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Summary

i. Regeneris Consulting and Carter Jonas have been commissioned by Wealden District Council to carry out Economic and Retail Studies to inform the development of the Wealden Local Plan for 2013 to 2037.

ii. The Economic Study has involved the following three stages of work which have informed this report:

- **Stage 1: Baseline evidence** – developing an evidence base on the current situation with regards to the economy, retail and town centres.

- **Stage 2: Defining needs and demand** – research to identify the need and demand for employment and retail land and premises as well as the total number of jobs associated with these sectors.

- **Stage 3: Options and Recommendations** - formulating recommendations for the Wealden District Local Plan based on stages 1 and 2.

FEA and Socio-economic Baseline

iii. The first step in undertaking a review of the economy of the Wealden District is to identify its functional economic area (FEA). There is no standard approach to defining the FEA, however PPG suggests assessing several factors such as travel to work areas, housing market areas, the flow of goods, services and information, administrative boundaries and transport networks.

iv. Based on our analysis, we identify strong commuting and migration flows between Wealden and its surrounding districts within East Sussex, in addition to Tunbridge Wells and Mid Sussex. House price data also shows that house prices in Wealden are in line with those in the surrounding districts, suggesting that the housing market area identified for the Wealden SHMA implies a sensible FEA for the district.

v. Taking all evidence into account, we define Wealden’s FEA as consisting of the following districts: **Wealden, Tunbridge Wells, Eastbourne, Lewes, Mid Sussex** and **Rother**.

Policy Context

vi. National, regional and local policy guide the context in which economic development and planning takes place. At the regional-level the South East LEP’s Strategic Economic Plan sets out the LEP’s ambition to create 200,000 new jobs and build 100,000 new homes, whilst also leveraging £10 billion of inward investment to the LEP area. The A22/A27 corridor is identified as one of the key growth corridors across the LEP, with capacity for 5,000 jobs and 3,000 new homes by 2021. Similarly, the East Sussex Growth Strategy highlights the A22/A26/A27 (Eastbourne-Polegate-Uckfield-Crowborough corridor) as offering several opportunities East Sussex can take advantage of.

vii. The district’s Core Strategy Local Plan identifies the need for 40,000 sq. metres of net additional employment floorspace, and 9,440 additional homes across the district between 2006 and 2027 (ie. 450 dwellings per annum). The recently released Wealden SHMA concludes that an appropriate objectively assessed housing need (OAN) for the district would range from 660 to 735 dwellings.
per annum with the top of the range providing housing to meet the forecast increase in jobs, whilst also improving affordability.

viii. The publication of the Issues, Options and Recommendations Consultation paper by Wealden District Council in October 2015 provided an updated housing requirement to be tested of 832 dwellings per annum, resulting in the ambition to deliver around 19,970 dwelling between 2013 and 2037.

The Wealden Economy

ix. There are around 44,200 jobs in Wealden, representing around 18% of total employment within FEA. The district is also home to 8,900 businesses representing around 1-in-4 of all businesses in the FEA. Over the past 5 years, employment in Wealden increased by around 500 jobs (+1%), whilst the district’s business base increased by around 500 businesses (+6%).

x. Wealden’s labour market performs relatively well with around 74,200 economically active residents, and low levels of unemployment. Employment in the district is dominated by wholesale and retail (18%), accommodation and food (12%) and human health and social work (12%). Several other sectors have been identified as being important for the area by the LEP, including advanced manufacturing, life sciences and healthcare, environmental technologies and energy, the creative, culture and media sector, as well as the visitor economy.

Commercial Property Market Assessment

xi. There is a relatively small office market in Wealden compared with other locations in the FEA such as Tunbridge Wells and Mid Sussex. Availability of office space in the Wealden District (in July 2016) was limited, consisting mainly of smaller units, none of which were greater than 5,000 sq. feet. This reflects constrained supply locally resulting from the lack of speculative office development.

xii. On the other hand, Wealden has a reasonably strong industrial market, with the data suggesting that overall demand for industrial space having experienced an upward trend particularly for medium and larger units. Despite its strength, the industrial market in Wealden is characterised by older stock, with many local businesses having difficulties with finding high quality floorspace with suitable modern facilities (incl. superfast broadband and good road connectivity).

xiii. Data on past completions from 2005 to 2015 indicates that around 65,000 sq. metres of net additional employment floorspace was delivered in Wealden. This consists of 19,700 sq. metres of office (B1a/B1b), 15,800 sq. metres of manufacturing (B1c/B2), and 29,900 sq. metres of warehouse (B8) floorspace.

Future Growth Scenarios

xiv. The demand for future employment floorspace is based on the assessment of the following:

- **employment-led scenarios**: using sectoral employment forecasts to assess potential future demand for land and floorspace
- **past completions approach**: projections which are based on past completions of net additional employment floorspace in the district
- **labour supply approach**: based on how employment might change, and the related employment land needs considering projected growth in the area’s resident workforce.
Employment-led Growth

The assessment of employment land need based on employment-led growth draws on three data sources, which include the East of England Forecasting Model (EEFM), the Experian UK Local Market Forecasts, and the East Sussex Economic Forecasting Model (ESEFM). The diagram below compares past and future employment change across Wealden for 2000 to 2015, and from 2015 to 2037.

**Comparison of past and future trends in economic forecasts for Wealden**

![Diagram comparing past and future employment trends in Wealden](image)


Overall, the three forecasts show different growth trajectories ranging from 8,140 jobs (in Experian), to 11,500 jobs (in EEFM) and 13,375 jobs (in ESEFM). There appears to be broad agreement between the three forecasts in terms of the annual growth rate expected (ranging from 0.7% to 0.8% per annum), in addition to which sectors will grow and which ones will decline between 2015 and 2037. The drivers of growth in Wealden are expected to be the professional services, food and accommodation services, construction, and business services. Other key sectors will include arts and entertainment (including creative & cultural industries), as well as health care. On the other hand, manufacturing and the public sector are both expected to see a decline between 2015 and 2037.

**Total employment in the Wealden District, 2005-15 & 2015-37**

<table>
<thead>
<tr>
<th></th>
<th>Total employment (000s)</th>
<th>Change 2005-15</th>
<th>Change 2010-15</th>
<th>Change 2015-37</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'05</td>
<td>'10</td>
<td>'15</td>
<td>'37</td>
</tr>
<tr>
<td>EEFM</td>
<td>54.2</td>
<td>58.1</td>
<td>64.9</td>
<td>76.4</td>
</tr>
<tr>
<td>Experian</td>
<td>49.9</td>
<td>51.2</td>
<td>52.7</td>
<td>60.8</td>
</tr>
<tr>
<td>ESEFM</td>
<td>57.1</td>
<td>61.1</td>
<td>66.9</td>
<td>80.2</td>
</tr>
</tbody>
</table>


Please note: Annual figures are rounded to the nearest multiple of 5.

The employment forecasts are largely in line with each other in terms of the requirements they suggest for office (B1a/B1b) and manufacturing (B1c/B2) uses. However, they are not in agreement.
in terms of what they suggest for distribution (B8) requirements. The requirements range from a decline of 4.9 hectares as per the Experian forecasts to an increase of 1.8 hectares for the ESEFM forecasts.

Past Completions

xviii. Past trends in completion rates of employment floorspace offer an alternative view of how the demand for employment land might change in the future. Over a long enough period, these scenarios can be a useful means of identifying future trends in demand as they reflect the actual development patterns on the ground. Data provided by Wealden District Council indicates that over the long-term (ie. 2005 to 2015) around 2,000 sq. metres of office (B1a/B1b) space were delivered each year. The delivery of manufacturing (B1c/B2) and distribution (B8) employment floorspace averaged 1,600 sq. metres and 3,000 sq. metres respectively each year.

xix. Based on these completion rates we expect the need for office (B1a/B1b) land to be 6.6 hectares between 2015 and 2037. Over this period we expect the need for industrial (B1b/B2) and distribution (B8) land to be 12.1 hectares and 15.2 hectares respectively.

Labour Supply Scenario

xx. The labour supply scenario is based on projected population growth in the Wealden District as a result of the construction of around 19,970 dwellings between 2013 and 2037. This is based on the Council’s emerging plans published in the Issues, Options and Recommendations Consultation paper which recommends that 832 new dwellings should be delivered each year over the plan period. The increase in population as a result of delivering this growth is expected to support around 7,800 additional jobs in the district.

xxi. Based on this expected level of growth we expect the need for office (B1a/B1b) employment land to be 2.5 hectares between 2015 and 2037. Like the EEFM and Experian, under this scenario we expect that demand for manufacturing (B1c/B2) and distribution (B8) employment land will decline by 5.9 hectares and 2.9 hectares between 2015 and 2037.

xxii. The table below provides an overview of our assessment of employment land need in the Wealden District between 2015 and 2037. It shows a detailed breakdown for both total and annual values for employment floorspace (in sq. metres) and employment land (in hectares).

xxiii. In addition, there are several planned investments across the Wealden District and East Sussex which may affect the economic prospects of the district. These include investments in Uckfield town centre, improvements to key transport infrastructure (including the junction between the A22 and A27).
Conclusions and Recommendations for the Future

The following are our initial conclusions on the realism of the scenarios for Wealden District between 2015 and 2037:

- The two scenarios based on past completions (ie. 5 and 10 year trends) indicate that the requirements for employment land are significantly above any of the other forecasts. We have examined the long-term scenario in more detail to understand the extent to which this scenario is plausible.
  - Taking account of some of the bigger schemes which have occurred in the past, and removing them from the long-term scenario, suggests that this is a plausible scenario as well.
  - There are several schemes (or subsequent phases) which are likely to come forward in the future, including the Swallow Business Park in Lower Dicker, and the Ashdown Business Park in Maresfield. This suggests that high levels of growth similar to historic levels of demand could occur in the future.
  - Our assessment of current supply suggests that a large proportion of the existing stock of premises in the Wealden District is sub-optimal and therefore will likely need to be replaced in the future. Although this study has not quantified the amount of floorspace that needs to be replaced, we believe that these scenarios
Wealden Economy Study

(ie. based on 5 and 10 year trends) allows for both growth in employment need as well as opportunities to replace current stock within the district.

- Under the long-term (ie. 10-year) scenario, total manufacturing (B1c/B2) and distribution (B8) employment land need to 2037 are set at 12.1 hectares and 15.2 hectares respectively. These figures are contrary to what the other scenarios investigated suggest. However, based on our discussions with commercial property agents we think that this scenario reflects the commercial property market (ie. both the delivery of and take-up of employment land) in the district.

- Adopting this scenario would allow for plenty of capacity if growth did indeed exceed the forecasts which we have examined (ie. EEFM, Experian and ESEFM). The importance of this scenario is highlighted by Planning Practice Guidance (PPG) which suggests that its outcome should be taken into consideration. Furthermore, this scenario is in line with NPPF, in that it does not take a cautious view of future economic growth across the Wealden District.

- The three employment forecasts used (ie. EEFM, Experian and ESEFM) are largely in line with each other in terms of the requirements they suggest for office (B1a/B1b) and manufacturing (B1c/B2) uses. However, they do not agree on the need for distribution and warehouse (B8) land. The requirements range from a decline of 4.9 hectares (per the Experian forecasts) to an increase of 1.8 hectares (per the ESEFM forecasts) to 2037.

- The labour supply scenario is largely in line with the employment forecasts for office (B1a/B1b) and manufacturing (B1c/B2) uses. As with the EEFM and Experian forecasts, this approach suggests that there will be a decline in the requirements for distribution (B8) land.

- Taking our consultations and research into account, we conclude that the labour supply scenario would represent a reasonable view of what is likely to happen in the future. This is largely in line with the EEFM and Experian forecasts which provide a credible view of what might happen in the future.

- It is also important to note that the quality of industrial and distribution uses needs to be improved to support current and any future opportunities. Adopting the long-term, past completions scenario would allow for additional land to be provided, should employment growth exceed the forecasts uses, whilst also providing opportunities for improving the current stock available. As such, Wealden District Council may wish to adopt this scenario for the future.

Demand and Supply Assessment

Our research into the current supply of employment land in the Wealden District has shown that overall supply is in the region of 31.5 hectares. The table below gives an overview of current supply, in addition to the floorspace available, and whether sites have planning permission or not.
Supply of employment land in the Wealden District

<table>
<thead>
<tr>
<th>Site area (ha)</th>
<th>Floorspace (sq. metres)</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashdown Business Park</td>
<td>13.3</td>
<td>23,000</td>
</tr>
<tr>
<td>Land at West Uckfield</td>
<td>3.2*</td>
<td>12,650</td>
</tr>
<tr>
<td>Employment land at Hackhurst Lane</td>
<td>8.0</td>
<td>14,829</td>
</tr>
<tr>
<td>Land at North Hailsham</td>
<td>2.5</td>
<td>8,650</td>
</tr>
<tr>
<td>Land at South Polegate and East Willingdon</td>
<td>2.2*</td>
<td>8,600</td>
</tr>
<tr>
<td>Land at Dittons Road</td>
<td>2.1*</td>
<td>8,290</td>
</tr>
<tr>
<td>Land at Dittons Road</td>
<td>0.2*</td>
<td>1,745</td>
</tr>
<tr>
<td>Total</td>
<td>31.5</td>
<td>77,764</td>
</tr>
</tbody>
</table>

Source: Based on information from Issues, Options and Recommendations Consultation Document, and planning application information from the Council’s planning portal.

*Please note that site areas marked with an asterisk (*) have been estimated based on assumption for converting floorspace into employment land need. For more information on method, please see the following chapter.

**The land at South Polegate and East Willingdon has been allocated for a considerable amount of development including 8,600 sq. of employment land, 700 new dwellings as well as retail, leisure and community facilities. As of end of August 2016, a planning application for the site is still yet to be submitted.

xxvii. The labour supply scenario which is based on the Council’s emerging plans to deliver 832 dwellings per annum between 2013 and 2037 would result in the demand for 2.5 hectares. It is clear therefore that at present there is sufficient land supply to support the growth of the district’s workforce over the 2015-37 period. There are currently no barriers to the delivery of these sites.

Conclusions and Recommendations

xxviii. The following is a list of our conclusions and recommendations:

- Based on our assessment of the different scenarios for employment land need in the Wealden District we conclude that the labour supply scenario represents the most reasonable view of what is likely to happen in the future. Having said that, we acknowledge that the long-term, past completions scenario would allow for additional land to be provided should employment growth exceed the forecasts used, whilst also providing opportunities for improving the current stock available.

- All scenarios assessed agree that the demand for good quality office (B1a/B1b) space will be a key driver of growth in the Wealden District. Ensuring that the district has a supply of good quality office space will also improve the district’s competitiveness across East Sussex and the wider South East region.

