport system lead to a year-on-year increase in this cost, it would also make it even more difficult to attract inward investment. Through the Sussex Annual Business Survey, over a fifth (22%) of local businesses have said they will have to consider re-locating from this area unless the transport infrastructure improves soon. It is therefore imperative that everything possible is done to avoid any such outcome that could only fatally undermine all other efforts to promote the economic regeneration of the Sussex coastal towns.

5 **Integrated spatial planning**

5.1 It should be clear from the preceding review of issues and current directions for the Sussex coastal towns that there can be no simple, single solution to the problems of the sub-regional economy. Good forward planning alone will not be able to successfully respond to the major challenges facing the Sussex coastal towns, as the complex problems that need to be overcome relate as much to issues regarding implementation and viability.

5.2 On a practical, day-to-day basis, this understanding has increasingly informed the activities of a wide range of public and private bodies that share a common concern for the future economic prosperity and overall well-being of different parts of the sub-region. It is reflected in the work of the main economic partnerships for East Sussex, Brighton & Hove and West Sussex and the economic strategies that they have developed in the context of both regional/strategic planning guidance and the Regional Economic Strategy.

5.3 The need for such an integrated approach to economic development also permeates the work of all the Local Strategic Partnerships across the sub-region and the community plans they have produced to help co-ordinate priorities and activities aimed at promoting social, economic and environmental well-being. Clearly, therefore, there is a widespread appreciation across the sub-region of the need to act in partnership and to take concerted action on a wide range of fronts to achieve a shared vision of our sustainable economic development objectives. Such a commitment underlies a number of important partnership initiatives aimed at developing and delivering local (but regionally significant) regeneration programmes/objectives, including the Hastings and Bexhill Five Point Plan and the Shoreham Maritime Regeneration Strategy.

5.4 The regeneration of the coastal towns and improvements to the quality of life within the area will not take place unless the social and environmental needs of residents, employees and visitors to the area are also considered alongside their economic needs. Only providing space to live and to work would lead to a very poor quality of life if there were not also sufficient space to play. It is therefore vital that all new developments and regeneration proposals take proper account of the whole community's need for social space. This must include sufficient green and open space such as parks, gardens and seafront promenades as well as other social infrastructure such as community centres, sports facilities, performance venues and medical clinics/surgeries etc. in the various communities. It is essential that residents groups and other key community stakeholders are involved in identifying requirements for, and developing such social spaces.

5.5 All the initiatives and partnership activities outlined above are fully consistent with the key conclusions of a major research study conducted for SEERA to identify the necessary cornerstones of any strategy aimed at reducing intra-regional disparities¹. This emphasised the importance of:

- acting on a wide range of fronts (rather than focusing on a single cause/policy lever);
- not focusing on short-term targets but encouraging systematic development and change;
- civic leadership, responsive institutions, high aspirations and consistent stakeholder alignment behind a coherent vision and medium- to long-term strategy;
- understanding demand and encouraging an entrepreneurial culture; and
- developing skills; as well as
- physical improvements (e.g. to accessibility, the availability of quality sites and premises for different types/size of business, urban renewal etc.).

5.6 Finally, such an awareness is wholly reflected in the various Area Investment Frameworks (AIF) that have recently been produced for Hastings and Bexhill, the rest of East Sussex, Brighton & Hove and Adur and, also, Coastal West Sussex. As the review and discussion of strategic

¹ Structure and Dynamics of the South East Economy: Reducing Intra-Regional Disparities – Arup, Miles Strategic Consulting and Robert Huggins Associates, 2003.

economic development objectives for the sub-region makes clear in the following section of this report, there is a striking similarity in the priority investment themes outlined in the four AIFs, particularly around the need to:

- deliver support to ensure the ready availability of quality business sites and premises to attract, increase and retain business investment;
- raise basic education standards, and improve adult and higher-level skills;
- improve transport and communications to promote a step-change in the availability and use of ICT/broadband and in the quality of the supporting transport infrastructure.