- Wealden is home to a relatively large number of highly-skilled individuals, many of whom commute outside of the district (often to London) for work. In planning for future employment land need, the Council should consider the opportunities afforded by such a large (and highly-skilled) workforce, as well as the opportunities provided by a growing population. Providing good quality and affordable office (B1a/B1b) space would not only support more people to work from home, but would also encourage more people to set up their own businesses.

- This, however, can only be achieved if the infrastructure needed to support this type of growth is available. Our consultations have highlighted concerns with the district’s road network, as well as superfast broadband and mobile network coverage. This means that
any future developments should consider improvements to the district’s infrastructure alongside the future release and/or development of employment land within the district.

- The recently-published Issues, Options and Recommendations Consultation paper sets the district’s housing requirement between 2013 and 2037 at 832 dwellings per annum. Most of this growth is expected to be concentrated in the southern half of the district around the Hailsham and Polegate areas. In planning for this growth it is important to consider what makes Wealden a place where people want to live, whilst also providing assets to ensure the area’s attractiveness is maintained by delivering adequate retail and leisure facilities as well as high quality public realm and town centres.

- The South East LEP is in the process of refreshing its Strategic Economic Plan. Wealden District Council should take this as an opportunity to use its strengths in high-tech manufacturing, advanced engineering, creative, cultural and digital technologies, as well as the visitor economy to reposition itself better within the LEP area.

- Despite the government backing expansion at Heathrow Airport, there is still a lot of uncertainty surrounding this decision, and where a new runway should be built. In addition, there is also a lot of uncertainty surrounding Brexit (and other global events), and how the triggering of Article 50 (and eventual departure from the EU) would affect the national and local economies. Both instances however, support the need for a flexible approach. This would enable the District Council to take advantage from any opportunities that might result from these or any other events.
1. Introduction and Purpose of Study

1.1 Regeneris Consulting and Carter Jonas have been commissioned by Wealden District Council to carry out Economic and Retail Studies to inform the Wealden Local Plan.

1.2 There are three stages to this work, which can be summarised as follows:

- **Stage 1: Baseline Evidence** – provides an evidence base on the current situation with regards to the economy, retail and town centres.
- **Stage 2: Defining Needs and Demand** – identifies the need and demand for employment and retail land and premises and the total number of jobs associated with these sectors.
- **Stage 3: Options and Recommendations** – makes recommendations for the Wealden Local Plan based on stages 1 and 2.
- **Stage 4: Duty to Co-operate Document** – identifies the impact of all three stages on adjoining and nearby Local Authority areas.

1.3 This report provides the stage 1, 2 and 3 findings and focuses on the economy in Wealden. A separate report produced by Carter Jonas sets out the retail findings for stages 1, 2 and 3.

1.4 The study is intended to provide a key contribution to the evidence being assembled by Wealden District Council as they develop their Local Plan. It is set in the context of the requirements for plan making specified in the National Planning Policy Framework, and in the specific guidance on planning to meet economic needs set out in the Planning Practice Guidance.

Report Structure

1.5 The remainder of this report is set out under the following headings:

- **Section 2 Defining the functional economic market area (FEMA):** sets out our evidence on the FEMA for the area which includes Wealden, Eastbourne, Tunbridge Wells, Rother, Lewes and Mid Sussex. This is the same as that set out in the SHMA.
- **Section 3 Policy context:** sets out the key economic policies which are relevant at a national, regional and local level.
- **Section 4 Wealden economy:** provides an overview of the key socio-economic indicators which help to build a clear picture on the current structure of the economy and its past performance.
- **Section 5 Commercial Property Market Assessment:** provides an overview of the current position and past market trends in commercial development. It also summarises the supply position in terms of available employment land for Wealden.
- **Section 6 Future Growth Scenarios:** draws on evidence from past economic performance, the take up of floorspace and land along with employment forecast data to provide a set of growth scenarios for Wealden. It translates these scenarios into implied floorspace and land requirements.
- **Section 7 Conclusions:** provides conclusions and recommendations for Wealden District.
2. Defining the Functional Economic Area

Summary

- The first step in undertaking a review of the economy of the Wealden District is to identify its functional economic area (FEA).
- There is no standard approach to defining the FEA, but PPG suggests assessing a number of factors such as travel to work areas, housing market areas, the flow of goods, services and information, administrative boundaries and transport network.
- The analysis presented below shows strong commuting and migration flows between Wealden and its surrounding districts within East Sussex. It also shows that house prices across East Sussex are fairly in line with each other.
- Taking all the evidence into account, Wealden’s FEA is defined as consisting of the following districts: Wealden, Tunbridge Wells, Eastbourne, Lewes, Mid Sussex and Rother. This is in line with the Housing Market Area (HMA) identified in the 2015 SHMA for Wealden.

2.1 The first step in undertaking a review of the economy for the Wealden District is to identify the functional economic area (FEA) for the study area. This allows for employment growth and resulting employment land needs to be considered across a more realistic geography than that presented by looking at districts in isolation.

2.2 There is no standard approach or data source to define a FEA, and government guidance suggests the use of a range of indicators. The Planning Practice Guidance (PPG) published in 2014 offers the following advice on defining a FEA:

> ‘The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area. Factors for consideration in defining an area’s FEMA include:

- extent of any Local Enterprise Partnership within the area;
- travel to work areas;
- housing market area;
- flow of goods, services and information within the local economy;
- service market for consumers;
- administrative area;
- catchment areas of facilities providing cultural and social well-being;
- transport network.’

Source: Planning Practice Guidance, CLG, 2014
Methodology

2.3 In assessing the FEA for the Wealden District we have collated and analysed data from across a number of indicators presented above. As there is no one source for defining the FEA we have assessed these datasets in the round. Importantly, a key component in defining a locality’s FEA is the evidence and findings used to define the housing market area (HMA). This includes commuting patterns, house prices and migration trends. The analysis of the HMA draws on the HMA identified in the Wealden District Council Strategic Housing Market Assessment report published in December 2015.

2.4 The indicators set out in the PPG to inform the FEA vary in the amount of data available, and are not always up-to-date or prepared on a consistent basis. We have given a degree of weight to each indicator according to the quality of the data. We consider the travel to work, migration and house price data to be the most reliable and robust, given that they are based on consistent and up-to-date data. Data on the flow of goods, services and information (ie. business flows) and transport connectivity is less useful due to data gaps and lacks of consistency in data collection.

2.5 The data and evidence sources used in identifying the Wealden include the following:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Method / Source</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel to work areas</td>
<td>Travel to work areas (Census 2011)</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td></td>
<td>Detailed commuting patterns (Census 2011)</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td>Housing market area</td>
<td>Wealden District SHMA (December 2015)</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td></td>
<td>Migration</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td></td>
<td>House prices</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td>Local Enterprise Partnership (LEP)</td>
<td>South East LEP</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td>Administrative area</td>
<td>East Sussex and LA boundaries within</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td>Service market for consumers</td>
<td>Comparison spend retail flows (Shopping Study, 2008)</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td>Transport network</td>
<td>Road and rail connectivity</td>
<td>✔️</td>
</tr>
</tbody>
</table>

Weight given to data: ✔️ = weak ✔️ ✔️ = medium ✔️ ✔️ ✔️ = strong

Travel to Work Areas

2.6 Travel to work data from the 2011 Census highlights strong commuting flows between Wealden District and Eastbourne, Tunbridge Wells, Lewes, Crawley, Rother and Mid Sussex. The table below also shows a strong travel to work relationship with Westminster and the City of London, albeit mostly a one-way flow towards London.

2.7 Around 21,600 people live and work within the district, resulting in an overall self-containment rate of around 42%. Nevertheless, the district experiences a daily net out-commuting flow of around 15,300 people, mainly to other districts and boroughs across East Sussex as evidenced in Table 2.1 below.
Table 2.1 Key commuting flows to and from Wealden District, 2011

<table>
<thead>
<tr>
<th></th>
<th>In commuting to Wealden District</th>
<th>Out commuting from Wealden District</th>
<th>Net commuting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wealden</td>
<td>21,600</td>
<td>21,600</td>
<td>-</td>
</tr>
<tr>
<td>Tunbridge Wells</td>
<td>1,600</td>
<td>4,100</td>
<td>-2,500</td>
</tr>
<tr>
<td>Eastbourne</td>
<td>4,200</td>
<td>6,600</td>
<td>-2,400</td>
</tr>
<tr>
<td>Westminster &amp; City of London</td>
<td>0</td>
<td>2,000</td>
<td>-2,000</td>
</tr>
<tr>
<td>Lewes</td>
<td>1,800</td>
<td>3,100</td>
<td>-1,300</td>
</tr>
<tr>
<td>Crawley</td>
<td>200</td>
<td>1,300</td>
<td>-1,100</td>
</tr>
<tr>
<td>Mid Sussex</td>
<td>1,400</td>
<td>2,400</td>
<td>-1,000</td>
</tr>
<tr>
<td>Brighton and Hove</td>
<td>800</td>
<td>1,500</td>
<td>-700</td>
</tr>
<tr>
<td>Rother</td>
<td>1,700</td>
<td>1,400</td>
<td>+300</td>
</tr>
<tr>
<td>Hastings</td>
<td>800</td>
<td>700</td>
<td>+100</td>
</tr>
<tr>
<td>Total (excl. Wealden)</td>
<td>15,000</td>
<td>30,000</td>
<td>-15,300</td>
</tr>
</tbody>
</table>

Source: ONS, Census of Population, 2011

2.8 The maps below show detailed in and out commuting flows (larger than 25 people per LSOA) for the Wealden District. Both maps show strong connections with Eastbourne, Lewes, Rother, Tunbridge Wells and Crawley. The diagrams below also show that people from Wealden generally travel further out than people from outside the district travel to work in Wealden.

Figure 2.1 Detailed in commuting to Wealden District

Figure 2.2 Detailed out commuting from Wealden District


Higher resolution copies of these maps are included in the Appendices.

2.9 The Office for National Statistics has recently published new travel to work area (TTWA) definitions based on the 2011 Census, which divide the whole country into separate TTWAs. The diagram below identifies the TTWAs that influence the Wealden District. It shows that the Wealden District is influenced primarily by two TTWAs, which are the Eastbourne TTWA covering the area south of Uckfield and stretches to Eastbourne, and the Tunbridge Wells TTWA which is primarily influenced by Tunbridge Wells. In addition, parts of Wealden are also influenced by the Crawley and Hastings TTWAs respectively.
Implication for the Functional Economic Area

- Strong out commuting flows between Wealden District and Tunbridge Wells, Eastbourne, Westminster and City of London, Lewes, Crawley, Mid Sussex and Brighton and Hove.
- Tunbridge Wells and Eastbourne TTWAs imply strong links with Lewes and Eastbourne (to the south) as well as Tunbridge Wells and Rother (to the north).
- Wealden, Tunbridge Wells, Eastbourne, Lewes, Mid Sussex, Rother and Brighton and Hove form a contiguous area forming a sensible FEA for the Wealden District.
Housing Market Area

2.10 The recently-published Wealden District Strategic Housing Market Assessment (published in December 2015), defines the housing market area (HMA) for the Wealden District. In defining the HMA the SHMA suggests that it “is better understood as a grouping of local authorities which may have the strongest relationships with Wealden” and that it is centred around the Wealden District. As such, the SHMA’s definition of the HMA encompasses a wider area beyond the district’s boundaries to include Wealden, Eastbourne, Tunbridge Wells, Rother, Lewes and Mid Sussex.

Figure 2.4 Strategic housing market area for Wealden District


Please note that the strategic housing market area definition is based on that identified in the Wealden District Council’s Strategic Housing Market Assessment published in December 2015.

Migration

2.11 Paragraph 11 of the PPG states that analysis of migration flow patterns can be used to identify the areas within which a relatively high proportion of household moves are contained. It suggests a threshold of 70% for an area to be considered a self-contained housing market area.

2.12 Data from the 2011 Census shows that in the 12 months to the census there were around 6,800 internal moves within the district, representing over half (50.4%) of all moves originating from Wealden. The table below lists the migration flows into and out of the Wealden District from its surrounding local authorities. It shows strong migration flows between Wealden and Eastbourne, Tunbridge Wells, Rother, Lewes and Mid Sussex.

2.13 Overall, Wealden has seen an increase of over 400 migrants in the 12 months to the Census in 2011. Analysis of the migration figures presented in the table below shows that the HMA identified in the Wealden District’s SHMA (from December 2015) reaches the PPG’s suggested threshold of 70% self-containment.
Table 2.2 Migration flows between Wealden District and surrounding local authorities

<table>
<thead>
<tr>
<th></th>
<th>In migration to Wealden District</th>
<th>Out migration from Wealden District</th>
<th>Net migration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>% of total</td>
<td>No.</td>
</tr>
<tr>
<td>Moves within Wealden*</td>
<td>6,800</td>
<td>48.8%</td>
<td>6,800</td>
</tr>
<tr>
<td>Eastbourne*</td>
<td>1,200</td>
<td>8.5%</td>
<td>1,100</td>
</tr>
<tr>
<td>Tunbridge Wells*</td>
<td>700</td>
<td>5.3%</td>
<td>600</td>
</tr>
<tr>
<td>Rother*</td>
<td>400</td>
<td>3.0%</td>
<td>500</td>
</tr>
<tr>
<td>Lewes*</td>
<td>600</td>
<td>4.2%</td>
<td>400</td>
</tr>
<tr>
<td>Mid Sussex*</td>
<td>500</td>
<td>3.5%</td>
<td>300</td>
</tr>
<tr>
<td>Brighton and Hove</td>
<td>300</td>
<td>2.4%</td>
<td>300</td>
</tr>
<tr>
<td>Hastings</td>
<td>100</td>
<td>0.7%</td>
<td>100</td>
</tr>
<tr>
<td>flows within HMA</td>
<td>10,200</td>
<td>73.3%</td>
<td>9,700</td>
</tr>
<tr>
<td>identified in SHMA</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: ONS, Census of Population, 2011
Please note: Districts followed by * are within Wealden District’s HMA as defined in the SHMA.

House Prices

2.14 The housing market in Wealden District is influenced by the surrounding areas as well as the existing London housing market. This supports the concept of the London Commuter Belt housing market, and is characterised by strong commuting relationships with London and higher house prices relative to areas at a further distance from the capital.

2.15 Based on ONS data (and drawing on Land Registry data), the median house price in Wealden District in 2015 (Q3) was £270,000. There are notable differences in house prices across East Sussex and Wealden District’s HMA. Median house prices in Eastbourne are the lowest across the HMA at £199,950, whilst median house prices in Tunbridge Wells and Mid Sussex are considerably higher at £295,000 and £300,000 respectively.

2.16 The map below also shows that there are marked differences in median house prices within the Wealden District. It shows a north-south divide with areas in the northern half (including Uckfield, Mayfield and Crowborough) having a higher median house price (between £240,000 and £300,000) than areas to the south of the district (such as Heathfield, Hailsham, Polegate and Willingdon).
Wealden Economy Study

Figure 2.5 Median house prices in Wealden District and surrounding areas (Q3 2015)

Table 2.3 Median house prices in Wealden District and surrounding district (Q3 2015)

<table>
<thead>
<tr>
<th>Location</th>
<th>Median house prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wealden</td>
<td>£270,000</td>
</tr>
<tr>
<td>Eastbourne</td>
<td>£199,950</td>
</tr>
<tr>
<td>Tunbridge Wells</td>
<td>£295,000</td>
</tr>
<tr>
<td>Mid Sussex</td>
<td>£300,000</td>
</tr>
<tr>
<td>Lewes</td>
<td>£275,000</td>
</tr>
<tr>
<td>Rother</td>
<td>£245,000</td>
</tr>
<tr>
<td>Brighton and Hove</td>
<td>£294,000</td>
</tr>
<tr>
<td>Hastings</td>
<td>£167,500</td>
</tr>
</tbody>
</table>


Implication for the Functional Economic Area

- HMA identified in SHMA implies a sensible FEA for the Wealden District.
- Strong migration links between Wealden and surrounding districts. HMA identified in the Wealden District’s SHMA reaches threshold of 70% self-containment rate identified by PPG.
- Median house prices in Wealden are in line with those in surrounding districts, with the exception of Eastbourne and Hastings, both of which are comparatively lower. Whilst there is no arguing Eastbourne’s role in Wealden’s FEA, median house prices in Hastings are around £100,000 lower than those in Wealden District, suggesting that Hastings is not part of the district’s FEA.
Local Enterprise Partnership & East Sussex CC

2.17 Wealden District is located within the administrative boundary of the East Sussex County Council (ESCC) as well as the South East Local Enterprise Partnership (SE LEP). The SE LEP is a strategic body bringing together the public and private sectors from across Essex, Kent and Sussex to support economic growth, and has a number of federated local boards based on different geographical areas.

2.18 In its **Strategic Economic Plan** (SEP) the SE LEP identifies a number of growth corridors / areas across the LEP area, with parts of Wealden District identified as forming part of the A22/A27 Eastbourne-South Wealden growth area which encompasses also Eastbourne, Lewes, Hailsham and Uckfield.

2.19 The SE LEP has identified a total of over £40 million of funding for East Sussex to be spent by 2021, with the main projects being:

- £31.5 million (through Local Growth Fund allocations) to support investments in the A22/A27 corridor such as accessibility improvements in Uckfield town centre and improvements to walking and cycling facilities in the Eastbourne / South Wealden area

- £12.0 million (through Local Growth Fund allocations) to support SEFUND proposals, which include the development of an innovation park in Polegate and improvements to Sovereign Harbour.

2.20 On the other hand, the East Sussex County Council’s **East Sussex Growth Strategy** (currently under appraisal), identifies three growth corridors across the County, with the A22/A26/A27 Eastbourne-Polegate-Uckfield-Crowborough corridor being identified as one of these.

**Implication for the Functional Economic Area**

- Both South East LEP and East Sussex County Council identify the importance of the A22/A27 corridors to the economy of East Sussex.
- Definitions vary slightly, with East Sussex County Council also including the A26 which connects Lewes to Uckfield.

**Flows of Goods and Services**

2.21 The flow of goods and services from businesses to consumers (ie. consumer markets) and between businesses (supply chains) can be used as a proxy to represent the business market of an area. Data from the **2014 East Sussex Business Survey** shows that around 39% of the businesses surveyed identified a 10-mile radius (or their respective district) as their main business market. However, this varies greatly, and for around 55% of the businesses surveyed East Sussex is now considered as their main market area. A further 1-in-5 (or 18%) businesses identify the South East region as their main market area.
2.22 The figures quoted above are averages for the whole of East Sussex, and vary by business sector, size and location. For instance, more than half (57%) of the wholesale and retail businesses in East Sussex see 10 miles as their main market areas, compared with 47% of the hotels and restaurants surveyed. In addition, micro (i.e. businesses with fewer than 10 employees) and small businesses (10-49 employees) were more likely to identify their respective local authority area as their main market area.

2.23 Furthermore, businesses were asked if they exported any of the products and/or services to outside of the local area. This varied from 18% of the businesses in Eastbourne and Lewes to fewer than 12% in the Wealden District. This may change in a post-Brexit Britain, with a much more concentrated effort on exporting. However, at this stage it is still too early to estimate how many businesses in the district would be interested to export post-Brexit.

### Implication for the Functional Economic Area
- The 2014 East Sussex Business Survey makes a strong case for the County boundary to be identified as the FEA (over half of businesses identify East Sussex as their main business market).
- Evidence presented in the survey, however shows that only around 12% of businesses in Wealden export their products and/or services outside of their local area. Service Market for Consumers

2.24 The main source of information and evidence for consumer services, covering retail and leisure are local retail and leisure studies. The majority of these studies indicate preferred retail destinations for food (convenience) and other shopping (comparison). This information is primarily based on surveys of local residents and is often published in a retail capacity / local shopping study.

2.25 The latest available version of a retail study for the Wealden District was published in October 2008, followed by an addendum report in April 2010. The household survey informing these studies was taken in November 2007, making the assessment somewhat out of date.

2.26 As part of the Economic and Retail Studies for the Wealden Local Plan, a new household survey and retail study has been undertaken (by Carter Jonas). Unfortunately, the results from this survey was not available to input into this part of the study, and as such (despite being somewhat out of date) a brief overview of the key trends identified in the previous shopping study is included below.

### Retail

2.27 Wealden District is characterised by key shopping facilities in the five key settlements, in addition to other facilities that service day-to-day shopping needs in the district’s smaller centres. However, sub-regional shopping centres, such as Tunbridge Wells (in the north) and Eastbourne (in the south) exert considerable influence on the retail market of the Wealden District.

2.28 Overall, convenience shopping in Wealden District tends to be less extensive than that for other non-shopping trips. Wealden sees considerable leakage when it comes to convenience shopping, with the survey estimates (from November 2007) suggesting that less than 45% of existing convenience expenditure being retained by stores within the district.

2.29 On the other hand, in terms of comparison goods, the study suggested that none of the main towns within the Wealden District could claim to provide an extensive comparison goods offer. This study concludes by suggesting that the Wealden District sees strong connections to its sub-regional centres, especially with Tunbridge Wells (in the north) and Eastbourne (in the south).
Leisure

2.30 Leisure patterns for the Wealden District reflect the shopping patterns identified above, especially since there has recently been a blurring of the distinction between trips made exclusively for shopping and leisure trips. Larger centres around Wealden (including Eastbourne and Tunbridge Wells) have been better at integrating retail and leisure facilities further improving their leisure offer, thus increasing their attractiveness for leisure activities.

Implication for the Functional Economic Area

- Data presented above is somewhat out of date, so caution is advised when used.
- Wealden sees considerable leakage when it comes to convenience shopping, with less than 50% of convenience expenditure being retained locally.
- Tunbridge Wells and Eastbourne exert considerable influence on the retail market in Wealden, especially when it comes to comparison goods.
- Leisure patterns for Wealden reflect shopping patterns for the area.

Transport Network

2.31 Assessing evidence around the transport network is slightly arbitrary. We base our assessment on our perceptions of the connectivity in and around Wealden District as well as evidence available online. This assessment focuses on the key transport nodes and connections available, and considers mainly the road and rail networks in addition to the bus network in and around Wealden.

2.32 Wealden District is criss-crossed by a number of key road and rail networks. The district is characterised by the A22 which connection Eastbourne to Polegate, Uckfield and East Grinstead, the A26 which connects Seaford to Lewes, Uckfield, Crowborough and Tunbridge Wells, and the A27 which goes in an east-west direction connecting Hastings to Polegate, Lewes and Brighton. The road network across Wealden District and its surrounding area is integral to its connectivity, especially the A27 corridor which connects with the A23/M23 corridor and London. Several documents, including the South East LEP’s Strategic Economic Plan, argue that the ongoing lack of investment in the A27 means it is not fit for purpose for carrying long distance strategic traffic or for providing journey time reliability.

2.33 The diagram below also shows the different rail connections in and around Wealden District. In total, Wealden District has 10 train stations which connect the district to other locations in Sussex and London. Despite this, the rail network in the Wealden District shows a number of issues which significantly affect connectivity within the district and places beyond. Key to this is the lack of north-south connection following the closure of the Lewes to Uckfield line in the late 1960s. Despite the recent interest in the re-opening of the Lewes to Uckfield line, and the creation of a second Brighton to London mainline, the prospects of this connection being developed in the short to medium term are minimal.

2.34 Recently, the lack of north-south connectivity has been exacerbated by the poor reliability of rail services serving Sussex, leading to delays and short notice cancellations. This, in addition to the lack of north-south connections within the district (eg. between Polegate and Uckfield) and beyond (eg. no direct rail connection between Uckfield and East Grinstead, Tunbridge Wells or Brighton) is adding further pressure on the district’s road network.
2.35 Wealden District is however, served by a number of buses, some of which gap any of the shortfalls in rail provision identified above. Key to this are routes 28 and 29 which connect Brighton to Lewes, Uckfield, Crowborough and Tunbridge Wells, and route 51 which connects Heathfield to Hailsham, Polegate and Eastbourne.

**Implication for the Functional Economic Area**

- Transport connections link Wealden District to the rest of East Sussex and beyond (including London).
- Key to this is the road network which connects Polegate to Brighton and Hastings (via the A27), Uckfield to Lewes, Crowborough and Tunbridge Wells (via the A26), and Polegate to Uckfield and East Grinstead (via the A22). Lack of ongoing investment in road network means it is not fit for purpose for carrying long distance strategic traffic.
- Wealden is served by a number of train stations and rail lines connecting different parts of the district to London, Brighton, Hastings and other key centres in East Sussex. The district lacks adequate north-south connections putting additional pressure on the district’s road network.

**The FEA of Wealden District**

2.36 The analysis presented above shows that there are a number of clear relationships between Wealden District and its surrounding area.
Wealden District sees strong commuting flows with Tunbridge Wells, Eastbourne, Lewes, Crawley, Mid Sussex, and Brighton and Hove. The district is influenced by two travel to work areas – the Tunbridge Wells and Eastbourne TTWAs respectively.

The recently-published Strategic Housing Market Assessment (December 2015) identifies a housing market area centred on Wealden District consisting of Wealden, Eastbourne, Lewes, Mid Sussex, Tunbridge Wells and Rother.

Data from the ONS shows strong migration flows between Wealden, Eastbourne and Mid Sussex. The HMA identified in the SHMA shows a self-containment rate of over 70% as suggested by PPG.

House prices in Wealden are influenced by London’s housing market. However, median house prices in Wealden District are in line with those in Lewes, Mid Sussex, Tunbridge Wells and Rother.

The South East LEP identifies A22/A27 Eastbourne-South Wealden growth corridor as one of the key areas across the LEP. Similarly, East Sussex County Council identifies A22/A26/A27 Eastbourne-Polegate-Uckfield-Crowborough corridor as one of the growth areas in its Growth Strategy.

Around half of the businesses in East Sussex identify the County as their main market area.

The convenience goods offer within Wealden’s key settlements is quite good, however the district experiences high leakage of convenience and comparison goods to surrounding areas. Tunbridge Wells (in the north) and Eastbourne (in the south) exert considerable pressure on Wealden.

The transport network (via road, rail and buses) connects centres within Wealden District to surrounding centres including Lewes, East Grinstead, Hastings and Tunbridge Wells.

2.37 Given this assessment and the weighting identified above (in para. 2.5) we identify the following districts as forming part of Wealden District’s functional economic area:

- Wealden
- Eastbourne
- Tunbridge Wells
- Lewes
- Mid Sussex
- Rother

2.38 In defining the FEA we recognise the strong ties Wealden District has with Brighton and Hove and Crawley, especially in terms of travel to work and migration flows. However, taking all indicators into account, it is the districts identified above with which Wealden has the greatest ties.
3. **Policy Context**

**Summary**

- National, regional and local policy guides the context in which economic development and planning take place.
- At the regional-level, the South East LEP’s Strategic Economic Plan sets out the LEP’s ambition to create 200,000 new jobs and construct 100,000 new homes whilst also leveraging £10 billion of inward investment.
- The SEP identifies the A22/A27 corridor as one of the growth corridors across the SE LEP area, and identifies capacity for 5,000 jobs and 3,000 new homes in the area by 2021.
- The East Sussex Growth Strategy identifies a similar growth corridor along the A22/A26/A27 (Eastbourne-Polegate-Uckfield-Crowborough). The strategy highlights a number of opportunities which the County could take advantage of whilst also identifying a number of key challenges that are resulting in low productivity across the County.
- At the local level, the adopted Core Strategy Local Plan identifies the need for 40,000 sq. metres of net additional employment floorspace, and 9440 additional homes between 2006 and 2027 (ie. an average of 450 dwellings per annum).
- The district’s Strategic Housing Market Assessment assesses Wealden’s current and future housing market, and how this relates to its housing growth and needs to 2033. The SHMA concludes that an appropriate OAN would range from between 660 to 735 dwellings per annum (dpa) with the top of the range providing additional housing to meet the forecast increase in jobs and also improving affordability.

3.1 There are a number of local and regional policies related to economic development and planning which are of relevance to Wealden District. These are introduced below and provide the policy context for the Economy Study. In particular, we draw out key points in relation to economic growth, key sectors and employment targets. Central to NPPF is ensuring alignment between housing and employment and as such this section also summarises relevant housing policy.

**South East Local Enterprise Partnership (LEP)**

3.2 The South East Local Enterprise Partnership (SE LEP) was established to drive economic growth across East Sussex, Essex and Kent. The **Strategic Economic Plan** (SEP) sets out the LEP’s ambition to create 200,000 new jobs and construct 100,000 new homes, whilst also leveraging £10 billion of investment by 2021.

3.3 The SEP focuses on rebalancing the economy across the south east in favour of higher value added jobs (including the knowledge economy, manufacturing and services) whilst also reducing the reliance on low value sectors.

3.4 The A22/A27 (Eastbourne to South Wealden) corridor is identified as one of the growth corridors across the SE LEP area. The SEP argues that this area suffers greatly from the ongoing lack of investment in the A27 making it not fit for purpose for carrying long distance strategic traffic and providing journey time reliability which is important for businesses.

3.5 Amongst the number of “asks” presented to the government, the SEP argues for more investment to the A27. Furthermore, the SEP indicates that the LEP is planning to make SEFUND investment at the Polegate Enterprise Park, Sovereign Harbour, and several other town centre development...
across the corridor. In total, the SEP identifies capacity for 5,000 jobs and 3,000 new homes across the A22/A27 (Eastbourne to South Wealden) corridor by 2021.

**East Sussex County Council**

3.6 The *East Sussex Growth Strategy* published by the East Sussex County Council in December 2014, sets out a vision for a more innovative, productive and faster growing economy by 2020. The strategy identifies a number of growth corridors for the County, with the Eastbourne-Polegate-Uckfield-Crowborough corridor (A22/A26/A27) being identified as one of these. The strategy identifies a number of opportunities in close proximity which the County could take advantage of, and benefit from (such as opportunities related to Brighton, Gatwick airport, London, high speed rail services and the Eurostar).

3.7 The East Sussex Growth Strategy identifies a number of key challenges which are resulting in overall low productivity for the County, such as lower than average wages, slower employment growth, and pockets of higher relative deprivation. Furthermore, the Growth Strategy has also identified evidence of less innovation and exports when compared to other areas.

3.8 A number of aspirations for the economy are set out, including:

- contributing to unlocking key employment floorspace allocated in Local Plans
- increase County-wide GVA per capita by 20% by 2020
- maintain East Sussex’s higher than average (compared to England’s) employment rate.

3.9 One of the Strategy’s key objectives is to enable business growth across East Sussex, particularly in high value businesses, in addition to supporting all businesses to move up the value chain. The Strategy aims to achieve this by capitalising on opportunities for growth in current and emerging sectors, supporting business start-ups, and enabling the delivery of an appropriate pipeline of suitable business premises.

**Wealden District Council**

3.10 The *Wealden District Core Strategy Local Plan*, adopted in February 2013, consists of a long-term spatial vision and strategic objectives for the Wealden District for the period 2013 to 2027. The Local Plan aims to support growth and economic growth, whilst also allowing the Wealden District to retain its rural character and a high quality environment. Its overall aim is to encourage and support business to improve economic prosperity and reduce economic disparities across the district by:

- recognising and seeking economic investment where available;
- retain existing business areas, and review all allocated sites and business areas identified in the adopted Local Plan;
- allocate business land in different market towns and villages across the district to provide for local need;
- encourage the redevelopment and intensification of existing businesses and employment areas; and
- improve economic performance and the employment offer of town centres.

3.11 Overall, the Local Plan identifies the need for an additional 40,000 sq. metres of net employment floorspace, and 17,000 sq. metres of net retail floorspace to that already committed. The table below shows how employment land (B-class) is likely to be distributed across the Wealden District.
Wealden Economy Study

<table>
<thead>
<tr>
<th>Employment land (sq. metres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uckfield</td>
</tr>
<tr>
<td>Hailsham and Hellingly</td>
</tr>
<tr>
<td>Polegate and Willingdon / Stone Cross</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Wealden District Council, Core Strategy Local Plan, February 2013

*Please note: total does not add up to 40,000 sq. metres due to rounding.

3.12 The adopted Core Strategy Local Plan also looks at housing need in the district over the period to 2030. By looking at (now superseded) population projections, the Local Plan suggested that between 2006 and 2030, the district’s population is expected to grow by around 19,000 people, resulting in the need for 16,800 households.

3.13 Once completions to date (ie. December 2015) were taken into consideration, the Local Plan identified a requirement of 9,440 dwellings in the Wealden District from 2006 to 2027. This meant that the delivery of an average 450 dwellings per annum would (at the time) provide a realistic target for the market to deliver much needed housing across the district.

3.14 In December 2015, Wealden District Council published the Wealden District Strategic Housing Market Assessment – Final Report which assesses the district’s current and future housing market and how this relates to its housing growth and needs, whilst also making an objective assessment of its housing need to 2033.

3.15 The strategic housing market assessment (SHMA) looks at a number of scenarios (including demographic change and housing need based on forecast employment growth) to come up with an objective estimate of housing need for the district. The following are some of the scenarios explored as part of this study:

- based on SNPP 2012 and 2012-based household projections the Council’s SHMA identifies the need for 667 dwellings per annum to 2033. It argues that although household formation rates are expected to improve, it is unlikely that longer-term trends will return given the significant break experienced as a result of the recession.
- the SHMA also looks at a couple of alternative demographic scenarios based on short-term and longer-term migration trends, which result in the need for 664 and 652 dwellings per annum respectively.
- the SHMA also looks at a number of employment growth forecasts (incl. the East of England Forecasting Model from Spring 2013, Experian Forecasts from September 2014, and the East Sussex Economic Forecasting Model from September 2014). The latter forecasts are based on Cambridge Econometrics / IER estimates. Given that the EEFM were considered to be too pessimistic, the SHMA based its employment-led projections on the other two forecasts, resulting in the need for 736 dwellings per annum to 2033.

3.16 The SHMA concludes that an appropriate OAN would range from between 660 to 736 dwellings per annum (dpa) with the top of the range providing additional housing to meet the forecast increase in jobs and also improving affordability.

3.17 The SHMA is important because it can help the Council determine its future population which will in turn influence the local labour force, and the number of jobs that can be supported locally.
3.18 In October 2015, Wealden District Council published the Issues, Options and Recommendations Consultation paper as part of its preparations for a new Local Plan. This plan “will identify a vision for future growth and change for the district” to 2037, and will cover several diverse issues such as housing, the economy and infrastructure development.

3.19 With regards to housing this document identifies a requirement for testing for around 19,970 dwellings in the Wealden District between 2013 and 2037. This translates to an average housing need of 832 dwellings per annum until 2037, and represents an increase in the objectively assessed need (OAN) identified in the district’s SHMA (discussed previously).
4. The Wealden Economy: An Overview

Summary

- There are around 44,200 jobs in the Wealden District, representing around 18% of the total employment within the FEA. These jobs are mostly located within the district’s key settlements of Crowborough, Hailsham, Heathfield, Uckfield and Polegate and Willingdon.

- The district is also home to 8,900 businesses, representing around 1-in-4 of all businesses across the FEA. This represents a business density of 78.8 businesses per 1,000 residents aged 16 to 74.

- Over the past 5 years, employment in the District increased by around 500 jobs (or just over 1%). Longer-term data indicates an increase of between 3,200 – 3,600 jobs (or 8%) between 2001-14 (230-260 jobs per annum). Between 2010-15, the district’s business base increased by around 500 new businesses (or around 6%).

- Wealden’s labour market performs relatively well with around 74,200 economically active residents (70% economic activity rate) and low levels of unemployment. In addition, a low proportion of its resident population with no qualifications.

- Employment in the district is dominated by wholesale and retail (18%), accommodation and food (12%) and human health and social work (12%).

- A number of other sectors have been identified as being important for the area by the LEP and these have also been examined in detail. These include advanced manufacturing, life sciences and healthcare, the environmental technologies and energy sector, the creative, culture and media sector and the visitor economy.

- Enterprise data suggests that Wealden could perform better, with the district experiencing relatively low start-up rates and low survival rates over a five-year period.

4.1 In this section we set out the main characteristics of the Wealden Economy, incorporating:

- jobs;
- businesses;
- recent economic performance;
- labour market;
- sectoral composition;
- sector strengths; and
- enterprise.
4.2 As concluded in Chapter 2, the Wealden District functional economic areas (FEA) consists of the following district:
- Wealden District;
- Eastbourne District;
- Tunbridge Wells;
- Lewes;
- Mid Sussex; and
- Rother;

**Size of the Wealden District Economy**

4.3 Data from the Office for National Statistics (ONS) for 2014, indicates that there are approximately 44,200 jobs in the Wealden District. This represents around 18% of the total jobs across the functional economic area (FEA). Tunbridge Wells and Mid Sussex are the main employment locations across the FEA with 57,400 jobs and 55,400 jobs respectively.

4.4 Within the Wealden District, 56.0% of total employment (or 24,800 jobs) is concentrated in urban areas. The proportion of urban jobs has declined slightly since 2009, although the number of jobs increased by around 200. A large number of jobs are concentrated within the larger settlements in the Wealden District, including 7,100 jobs in Crowborough, 5,400 jobs in Uckfield and 4,900 jobs in Hailsham.

4.5 Having said that, the number of jobs within rural areas has also increased, by around 400 since 2009. This represents an increase in the number of self-employed individuals renting out smaller units on farms and/or running their business from home.

4.6 A more detailed assessment of sectors and locations of these jobs is presented further below in this section.

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Figure 4.1 Rural-urban definition for Wealden District

Source: Based on data from ONS, Rural-Urban Classification, 2011; Contains Ordnance Survey data © Crown copyright and database rights, 2016.

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1 As defined in the map overleaf.
Table 4.1 Local employment within Wealden, 2009 and 2014

<table>
<thead>
<tr>
<th>Rural / urban</th>
<th>2009</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>Rural</td>
<td>19,000</td>
<td>43.6%</td>
</tr>
<tr>
<td>Urban</td>
<td>24,600</td>
<td>56.4%</td>
</tr>
<tr>
<td>Crowborough</td>
<td>6,800</td>
<td>15.6%</td>
</tr>
<tr>
<td>Forest Row</td>
<td>1,700</td>
<td>3.8%</td>
</tr>
<tr>
<td>Hailsham</td>
<td>5,400</td>
<td>12.4%</td>
</tr>
<tr>
<td>Heathfield</td>
<td>2,200</td>
<td>5.0%</td>
</tr>
<tr>
<td>Polegate &amp; Willingdon</td>
<td>1,700</td>
<td>4.0%</td>
</tr>
<tr>
<td>Uckfield</td>
<td>5,600</td>
<td>12.8%</td>
</tr>
<tr>
<td>Wadhurst</td>
<td>500</td>
<td>1.1%</td>
</tr>
<tr>
<td>Wealden</td>
<td>43,700</td>
<td>100%</td>
</tr>
</tbody>
</table>


4.7 Overall, there are around 28,300 full time jobs in Wealden, representing around 64% of all jobs in the district. The distribution of full time and part time jobs varies across Wealden’s FEA. Tunbridge Wells (67.5%) has the highest proportion of its workforce in full time employment, whereas Rother (63.6%) and Eastbourne (61.6%) have the lowest proportion. The overall proportion of full time employment across the FEA is around 65%. This is in line with the average seen across the South East LEP (at 65.1%), but considerably lower than the proportion of full time employment nationally (68.5%).

Figure 4.2 Employee jobs, 2014

Figure 4.3 Full time and part time distribution, 2014


4.8 A more detailed analysis of full time and part time employment by sector within the Wealden District reveals that the ratio between full time and part time employees varies considerably by sector. The sectors with the highest proportion of full time employees are construction (89.7%), manufacturing (89.4%), ICT (89.1%), and finance and insurance (80.2%). Sectors with a high proportion of part time employees include accommodation and food (64.1%), arts, entertainment and recreation (51.5%) and education (48.9%).
There are around 8,900 businesses in the Wealden District, representing around 1-in-4 businesses in the FEA. This is the highest number of proportion across the whole FEA. In total, there are around 36,000 businesses within the FEA. Eastbourne (3,700 businesses), Rother (4,600 businesses) and Lewes (4,800 businesses) have the fewest businesses across the whole FEA.
Geography of the Wealden District Economy

4.11 Figure 4.6 maps out the overall employment distribution in the Wealden District. It identifies high concentrations around the district’s key settlements of Crowborough (6,800 jobs), Uckfield (5,600 jobs), Hailsham (5,400 jobs) and Heathfield (2,200).

4.12 In addition, the diagram to the right also shows high concentrations in the Polegate & Willingdon area which extends in a north-south direction along the A22. The map also shows relatively high concentrations of employment to the west of Hailsham at The Dicker.

4.13 Finally, the map also shows several local employment concentrations throughout the whole district. In general, these patterns follow the presence of the road network locally.

4.14 Overall, the Wealden District has an employment density of around 0.42 jobs for every working age resident (aged 16 to 74). In other words, this means that there are more residents aged 16 to 74 than there are jobs, and that the district is an overall exporter of labour (i.e. there is net out-migration from the district).

4.15 Wealden’s ratio of 0.42 jobs for every working age resident places the district 38th lowest nationally in terms of the ratio of jobs per working age residents.

4.16 Figure 4.7 below maps business density per 1,000 working age residents in the Wealden District aged 16 to 74. According to data from the ONS, the Wealden District has a business density of 78.8 businesses per 1,000 working age residents. This ratio is considerably higher than that seen nationally – 59.7 businesses per 1,000 residents; and is 53rd highest.
Recent Economic Performance

4.17 Over the past five years, jobs in the Wealden District have increased slightly from 43,700 in 2009 to 44,200 in 2014. This represents an increase of around 500 jobs or + 1.2%.

4.18 Overall, the total number of jobs across the FEA increased by around 13,800 jobs (or around 6%) in the five years to 2014. This increase was driven by growth in Tunbridge Wells (+10,600 jobs), Mid Sussex (2,200 jobs) and Rother (1,300 jobs). Eastbourne and Lewes both saw a decline in employee jobs since 2009, with the loss of 600 and 200 jobs respectively.

4.19 The diagram below maps overall employment change within the Wealden District between 2009 and 2014. It shows that overall employment has declined across several parts of the districts, but highlights considerable job losses around Forest Row, Crowborough and around Halisham. On the other hand, the diagram shows strong employment growth in Uckfield, Wadhurst and the area east of Polegate & Willingdon.
4.20 Historic trends in employment in the Wealden District can be measured using a number of different data sources. Three of these are explored below, and these include:

- The **Business Register and Employment Survey** (BRES) which provides data from 2009 onwards, and its predecessor – the Annual Business Inquiry (ABI) – provides data from 1991 to 2008. The two datasets are not comparable due to changes in data collection methodology by the ONS.

- The **East of England Forecasting Model** (EEFM) was developed by Cambridge Econometrics, and provides data on past and projected economic, demographic and housing figures on a consistent basis for district across the South East and East of England.

- Similarly, the **Experian UK Local Market Forecasts** provides data on past and projected economic, demographic, housing, unemployment and productivity figures. These differ slightly from the EEFM, but Experian’s workforce job history is designed to be based on previous trends and other factors.
4.21 The main difference between the EEFM and Experian forecasts, and BRES is that the latter is obtained from estimates based on an employer survey of approximately 82,000 businesses nationally, whereas the other two are based on forecasts of future jobs based on previous trends.

4.22 By comparing the three datasets, we can get a more reliable picture of employment trends in the Wealden District over the past ten years. Between 2001 and 2014, overall employee numbers increased by around 8% (3,600 jobs according to EEFM or 3,200 jobs according to Experian).

4.23 Both the EEFM and Experian forecasts show an upward trend in employee numbers since 2000, with both showing slight dips in employment numbers between 2001 and 2004 and from 2008 to 2009, the latter due to the recession. Figure 4.9 indicates that overall, Wealden’s economy has grown at a faster rate since 2009.

4.24 The quantum of this growth varies across the different datasets used. The EEFM indicates a growth rate of around 5% (or the creation of 2,300 new jobs) since 2009. On the other hand, both BRES and the Experian forecasts give a more conservative estimate with Experian indicating a growth rate of around 2% (or 800 new jobs) and BRES suggesting employment growth of around 1% (or 500 new jobs).

4.25 Over the past five years, the Wealden District has seen its business base increase by around 500 new businesses (or +6.1%). This increase was the lowest seen across the FEA, and it was lower than the average for the FEA (+8.2%), the South East LEP area (+10.9%) and nationally (+14.0%).

Table 4.2 Change in number of businesses, 2010-2015

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2015</th>
<th>Change 2010 - 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Wealden</td>
<td>8,400</td>
<td>8,900</td>
<td>+500 +6.1%</td>
</tr>
<tr>
<td>Tunbridge Wells</td>
<td>6,400</td>
<td>7,000</td>
<td>+700 +10.3%</td>
</tr>
<tr>
<td>Eastbourne</td>
<td>3,400</td>
<td>3,700</td>
<td>+200 +7.0%</td>
</tr>
<tr>
<td>Lewes</td>
<td>4,400</td>
<td>4,800</td>
<td>+400 +8.2%</td>
</tr>
<tr>
<td>Mid Sussex</td>
<td>7,500</td>
<td>7,800</td>
<td>+600 +8.6%</td>
</tr>
<tr>
<td>Rother</td>
<td>4,500</td>
<td>4,600</td>
<td>+400 +9.5%</td>
</tr>
<tr>
<td>Functional Economic Area</td>
<td>33,900</td>
<td>36,700</td>
<td>+2,800 +8.2%</td>
</tr>
<tr>
<td>South East LEP</td>
<td>164,300</td>
<td>182,100</td>
<td>17,800 +10.9%</td>
</tr>
<tr>
<td>England (000s)</td>
<td>2,183.8</td>
<td>2,489.8</td>
<td>+306.0 +14.0%</td>
</tr>
</tbody>
</table>

Source: ONS, UK Business Counts – Local Units, 2015

4.26 Data from the ONS Census of Population indicates that the Wealden District has around 74,200 economically active residents. This represents around 70% of the district’s residents, and is in line with the average across its FEA (70.3%), the South East LEP (70.4%) and nationally (69.9%). The economic activity rate in the Wealden District is the third highest across the FEA, with the economic activity rates for Mid Sussex and Tunbridge Wells being 74.8% and 73.1% respectively.
Table 4.3 Economic activity, 2011

<table>
<thead>
<tr>
<th></th>
<th>No. Economically Active</th>
<th>% Economically Active</th>
<th>No. Unemployed</th>
<th>% Unemployed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wealden</td>
<td>74,200</td>
<td>70.1%</td>
<td>2,700</td>
<td>2.5%</td>
</tr>
<tr>
<td>Tunbridge Wells</td>
<td>60,000</td>
<td>73.1%</td>
<td>2,400</td>
<td>3.0%</td>
</tr>
<tr>
<td>Eastbourne</td>
<td>47,900</td>
<td>68.0%</td>
<td>2,900</td>
<td>4.1%</td>
</tr>
<tr>
<td>Lewes</td>
<td>48,200</td>
<td>69.6%</td>
<td>2,300</td>
<td>3.3%</td>
</tr>
<tr>
<td>Mid Sussex</td>
<td>75,000</td>
<td>74.8%</td>
<td>2,400</td>
<td>2.4%</td>
</tr>
<tr>
<td>Rother</td>
<td>39,900</td>
<td>63.4%</td>
<td>2,000</td>
<td>3.2%</td>
</tr>
<tr>
<td>Functional economic area</td>
<td>345,200</td>
<td>70.3%</td>
<td>14,700</td>
<td>3.0%</td>
</tr>
<tr>
<td>South East LEP (000s)</td>
<td>2,023.0</td>
<td>70.4%</td>
<td>115.0</td>
<td>4.0%</td>
</tr>
<tr>
<td>England (000s)</td>
<td>27,183.1</td>
<td>69.9%</td>
<td>1,702.8</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

Source: ONS, Census of Population, 2011

4.27 Data from the Census also shows that the unemployment rate in the Wealden District (2.5%) is amongst the lowest across the FEA. Overall, Wealden’s unemployment rate is second only to that for Mid Sussex (2.4%), but is significantly lower than the average for the FEA (3.0%), the South East LEP (4.0%) and nationally (4.4%).

4.28 A look between the two latest Censuses indicates that overall unemployment in the Wealden District increased by around 1,000 between 2001 and 2011. A more detailed look within the Wealden District shows that the unemployment rate is higher in urban areas (2.8%) when compared with rural areas (2.1%). As expected, unemployment is highest within the larger settlements of Crowborough (400 people), Uckfield (300 people) and Hailsham (300 people).

4.29 Despite the relatively high unemployment rate across a number of the settlements in Wealden it is worth noting that overall, the district is relatively better off and that its unemployment rate is significantly lower than the averages seen across the South East LEP (4.0%) and nationally (4.4%).

Table 4.4 Unemployment within the Wealden District, 2001 and 2011

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>%</th>
<th>2011</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural / urban</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>700</td>
<td>1.6%</td>
<td>1,000</td>
<td>2.1%</td>
</tr>
<tr>
<td>Urban</td>
<td>1,000</td>
<td>1.8%</td>
<td>1,600</td>
<td>2.8%</td>
</tr>
<tr>
<td>Local town</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crowborough</td>
<td>200</td>
<td>1.6%</td>
<td>400</td>
<td>2.7%</td>
</tr>
<tr>
<td>Forest Row</td>
<td>&lt;50</td>
<td>1.8%</td>
<td>100</td>
<td>2.9%</td>
</tr>
<tr>
<td>Hailsham</td>
<td>200</td>
<td>2.3%</td>
<td>300</td>
<td>3.4%</td>
</tr>
<tr>
<td>Heathfield</td>
<td>100</td>
<td>1.8%</td>
<td>100</td>
<td>2.6%</td>
</tr>
<tr>
<td>Polegate &amp; Willingdon</td>
<td>100</td>
<td>1.7%</td>
<td>200</td>
<td>2.5%</td>
</tr>
<tr>
<td>Uckfield</td>
<td>200</td>
<td>1.9%</td>
<td>300</td>
<td>2.9%</td>
</tr>
<tr>
<td>Wadhurst</td>
<td>&lt;50</td>
<td>1.8%</td>
<td>&lt;50</td>
<td>3.2%</td>
</tr>
<tr>
<td>Wealden</td>
<td>1,700</td>
<td>1.7%</td>
<td>2,700*</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

*Please note some of the figures will not add up due to rounding.

4.30 Data from the Census also shows that the Wealden District has a highly skilled labour force. The area has a higher proportion of its population qualified to level 4 or above - ie. at least degree level (28.9%), then the South East LEP (23.5%) or nationally (27.4%). Qualification levels in the Wealden...
District are however lower than the average seen across the FEA (29.7%), and considerably lower than in Tunbridge Wells (34.6%) and Mid Sussex (33.6%).

4.31 Around 1-in-5 of Wealden’s residents aged 16 to 74 (or 24,300) have no qualifications. This rate (19.9%) is similar to the average seen across the FEA (19.8%), but considerably higher than that for some areas within the FEA, such as Tunbridge Wells (17.1%) and Mid Sussex (14.8%). On the other hand, Wealden’s proportion of its population with no qualifications is lower than that for the South East LEP (23.3%) and England (22.5%).

Table 4.5 Labour market functionality, 2011

<table>
<thead>
<tr>
<th></th>
<th>No qualifications</th>
<th>Level 4 qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Wealden</td>
<td>24,300</td>
<td>19.9%</td>
</tr>
<tr>
<td>Tunbridge Wells</td>
<td>15,600</td>
<td>17.1%</td>
</tr>
<tr>
<td>Eastbourne</td>
<td>19,200</td>
<td>23.2%</td>
</tr>
<tr>
<td>Lewes</td>
<td>17,300</td>
<td>21.5%</td>
</tr>
<tr>
<td>Mid Sussex</td>
<td>16,700</td>
<td>14.8%</td>
</tr>
<tr>
<td>Rother</td>
<td>18,900</td>
<td>24.7%</td>
</tr>
<tr>
<td>Functional economic area</td>
<td>112,000</td>
<td>19.8%</td>
</tr>
<tr>
<td>South East LEP</td>
<td>750,100</td>
<td>23.3%</td>
</tr>
<tr>
<td>England (000s)</td>
<td>9,656.8</td>
<td>22.5%</td>
</tr>
</tbody>
</table>

Source: ONS, Census of Population, 2011

4.32 Census data also reveals that the employment rate across the Wealden FEA (including Wealden’s employment rate) has increased between 2001 and 2011. Overall, across the FEA, there were 35,600 additional people in employment (or +12.6%) between 2001 and 2011. In the Wealden District, there were 6,400 additional people (+12.6%) in employment between 2001 and 2011. This rate of increase was the lowest seen across the FEA over the ten years to 2011. Despite this, the Wealden District’s employment rate (65.0%) was higher than the average for the FEA (64.6%), the South East LEP (63.4%) and nationally (62.1%).

Figure 4.10 Employment rate, 2001 and 2011

Source: ONS, Census of Population, 2001 & 2011
Broad Sectoral Composition

4.33 An analysis of the composition of jobs in the Wealden District reveals that a larger proportion of jobs in the district are in the private sector than nationally. More than 3-in-4 (or 76.0%) jobs in Wealden are in the private sector, compared to 73.0% across the South East LEP and 74.1% nationally.

4.34 As the diagram below indicates, Wealden District’s rate of private sector employment is higher than the average across its FEA (72.5%), but is lower than the rate of private sector employment in Tunbridge Wells (78.3%).

Table 4.6 Growth rate of public and private sector employment, 2009 - 2014

<table>
<thead>
<tr>
<th>Functional economic area</th>
<th>Growth rate of employment by sector (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public (%)</td>
</tr>
<tr>
<td></td>
<td>Private (%)</td>
</tr>
<tr>
<td>Wealden</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Tunbridge Wells</td>
<td>-19.3%</td>
</tr>
<tr>
<td>Eastbourne</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Lewes</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Mid Sussex</td>
<td>-7.4%</td>
</tr>
<tr>
<td>Rother</td>
<td>-9.2%</td>
</tr>
<tr>
<td>Functional economic area</td>
<td>-8.3%</td>
</tr>
<tr>
<td>South East LEP</td>
<td>-5.4%</td>
</tr>
</tbody>
</table>

Source: ONS, Business Register and Employment Survey, 2015

Data from the ONS’s Business Register and Employment Survey indicates that the private sector has created around 600 jobs (or +1.2%) in the District between 2009 and 2014. Over the same period, employment in the public sector fell by around 300 jobs (or -3.5%). This trend (ie. an increase in private sector and a decline in public sector employment) is seen across all comparator areas, including the South East LEP and nationally and is linked to austerity measures. The main difference is the extent to which the decline in public sector employment was redressed by job creation by the private sector.
An analysis of the sectoral breakdown of jobs in the Wealden District identifies wholesale and retail (17.9%), accommodation and food (12.2%) and human health and social work (12.1%) as the key employment sectors locally. This is similar to the averages seen across the FEA, despite a slightly higher proportion of jobs in the hospitality (ie. accommodation and food) sector. Furthermore, the Wealden District sees a higher proportion of jobs in manufacturing (7.3%) and construction (8.6%) than other districts within the FEA.

**Figure 4.12 Sectoral breakdown of jobs, 2014**

The table below shows overall employment (2009-14) and business change (2010-15) in the Wealden District. It also shows the level of specialisation (or location quotient) of a particular sector in the Wealden District relative to a larger region (in this case England). A location quotient (LQ) of 1.0 indicates that both regions have the same level of specialisation; whilst a LQ greater than 1.0 means that the smaller region has higher specialisation.

Table 4.7 below identifies the accommodation and food sector (+1,300 jobs), and the professional, scientific and technical sector (+700 jobs) as the key drivers of employment growth in the Wealden District between 2009 and 2014. The accommodation and food sector has, in particular experienced strong growth over this period (+31.8%), as did the professional, scientific and technical sector (+22.8%), and other services (+23.3%). Over the same period, construction (-900 jobs), human health and social work (-600 jobs) and manufacturing (-400 jobs) have all experienced a decline.

Despite the losses construction experienced between 2009 and 2014, the level of employment specialisation seen locally in 2014 was almost twice that seen nationally (LQ 1.9). Other sectors with key specialisation include the accommodation and food sector (LQ 1.7) and other service activities (LQ 1.7), and arts, entertainment and recreation (LQ 1.6).
Table 4.7 Employment (2009-14) and business (2010-15) change in the Wealden District

<table>
<thead>
<tr>
<th></th>
<th>Employees</th>
<th></th>
<th>Businesses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>Change 2009-14</td>
<td>2015</td>
<td>Change 2010-15</td>
</tr>
<tr>
<td></td>
<td>No.</td>
<td>LQ vs. England</td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Extractive</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
<td>-0.0%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3,300</td>
<td>0.9</td>
<td>-400</td>
<td>-10.0%</td>
</tr>
<tr>
<td>Energy</td>
<td>0</td>
<td>0.3</td>
<td>0</td>
<td>+228.6%</td>
</tr>
<tr>
<td>Water supply</td>
<td>300</td>
<td>1.1</td>
<td>0</td>
<td>-10.9%</td>
</tr>
<tr>
<td>Construction</td>
<td>3,600</td>
<td>1.9</td>
<td>-900</td>
<td>-20.9%</td>
</tr>
<tr>
<td>Wholesale &amp; retail</td>
<td>7,800</td>
<td>1.1</td>
<td>+100</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Transport &amp; storage</td>
<td>800</td>
<td>0.4</td>
<td>-100</td>
<td>-9.2%</td>
</tr>
<tr>
<td>Accommodation &amp; food</td>
<td>5,400</td>
<td>1.7</td>
<td>+1,300</td>
<td>+31.8%</td>
</tr>
<tr>
<td>ICT</td>
<td>1,300</td>
<td>0.7</td>
<td>+200</td>
<td>+13.4%</td>
</tr>
<tr>
<td>Finance &amp; insurance</td>
<td>600</td>
<td>0.4</td>
<td>0</td>
<td>-6.0%</td>
</tr>
<tr>
<td>Real estate</td>
<td>700</td>
<td>1.0</td>
<td>+100</td>
<td>+16.9%</td>
</tr>
<tr>
<td>Professional, scientific &amp; technical</td>
<td>3,600</td>
<td>1.0</td>
<td>+700</td>
<td>+22.8%</td>
</tr>
<tr>
<td>Admin &amp; support services</td>
<td>2,200</td>
<td>0.6</td>
<td>-300</td>
<td>-12.7%</td>
</tr>
<tr>
<td>Public admin</td>
<td>900</td>
<td>0.5</td>
<td>-100</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Education</td>
<td>4,600</td>
<td>1.1</td>
<td>+300</td>
<td>+7.9%</td>
</tr>
<tr>
<td>Health &amp; social work</td>
<td>5,500</td>
<td>1.0</td>
<td>-600</td>
<td>-9.3%</td>
</tr>
<tr>
<td>Arts, entertainment &amp; recreation</td>
<td>1,700</td>
<td>1.6</td>
<td>0</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Other service activities</td>
<td>1,500</td>
<td>1.7</td>
<td>+300</td>
<td>+23.3%</td>
</tr>
<tr>
<td>Total</td>
<td>44,200</td>
<td>-</td>
<td>+500</td>
<td>+1.2%</td>
</tr>
</tbody>
</table>

Table 4.7 also shows how Wealden’s overall business base changed between 2010 and 2015. Over this period the district’s overall business base increased by around 500 new businesses, with the key sectors of growth being the professional, scientific and technical sector (+200 businesses), admin and support services (+100 businesses) and health and social work (+100 businesses).

**Sector Strengths**

The following section looks at a number of key sectors across the Wealden District. This analysis is based on the sector strengths across the South East LEP as identified in the South East LEP’s Strategic Economic Plan. A detailed definition of each sector is appended at the end of this note.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employees</th>
<th>Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>%</td>
</tr>
<tr>
<td>Advanced Manufacturing</td>
<td>1,400</td>
<td>3.1%</td>
</tr>
<tr>
<td>Transport &amp; Logistics</td>
<td>400</td>
<td>0.9%</td>
</tr>
<tr>
<td>Life Sciences &amp; Healthcare</td>
<td>4,700</td>
<td>10.6%</td>
</tr>
<tr>
<td>*Environmental Technologies &amp; Energy</td>
<td>1,600</td>
<td>3.6%</td>
</tr>
<tr>
<td>Creative, Culture &amp; Media</td>
<td>1,900</td>
<td>4.3%</td>
</tr>
<tr>
<td>Visitor Economy</td>
<td>6,900</td>
<td>15.5%</td>
</tr>
</tbody>
</table>

Source: Based on ONS, Inter Departmental Business Register, 2015; ONS, Business Register and Employment Survey, 2015; and ONS, UK Business Count – Local Units, 2015.

*Please note employment in the environmental technologies and energy sector is based on a model developed by Regeneris for previous work, and estimates primary, secondary and supply chain employment in the sector. This means that for secondary and supply chain jobs, only a portion of the jobs present can be attributed to the environmental technologies and energy sector, thus making the measurement of the number of businesses operating in the sector difficult to estimate.

The analysis below focuses on the following sectors, all of which show a specialisation level that is similar to or higher than that seen nationally. The creative, culture and media sector is included as well since the level of employment seen locally is relatively high.

- advanced manufacturing
- life sciences and healthcare
- environmental technologies and energy
- creative, culture and media
- visitor economy

**Advanced Manufacturing**

The advanced manufacturing sector is one of the key sector strengths identified in the South East LEP’s Strategic Economic Plan (SEP), and is often characterised by businesses promoting innovation with often complex supply chains. In its core, advanced manufacturing includes the manufacturing of technical, often highly valuable goods. This includes the manufacture of electronics, pharmaceuticals, optical precision instruments, the manufacture and repair of vehicles (include land, sea and air-based), and (where applicable) their installation.
Across the Wealden District, there are around 1,400 employee jobs and around 130 businesses. Overall, around 3% of the district’s workforce is engaged in advanced manufacturing. Despite the sector’s relative importance at the LEP-level, the level of local employment concentration is similar to that seen nationally. On the other hand, the level of specialisation in advanced manufacturing businesses across the Wealden District (LQ 1.2) is slightly higher than that seen nationally.

In Wealden, the advanced manufacturing is characterised by a small number of large businesses. As the map above shows there are relatively high concentrations of employment in advanced manufacturing in the vicinity of Crowborough, Uckfield and Hailsham. In addition, there is a relatively high concentration of advanced manufacturing businesses in and around the Polegate and Willingdon area. There is also a string of advanced manufacturing businesses employing a relatively large number of employees along the A22 between Hailsham and Uckfield.
Life Sciences and Healthcare

4.46 The life sciences and healthcare sector consists of sectors traditionally associated with the health sector (such as hospital activities, general medical practices and specialist medical practices) in addition to residential care activities (care activities for mental health, the elderly and the disabled). It also includes research and development and the manufacture of pharmaceuticals and other medical equipment.

4.47 In Wealden, the life sciences and healthcare sector employs around 4,700 people which represents around 11% of the District’s workforce. The district is also home to just under 300 businesses operating in the life sciences and health care sector. Locally, specialisation in the sector is very similar to that seen nationally, although concentration within specific areas (such as Crowborough, Hailsham, and to a certain extent Uckfield) may be relatively higher.

4.48 In the Wealden District, the split between health care and the life sciences sub-sectors is characterised by the following:
around a third of the businesses within the sector are engaged in dental and/or general practitioner activities. Together, these businesses employ around 15% of the local workforce within the sector.

- a further third of the businesses in the sector are engaged in residential care and nursing home activities.

- sub-sectors traditionally associated with life sciences research and development (such as R&D and manufacture of pharmaceuticals) are relatively low in the Wealden District (around 15), and together these employ fewer than 100 people.

4.49 Figure 4.14 above shows high concentrations in the life sciences and healthcare sector around Hailsham, Crowborough, Uckfield, Heathfield and Polegate and Willingdon.

Environmental Technologies and Energy

4.50 The environmental technologies and energy sector is characterised by a number of activities that can be fully or partially (through secondary / indirect employment and supply chain spend) involved in the sector.

Figure 4.15 Location of businesses in environmental technologies and energy, 2014

Source: Based on ONS, Inter Departmental Business Register, 2015; Contains Ordnance Survey data © Crown copyright and database rights, 2016.
Our assessment of the environmental technologies and energy sector uses a model developed for a previous project assessing the low carbon sector in Kent in 2013. This model identifies employment in the low carbon environmental goods and services (LCEGS) sector as primary, secondary and supply chain employment.

The model assumes that for primary LCEGS sub-sectors (such as environmental consulting and waste management/recycling), all employment can be attributed to the environmental technologies and energy sector. On the other hand, the model assumes that for secondary (such regulation of low carbon activities, and manufacture of sustainable transport vehicles) and supply-chain (such as surveyors and general consulting) sub-sectors, only a portion of total employment can be attributed to the sector.

Overall, it is estimated that the Wealden District has around 1,600 jobs in the Environmental technologies and energy sector. It is assumed that around half of these jobs can be identified as being primary LCEGS jobs, whilst a further 40% can be identified as being secondary LCEGS jobs. In total, the environmental technologies and energy sector employs around 3.6% of Wealden’s total workforce.

This means that the district has a relatively high specialisation in the environmental technologies and energy sector compared with the specialisation seen nationally (LQ 1.3 for Wealden).

The diagram above shows relatively high concentrations of primary LCEGS employment to the south of the district around Alfriston, Polegate and Willingdon, and Hailsham. There are several concentrations of secondary and supply chain jobs across the districts, and these are likely to be found close to the district’s larger settlements (including Uckfield, Crowborough, Hailsham, and Forest Row).

Creative, Culture and Media

The creative industries sector covers a broad range of industries, including publishing, IT, architecture, motion picture, video and TV production, and advertising. The sector’s importance is evident in the East Sussex Cultural Strategy (2013-2023) as well as the presence of the South East LEP Creative Economy Network working to promote the sector across the LEP area.

The map below shows the distribution of businesses in the creative industries sector across the Wealden District. Our assessment of the creative, culture and media sector has identified around 1,900 employee jobs and 500 businesses in the district. This represents around 4.3% of the district’s overall employment, and 7.5% of Wealden’s business base respectively.

In the Wealden District, the creative, culture and media sector is characterised by a small number of relatively large businesses located close to Uckfield, Heathfield, Crowborough and Wadhurst, and a large number of smaller businesses scattered across the whole district.

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2 Please note that the diagram on the previous page shows businesses trading in primary, secondary and supply-chain LCEGS sub-sectors. However, in calculating total employment in the environmental technologies and energy, only a portion of total secondary and supply-chain jobs are included. For this reason, our assessment of the sector looks only at employment.
Visitor Economy

4.59 The visitor economy includes businesses providing hotel and similar accommodation services, food and drink services, as well as activities of sport clubs and fitness facilities.

4.60 In the Wealden District there are around 6,900 jobs in the visitor economy, which represents around 16% of the total employment in the district. Nationally, the proportion of jobs in the visitor economy represents around 11% of the total workforce. This means, that in the Wealden District, specialisation in the visitor economy is around 1.5 times that seen nationally.

4.61 Furthermore, there are around 520 businesses trading in the visitor economy within the Wealden District. Overall, these represent around 8% of the district’s business base. This means that the district has a level of specialisation that is slightly lower than that seen nationally (at LQ 0.8).
The diagram above indicates that employment in the visitor economy sector is relatively well spread across the Wealden District, with considerably high concentrations around Uckfield, Crowborough, Forest Row and Polegate and Willingdon. Furthermore, Wealden also sees a high concentration of employment in the visitor economy along the A22 and A27 which connect Hailsham and Polegate to Uckfield and Lewes respectively.

Please note that given the relatively mobile nature of employment in some sub-sectors within the visitor economy (such as event catering activities), it is very likely that a proportion of the jobs listed above are not always located where shown on the map, but may be delivered elsewhere.
Structure of Business Base

4.64 The profile of the Wealden District’s business base (by size-band) is largely similar to the patterns seen across the FEA, the South East LEP and nationally, with over 99% of businesses employing fewer than 250 people (ie. traditional definition of SME). Of these, the majority (76.4%) are micro businesses employing fewer than five people. Data from the ONS indicates that there are around 6,800 micro businesses in the Wealden District.

4.65 The importance of micro businesses in Wealden is highlighted by the fact that around 1-in-4 (or 25.2%) of all micro businesses in the FEA are located in the District. In reality, the number of micro businesses is likely to be much higher given that many of the smallest enterprises are excluded from government datasets, as they fall below official reporting thresholds such as the VAT registration threshold of £81,000.

Figure 4.18 Business by employment size band, 2015

4.66 The table below indicates that around 4,600 businesses (or 52% of Wealden’s business base) are based in rural areas within the district. This reflects the geography of the Wealden District, most of which is identified as either rural village and dispersed or rural town and fringe in the ONS’s Rural-Urban Classification, published in 2011.

4.67 The location of businesses in the Wealden District reflects the analysis of employment by location identified above. As expected, the largest settlements in the district have a larger proportion of businesses. Crowborough has the largest business base across the district with over 1,000 businesses (or 12.3% of the business base), followed by Uckfield (with 780 businesses or 8.8% of the business base) and Hailsham (with 750 businesses or 8.4% of the business base).
Table 4.9 Businesses by area, 2014

<table>
<thead>
<tr>
<th>Rural / Urban</th>
<th>Number of Businesses</th>
<th>% of Business Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>4,640</td>
<td>52.3%</td>
</tr>
<tr>
<td>Urban</td>
<td>4,220</td>
<td>47.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local Town*</th>
<th>Number of Businesses</th>
<th>% of Business Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crowborough</td>
<td>1,090</td>
<td>12.3%</td>
</tr>
<tr>
<td>Forest Row</td>
<td>360</td>
<td>4.1%</td>
</tr>
<tr>
<td>Hailsham</td>
<td>750</td>
<td>8.4%</td>
</tr>
<tr>
<td>Heathfield</td>
<td>460</td>
<td>5.2%</td>
</tr>
<tr>
<td>Polegate &amp; Willingdon</td>
<td>540</td>
<td>6.0%</td>
</tr>
<tr>
<td>Uckfield</td>
<td>780</td>
<td>8.8%</td>
</tr>
<tr>
<td>Wadhurst</td>
<td>120</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

Wealden 8,860 100%

Source: ONS, Inter Departmental Business Register, 2015

*Please note that the total number of businesses within local towns does not add up to Wealden’s total number of businesses (i.e. 8,860).

Enterprise

4.68 The section provides an overview of enterprise performance in the Wealden District, drawing on a range of indicators to assess levels of enterprise, performance and characteristics of enterprise.

Business Start-ups

4.69 The ONS’s Business Demography data indicates that there were around 850 businesses registrations in the Wealden District in 2014. This was the second-highest across the FEA in 2014, second only to Mid Sussex (with around 900 business registrations). Furthermore, Wealden’s 850 registrations, represent around a fifth of all business start-ups in the FEA in 2014.

4.70 Despite this, the increase in the number of business registrations in the Wealden District since 2009 (+22.6%) was lower than the average across the FEA (+32.9%), the South East LEP (+32.9%) and nationally (+49.8%).

4.71 The diagram below indicates that in 2014, there were 9.4 business registrations (or births) per 1,000 people aged 16 to 64 in the Wealden District. This was in line with the average across the FEA, although it was considerably higher in Tunbridge Wells and Mid Sussex where business registration rates were 11.4 and 10.3 new businesses per 1,000 people aged 16 to 64 respectively.
An analysis of the business demography data also shows that the Wealden District has performed relatively well in terms of business registrations since 2009. The table below shows an overall increase in the Wealden District’s business start-up rate (per 1,000 residents aged 16 to 64) from 2009 onwards, with a slight decline between 2010 and 2011.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wealden</td>
<td>7.8</td>
<td>7.9</td>
<td>7.5</td>
<td>8.4</td>
<td>9.8</td>
<td>9.4</td>
</tr>
<tr>
<td>Functional economic area</td>
<td>7.1</td>
<td>7.1</td>
<td>7.4</td>
<td>7.4</td>
<td>9.4</td>
<td>9.4</td>
</tr>
<tr>
<td>South East LEP</td>
<td>6.2</td>
<td>6.1</td>
<td>6.8</td>
<td>7.0</td>
<td>8.7</td>
<td>8.6</td>
</tr>
<tr>
<td>England</td>
<td>6.2</td>
<td>6.1</td>
<td>6.8</td>
<td>7.0</td>
<td>9.0</td>
<td>9.1</td>
</tr>
</tbody>
</table>

Business survival rates are measured as the number of businesses surviving for five years following their registration. Business survival rates for the Wealden District reveal that around half (or 44.5%) of businesses registered in 2009 survived for 5 years. This rate is amongst the highest seen across the FEA, and is higher than the FEA’s overall average (43.0%), the South East LEP (42.0%) and nationally (41.8%).

Nevertheless, overall 5-year survival rates have declined considerably between 2009 and 2014. Nationally, 5-year survival rates fell from 46.6% in 2009 (ie. for businesses registered in 2004) to 41.8% (ie. for businesses registered in 2009).

Despite having a higher business survival rate than the average nationally, Wealden’s decline in 5-year survival rates feel from 46.6% in 2009 to 41.8% in 2014. This was a decline of around 17%, and was higher than the decline seen in 5-year survival rates across the FEA (-15.6%), the South East LEP (12.0%) and nationally (10.4%). The evidence presented above indicates that the district’s business base may be losing some of its relative strength and long-term sustainability.
4.76 The number of sole traders is another indicator of entrepreneurialism amongst local residents. Census data indicates that the Wealden District has a self-employment rate of 15.5%, which is higher than the average across the FEA (13.5%), the South East LEP (11.0%) and nationally (9.8%). At the district level, the self-employment rate in the Wealden District is higher than that seen in other districts in the FEA. Furthermore, a comparison of the two latest censuses (ie. 2001 and 2011) indicates that self-employment rate in the district has increased (by 10.3%) between 2001 and 2011.

4.77 The proportion of employed residents who work from, or at home is another indicator of local enterprise levels. Data from the Census indicates that around 12,000 Wealden residents, aged 16 to 74, worked from or at home in 2011. This makes up around a quarter (23.2%) of the employed residents in the Wealden District.
Furthermore, the number of residents working from or at home in the Wealden District (ie. 12,000 residents) represents around a quarter (25.4%) of all the residents across the FEA. Wealden’s proportion of residents working from or at home (ie. 23.2%) is amongst the highest across the FEA, and is higher than the overall average across the FEA (18.9%) and nationally (12.9%). The levels of home working across Wealden’s FEA are somewhat high, and range from 12.4% in Eastbourne to 24.1% in Rother.

Figure 4.22 Percentage of employed residents who work from or at home, 2011

Source: ONS, Census of Population, 2011
5. **Commercial Property Market Assessment**

**Summary**

- Nationally, economic growth has been strong over the past year, resulting in increased demand for commercial office and industrial space. Recent events have however added to the uncertainty that has been surrounding the market, resulting in the Bank of England cutting the interest rate from 0.5% to 0.25% fearing a return to another recession.

- There is a relatively small office market in Wealden compared with other locations within the FEA such as Tunbridge Wells and Mid Sussex. Between 2000 and 2016 there were only 95 office deals in Wealden, compared with 365 in Tunbridge Wells and 320 in Mid Sussex. Units under 2,000 sq. feet are most in demand reflecting the smaller size of firms locally.

- In terms of office availability, in July 2016 there were 1000 units available in the Wealden District consisting mainly of smaller units with none greater than 5,000 sq. feet. This reflects the constrained supply locally with a lack of speculative development.

- Wealden has a reasonably strong industrial market with an average of 8 deals recorded per annum between 2000 and 2016, the second highest within the FEA after Mid Sussex (11). These deals have comprised of a mix of space, with 38% under 2,000 sq. feet and a further 35% and 23% of the deals for industrial units of 2,000 to 5,000 sq. feet and 5,000 to 20,000 sq. feet respectively.

- The data suggests that overall demand for industrial space has been on an upward trend particularly for medium and larger units.

- In July 2016, there were also around 30 industrial units available in the district. Much of this is older stock with two thirds built before 1990 and little built since 2000. This highlights the difficulties which local businesses face in finding high quality floorspace with suitable modern facilities.

- The office market has performed strongly since 2013, with take-up that year being 33% higher than in the previous year. Since 2013, take-up has been more modest and has been influenced by a falling supply in office floorspace.

- Data on past completions indicates that between 2005 and 2015 around 65,000 sq. metres of net additional employment floorspace was delivered across the Wealden District, consisting of 19,700 sq. metres of office (B1a/B1b), 15,800 sq. metres of manufacturing (B1c/B2) and 29,900 sq. metres of distribution (B8) floorspace.

**National Economic Conditions**

5.1 Nationally, economic growth has been strong over the past year, supported by growth across a range of different parts of the economy. The pick-up in growth since early 2013 reflects a cynical recovery in demand which has been supported by growing confidence and improving credit conditions. However, this has not been accompanied by an improvement in underlying supply potential.
5.2 The Office for National Statistics (ONS) published its latest economic review in July 2016. This showed that the UK economy grew by 0.4% in Q1 of 2016. It also introduced a range of methodological changes and new data which resulted in it revising GDP growth since the recession down to 7.0% from 7.2% as previously estimated.

5.3 Recent growth in employment across the UK has fed into occupier demand for property. However, a significant proportion of recent growth in employment relates to growing self-employment rather than employee jobs.

5.4 The Bank of England base rate was reduced to 0.5% in 2009 and has remained at this historic low for the past seven years. Forward guidance provided by the Governor of the Bank of England in August 2013 stated that a rise in the base rate would not be considered until the rate of unemployment fell below 7%. In February 2014, as unemployment approached 7%, the Monetary Policy Committee (MPC) made a further guidance statement. This reported that despite the sharp fall in unemployment, there remains scope to absorb spare labour market capacity further before raising the base rate.

5.5 Following the recent Brexit vote (and other globally significant events), there have been a number of suggestions that the base rate could be cut further and in August 2016 the rate was cut from 0.5% to 0.25% This reflects the high levels of economic uncertainty with some fearing a return to another recession.

5.6 Despite this, growth in house prices has been supported by an improvement in the availability and a reduction in the cost of credit, partly as a result of the Government’s ‘Funding for Lending’ and ‘Help to Buy’ schemes. This has had a positive influence on the construction sector.

Office Market Review

5.7 At the national level, the office market has performed strongly in 2013, with take-up 33% up on the previous year. Since then, take-up has been more modest, with recent events increasing the level of uncertainty and resulting in the dampening of activity in several areas. Nevertheless, demand remains steady, and constrained supply is resulting in higher rents.

5.8 Data from the RICS’s UK Commercial Property Market Survey indicates that occupier demand remains healthy, but is however characterised by a downward trend in the supply of leasable space available (according to RICS leasable space has seen a downward trend for the past 12 quarters in succession3).

5.9 The sub-regional level sees similar trends to those seen nationally. These are however exacerbated by a constrained supply seen across the Wealden District’s functional economic area (FEA). The main office locations across the FEA include Mid Sussex District with concentrations along the Brighton-to-London line (at Haywards Heath, Hassocks and Burgess Hill), Lewes, Uckfield and Tunbridge Wells. In addition, there are smaller concentrations of offices at Hailsham and Crowborough along the A22 and A26 respectively.

Office Take-Up

5.10 Figure 5.1 below profiles the number of deals for office space recorded by Costar Focus across the Wealden District’s functional economic area (FEA). An average of 60 deals per annum has been recorded since 2000. The diagram below also shows that Tunbridge Wells has seen the highest number of office deals (365) followed by Mid Sussex (320) and Wealden District (95). Eastbourne and Rother have seen the fewest number of deals with 85 and 50 deals respectively.

3 RICS, Q1 2016: UK Commercial Property Market Survey, April 2016
The data also demonstrates that the profile of demand is focused on units of 2,000 sq. ft. or less, often preferred by SMEs. Overall, around 72% of all deals across the FEA between 2000 and 2016 were for units smaller than 2,000 sq. ft. On the other hand, the data also demonstrates very few deals for large office units over 20,000 sq. ft. Over the 2000-2016 period shown below, fewer than 1% of the deals were in this category, whilst 20% were for units between 2,000 and 5,000 sq. ft. and 7% were for larger units between 5,000 and 20,000 sq. ft.

Figure 5.1 Profile of office deals in Wealden’s FEA by size, Jan 2000 – June 2016

The diagram below profiles the take-up of office space in terms of floorspace let. We consider this to provide a more realistic assessment of the scale of the office market in each area assessed. Mid Sussex has seen the greatest activity of floorspace let (921,500 sq. ft.), with an average annual take-up of around 54,200 sq. ft. of office floorspace. This reflects the influence which Gatwick Airport plays on the office stock within Mid Sussex and across this part of the Sussex / Surrey office market.

Tunbridge Wells, Eastbourne and Lewes have all seen lower levels of take-up of office floorspace than Mid Sussex, with an annual average of 32,200 sq. ft., 14,100 sq. ft., and 11,000 sq. ft. respectively. The majority of activity in Tunbridge Wells is focused on smaller units, although the average unit size per deal (1,500 sq. ft.) in Tunbridge Wells is the second highest across the FEA (second only to that in Rother which is 1,800 sq. ft. per deal).
**Figure 5.2** Office floorspace take-up in Wealden’s FEA by size, Jan 2000 – June 2016

Source: Costar Focus, Property Market Data, July 2016

5.14 Figure 5.3 below shows annual office deals across Wealden’s FEA (by size) from the year 2000 onwards. The impact of the recession is clearly marked by a drop in the number of transactions in 2008 and 2009, followed by a slight upward trend from 2010 onwards. Although the number of deals has already recovered to pre-recession levels, it looks like they will plateau around 100 deals per annum.

**Figure 5.3** Annual office deals in Wealden’s FEA by size, Jan 2000 – June 2016

Source: Costar Focus, Property Market Data, July 2016

5.15 The impact of the recession can be seen more clearly in Figure 5.4 below which shows the overall quantum of floorspace take-up annually (by unit size) from 2000 onwards. This particularly shows...
a reduction in take-up for mid-sized units (ie. 5,000 – 20,000 sq. ft.). If larger units (ie. larger 20,000 sq. ft.) are excluded, office floorspace take-up is still (on average) below recession levels, with the exception of 2010 and 2013. Having said that, it is worth noting that take-up for smaller-sized units (ie. fewer than 2,000 sq. ft.) has remained strong, and increased slightly since the recession.

Figure 5.4 Annual office floorspace take-up in Wealden’s FEA by size, Jan 2000 – June 2016

5.16 The diagram below compares the annual office take-up by floorspace across five of the districts in the Wealden District’s FEA. Rother District is not included in the diagram because its annual office floorspace take-up is very low when compared with that of the other districts. Once again, the impact of the recession can be seen across a number of districts (with the exception of Mid Sussex) which have, and continue, to see low levels of office floorspace take-up since 2007.

5.17 Overall, the Wealden District has seen very little take-up, with the average annual office floorspace take-up from 2006 onwards being around 10,800 sq. ft. This is amongst the lowest across the FEA, and is second only to the office floorspace take-up in Rother (6,500 sq. ft. per annum).

5.18 The diagram below highlights Mid Sussex as one of the main office locations across the FEA, with an average annual office floorspace take-up of around 74,000 sq. ft. since 2006. This average hides large fluctuations in office floorspace take-up within the district. Overall, Mid Sussex saw considerable amounts of office floor take-up in 2010 and 2013. This was due to a number of one-off large transactions being completed, such as American Express Europe Ltd taking up over 100,000 sq. ft. in Burgess Hill, and several other larger sites (over 10,000 sq. ft.) being let in Haywards Heath.

5.19 Tunbridge Wells has also seen a relatively large quantum of office floorspace take-up over the period between 2006 and 2016. Overall, the average annual floorspace take-up in Tunbridge Wells throughout this period was around 41,500 sq. ft. per annum.
Office Availability

5.20 In addition to completed deals, Costar Focus also records the number of available office units within the local area. As of July 2016, the Costar Focus dataset identified a total of 100 office units being available across the Wealden District’s FEA. The breakdown of available office units is shown in the diagram below. Of the six FEA authorities, the greatest number of available office units is in Mid Sussex and Tunbridge Wells, both with around 32% of the units respectively.
5.21 Despite having a similar number of units on the market, Tunbridge Wells has a slightly lower supply of vacant floorspace available. Overall, Mid Sussex has around 148,600 sq. ft. of office floorspace currently available, compared with 99,000 sq. ft. in Tunbridge Wells. A large proportion (around 60%) of the floorspace available in Mid Sussex is for medium-sized floorspace in the 5,000 sq. ft. to 20,000 sq. ft. range.

5.22 Overall, the availability of office floorspace in the Wealden District is quite limited totalling around 19,000 sq. ft. Around two-thirds of this is for units smaller than 2,000 sq. ft., and there are no units larger than 5,000 sq. ft. currently available. The relative low availability of floorspace in the Wealden District is the result of somewhat constrained supply over the past number of years, and the lack of speculative office builds in the area.

**Figure 5.7 Office floorspace availability, July 2016**

Current availability of office floorspace in the Wealden District represents around 1.8 years’ worth of office floorspace supply based on past take-up trends. Similarly, in Mid Sussex, the current availability of office space represents approximately two years’ worth of office floorspace supply based on past take-up since 2006.

5.24 The level of supply is however, higher in Tunbridge Wells and Eastbourne with 2.4 years’ and 4.2 years’ worth of office supply (based on past take-up trends since 2006) respectively. On the other hand, Rother District has only one unit (with 460 sq. ft.) available. This represents less than 10% of the district’s annual take-up based on past trends since 2006, and represents an opportunity for neighbouring authorities (especially Wealden, Tunbridge Wells and Eastbourne) to take up some of the slack in the local market.

5.25 Figure 5.8 below profiles the available office stock by its construction period. Over half of the total available space was built before the 1980s, with a further 16% built during the 1980s. Across Mid Sussex and Tunbridge Wells a large proportion of the office floorspace currently available pre-dates the 1990s.

5.26 In the Wealden District, around two-thirds of the currently available floorspace (or 12,200 sq. ft.) has been built since the year 2000. Furthermore, one of the units built before the 1980’s has recently been renovated, bringing the total space currently available either built and/or renovated
Wealden Economy Study

since 2000 in the Wealden District to over 70%. Overall, there seems to be a significant shortage of recently-built office space across the FEA.

**Figure 5.8 Office floorspace availability by construction period, July 2016**

Source: Costar Focus, Property Market Data, July 2016

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**Industrial Sector Review**

5.27 Overall, the UK industrial market is currently in a strong position with high demand for both industrial and logistics warehouse space. Until very recently, UK manufacturing has benefitted from strong overall growth, including growth in key sectors such as advanced engineering, aerospace and the automotive sectors.

5.28 Data from the RICS\(^3\) indicates that the industrial sector has seen the finest momentum on a sectoral comparison over the first quarter in 2016. Furthermore, it shows that (similar to the office market), the industrial sector market has seen an increase in occupier demand, and a decline in availability.

5.29 Across the FEA, the industrial market is dominated by Mid Sussex and locations along the Brighton-to-London line (including Hassocks, Burgess Hill and Haywards Heath). In addition, the industrial sector is also influenced by Gatwick Airport (in Crawley) which increases the demand for industrial and logistics warehouse space.

5.30 Within the Wealden District, the industrial sector is characterised by concentrations in the Polegate and Willingdon area, as well as Uckfield, Pevensey, Hailsham and Crowborough areas. Recent key projects in the district include the development of 50,000 sq. ft. by John Lewis at the Ashdown Business Park (in Maresfield) and the Swallow Business Park (in Lower Dicker).

5.31 Constraints placed following the application of the 7km rule, which restricts any form of development from being located within 7km from the Ashdown Forest, has further suppressed the supply of industrial space across the norther part of the Wealden District.
Industrial Take-Up

5.32 Figure 5.9 below tracks the volume of deals for industrial space recorded in the Wealden District’s FEA since 2000. On average, a total of 31 deals are recorded each year across the FEA, with an average of 8 deals recorded annually across the Wealden District. This was the second highest number of annual deals recorded, following that in Mid Sussex (11).

5.33 In total, around 38% of all the deals were for units under 2,000 sq. ft., with a further 35% and 23% of the deals for industrial units of 2,000 to 5,000 sq. ft. and 5,000 to 20,000 sq. ft. respectively. Only 4% of the deals reported were for units larger than 20,000 sq. ft.

Figure 5.9 Profile of industrial deals in Wealden’s FEA by size, Jan 2000 – June 2016

Source: Costar Focus, Property Market Data, July 2016

5.34 The diagram below quantifies the trend in industrial floorspace take-up, and shows that the majority of take-up across the FEA has been in Mid Sussex. Once again, this is a direct result of the presence of Gatwick Airport in Crawley, and the influence it plays on this part of the markets in Sussex and Surrey.

5.35 Overall, around a quarter of the total industrial floorspace let across the FEA over the period 2000 to 2016 has been for units larger than 20,000 sq. ft. The deals data also shows that although there was quite a bit of activity in the Wealden District, the total industrial floorspace let added up to 465,400 sq. ft., and was only marginally more than that seen across Lewes (392,000 sq. ft.) and Tunbridge Wells (353,600 sq. ft.). In Wealden, the overall distribution of industrial floorspace let was fairly even, with 21% of floorspace under 2,000 sq. ft., 27% of the industrial floorspace let ranging between 2,000 and 5,000 sq. ft., and a further 27% ranging from 5,000 sq. ft. to 20,000 sq. ft.
Figure 5.10 Industrial floorspace take-up in Wealden’s FEA by size, Jan 2000 – June 2016

Source: Costar Focus, Property Market Data, July 2016

5.36 Figure 5.11 below shows the number of industrial floorspace deals completed across the Wealden District’s FEA from 2000 to 2016. It shows that despite a slight dip in the number of transactions completed between 2008 and 2009, the overall demand in industrial floorspace has been on the increase. The diagram below also shows that overall, demand for smaller and medium-sized units (ie. < 2,000 sq. ft. and 2,000 – 5,000 sq. ft.) has seen a steady increase from 2005 onwards (with the exception of 2009 which saw an overall decline in demand).

Figure 5.11 Annual industrial deals in Wealden’s FEA by size, Jan 2000 – June 2016

Source: Costar Focus, Property Market Data, July 2016
5.37 The diagram below shows the overall quantum of industrial floorspace let over the period between 2000 and 2016. In contrast with what the previous diagram showed, overall industrial floorspace take-up was characterised by medium and larger-sized units (ie. 5,000 – 20,000 sq. ft. and over 20,000 sq. ft. respectively). The diagram also shows that the overall take-up of 2,000 – 5,000 sq. ft. units has remained fairly constant since 2006, with demand for smaller-sized units (ie. <2,000 sq. ft.) doubling from 2011 onwards. This reflects the increase in self-employment seen everywhere following the recession.

**Figure 5.12 Annual industrial floorspace take-up in Wealden’s FEA by size, Jan 2000 – June 2016**

![Bar chart showing annual industrial floorspace take-up by size from 2000 to 2016.]

Source: Costar Focus, Property Market Data, July 2016

5.38 Figure 5.13 below compares the quantum of floorspace take-up across a number of districts within Wealden’s FEA from 2006 to 2016. Once again, Rother District is excluded from this diagram as the average annual industrial floorspace take-up is low when compared with that seen across the FEA.

5.39 As discussed elsewhere, Mid Sussex dominates the sub-regional industrial market with the highest average annual industrial take-up (at 86,700 sq. ft. per annum) and over 40% of the total take-up since 2006.

5.40 Over this period, the Wealden District has performed relatively well, and saw the second highest average annual industrial floorspace take-up (at 41,200 sq. ft. per annum) and around 19% of all industrial floorspace take-up since 2006.
Industrial Availability

5.41 As of July 2016, there were around 90 industrial units available across Wealden’s FEA, a third of which (30 units) are located in the district. Overall, a quarter of the industrial units currently available are smaller-sized (ie. < 2,000 sq. ft.), with 27% varying between 2,000 and 5,000 sq. ft., and a further 39% being in the 5,000 to 20,000 sq. ft.
5.42 Figure 5.15 below shows the level of industrial floorspace that is available across Wealden District and its FEA. Overall, it shows that Wealden has around 333,100 sq. ft. of industrial floorspace available, making up around 40% of the FEA’s total 831,700 sq. ft. currently available.

5.43 Of the 333,100 sq. ft. that is available in the Wealden District, a very small proportion (around 12%) is within units smaller than 5,000 sq. ft. The rest (ie. around 88% of Wealden’s industrial floorspace available) is split evenly between medium (5,000 – 20,000 sq. ft.) and larger-sized (> 20,000 sq. ft.) units.

![Figure 5.15 Industrial floorspace availability, July 2016](source: Costar Focus, Property Market Data, July 2016)

5.44 In Wealden, the 333,100 sq. ft. of industrial floorspace currently available would comprise of just over 8 years’ supply of industrial floorspace based on past take-up since 2006. In Lewes, current availability, represents around 6.2 years’ supply of industrial floorspace base on past take-up since 2006. In Rother, this ratio is higher, and current availability represents around 16.4 year’s supply of industrial floorspace, this is however based on very low take-up.

5.45 Figure 5.16 profiles the age of the floorspace that is available across Wealden District’s FEA. It indicates that for a large proportion (41%) of the industrial floorspace available across the area, its construction year has not been disclosed. Where construction year is available, the diagram below shows that around two-thirds of the industrial floorspace available has been built before 1990, with very little being built since 2000. In the Wealden District, less than 1% of the total industrial floorspace available has been built since 2000, highlighting the difficulties local businesses find in leasing high-quality floorspace with suitable modern facilities, such as ultrafast broadband.
Past Completions

5.46 Data on past completions (made available by Wealden District Council) indicates that between 2005 and 2015 around 65,400 sq. metres of net additional employment floorspace has been delivered across the Wealden District. This consisted of the following:

- 19,700 sq. metres of office (B1a/B1b) floorspace
- 15,800 sq. metres of manufacturing (B1c/B2) floorspace
- 29,900 sq. metres of distribution (B8) floorspace.

5.47 A look at past (net additional) completions over 2005 to 2015 provides a long-term view of the economy over a full business cycle, including a period of economic growth and recession. On average, overall net completions amounted to an average of 6,500 sq. metres per annum.

5.48 The data on net completions considers the loss of employment space in the Wealden District, and shows an overall slowdown in the development of new floorspace in the Wealden District over the ten-year period to 2015. Figure 5.17 below shows that overall net completions slowed down significantly from 2007-08 onwards, with 2010-11 registering a net loss of employment land in the district. Net completions data shows that overall net completions in the Wealden District are still considerably lower than those seen during the pre-recession years.
Supply of Employment Land

5.49 This section of the report provides a review of the supply of employment land within the Wealden District. It does not represent a full assessment of all employment land within the region, but focuses on the most important sites identified in the recently-published Issues, Options and Recommendations paper. The sites identified are existing significant sites, many of which have planning permission. An additional site with potential for the development of employment land is included for consideration.

5.50 In total we estimate that the current supply of employment land is around 31.5 hectares across seven different sites. Based on a review of permissions on the Council’s planning portal and recent policy documents this supply of employment land has the potential to deliver a total of up to 77,800 sq. metres of B1, B2 and B8 floorspace across the Wealden District.

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### Table 5.1 Supply of employment land in the Wealden District

<table>
<thead>
<tr>
<th></th>
<th>Site area (ha)</th>
<th>Floorspace (sq. metres)</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashdown Business Park</td>
<td>13.3</td>
<td>23,000</td>
<td>Approved</td>
</tr>
<tr>
<td>Land at West Uckfield</td>
<td>3.2*</td>
<td>12,650</td>
<td>Approved</td>
</tr>
<tr>
<td>Employment land at Hackhurst Lane</td>
<td>8.0</td>
<td>14,829</td>
<td>Approved</td>
</tr>
<tr>
<td>Land at North Hailsham</td>
<td>2.5</td>
<td>8,650</td>
<td>Approved</td>
</tr>
<tr>
<td>Land at South Polegate and East Willingdon</td>
<td>2.2*</td>
<td>8,600</td>
<td>**</td>
</tr>
<tr>
<td>Land at Dittons Road</td>
<td>2.1*</td>
<td>8,290</td>
<td>Approved</td>
</tr>
<tr>
<td>Land at Dittons Road</td>
<td>0.2*</td>
<td>1,745</td>
<td>Approved</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31.5</strong></td>
<td><strong>77,764</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Based on information from Issues, Options and Recommendations Consultation Document, and planning application information from the Council’s planning portal.

*Please note that site areas marked with an asterisk (*) have been estimated based on assumption for converting floorspace into employment land need. For more information on method, please see the following chapter.

**The land at South Polegate and East Willingdon has been allocated for a considerable amount of development including 8,600 sq. of employment land, 700 new dwellings as well as retail, leisure and community facilities. As of end of August 2016, a planning application for the site is still yet to be submitted.
6. Future Growth Scenarios

**Summary**

- The demand for future employment floorspace is based on an assessment of (three) employment-led scenarios, an assessment of past completions across the district (2005-15), and finally expected change in the labour force over the Council’s proposed plan period (2013-37).

- The employment-led scenarios are based on three sets of economic forecasts – EEFM, Experian UK Local Market Forecast and ESEFM, ranging between +8,140 jobs (Experian) to +13,375 jobs (ESEFM) between 2015 and 2037. Each forecast differs on the sectors that will deliver growth.

- All economic forecasts indicate there will be an increase of around 0.15 ha each year of office (B1a/B1b) employment floorspace. Likewise, all forecasts agree that demand for manufacturing (B1c/B2) employment floorspace is expected to decline (between 0.25 to 0.27 ha each year). There is however a slight disagreement on the demand for distribution (B8) space with EEFM and Experian both suggesting a decline in demand (0.09 ha and 0.22 ha per annum respectively), whilst ESEFM indicates demand for B8 space to be 0.08 ha each year.

- Past completions scenario is based on delivery of net employment floorspace in Wealden between 2005 and 2015. Based on past completions we identify need for 0.30 ha of office (B1a/B1b) space, 0.55 ha of manufacturing (B1c/B2) space, and 0.69 ha of distribution (B8) space each year between 2015 and 2037.

- The labour supply scenario is based on projected population growth based on Council’s Issues, Options and Recommendations Consultation proposals for testing to deliver around 19,970 new dwellings across district between 2013 and 2037. This increase is expected to support 7,800 additional jobs in Wealden leading to demand for 0.11 ha of additional office (B1a/B1b) space each year over 2015-37. Like the EEFM and Experian forecasts, this scenario expects that demand for manufacturing (B1c/B2) and warehousing (B8) employment land will decline (by 0.27 ha and 0.13 ha each year respectively).

- Furthermore, there are several planned investments across Wealden District and East Sussex which may affect the economic prospects of the district. These include investments in Uckfield town centre, improvements to key transport infrastructure (incl. junction between A22 and A27).

**6.1** This section sets out future scenarios for all jobs and for B class employment floorspace and land requirements (ie. offices, factories and warehouses). The approach used to generate projections of future need follows the methodology specified by the Planning Practice Guidance (Methodology: Assessing Economic Development and Main Town Centre Uses). It recommends that three main approaches should be considered in assessing future employment land needs (para. 032 Reference ID: 2a-032-20140306).

  - **employment-led scenarios:** using sectoral employment forecasts to assess potential future demand for land and floorspace
  - **past take-up approach:** projections which are based on the past take-up of land and floorspace
  - **labour supply approach:** assessing how employment might change and related employment land needs in light of projected growth in an area’s resident workforce.
These approaches have been informed by and reinforced with consultation with relevant organisations, studies of business trends and monitoring of business, economic and employment statistics.

The forecasts and projections set out in this section show potential employment growth for the Wealden District. We then consider the range of scenarios that emerge from our analysis, and translate these into potential floorspace and land requirements.

The PPG also specifies that the outputs of this assessment should include both quantitative and qualitative needs, identifying the type and characteristics of floorspace required, breaking it down by sector and considering proximity to infrastructure.

It should be noted that this report calculated total jobs first and then focuses on B-class employment, which includes those sectors which require either office (B1), factory (B2) or warehouse (B8) space. There are a range of sectors which do not generate significant demand for B-class space, but which are important sectors for the Wealden economy, such as retail and hospitality sectors. Whilst this sector does comment briefly on the potential growth of these sectors, it does not identify what the retail floorspace requirements might be. These are addressed through the retail study undertaken in parallel with this study.

Employment-led Scenario

It has become established practice in assessing future employment land requirements to consider forecast employment growth in building a picture of how an area’s economy is likely to change. The PPG treats jobs forecasts as a core part of the methodology for assessing both economic development and housing needs.

Employment forecasts show future changes in the number of jobs in different sectors based on a range of evidence, including:

- past trends nationally, regionally and locally in terms of gross value added (GVA) and employment change;
- the share of jobs in different sectors in an area compared to national and regional averages as a measure of particular concentrations of employment. This serves as a proxy for the sectoral strengths of an area in terms of current and past performance. Where there are high concentrations and strong past growth in certain sectors, these might be expected to continue in future;
- forecast growth rates nationally and regionally, taking account of government projections and other sources to understand how the UK economy is expected to perform in the future; and
- data on an area’s current population and labour force and projected changes. Forecasting models generally factor in projected change in an area’s workforce (resident and in-commuting) which represents a constraint on the level of jobs growth it might sustain in the future.

Population inputs to forecasting models are also reflected in the employment growth forecasts for some sectors, specifically those (such as retail) in which demand from an area’s population are a key determinant of the jobs they sustain.

Several specialist organisations across the UK provide employment forecast services. There are often marked variations between the outputs of these forecasts as a result of the underlying assumptions each forecasting house makes in preparing its forecasts, in addition to the timing of the forecasts.
6.10 It is therefore good practice to carefully examine the main assumptions in forecasting models used, and to consider different forecasts in arriving at a view about an area’s growth prospects. In essence, employment forecasts should be triangulated through comparison with other forecast data and recent trends.

6.11 To address these issues, this study draws on forecasting data from three data sources, which include:

- **East of England Forecasting Model (EEFM)** – developed by local authorities in the East of England and Cambridge Econometrics, this model is a widely-used source of data on both employment forecasts and their housing implications.

- **Experian UK Local Market Forecasts** – provides data on projected economic, demographic, housing, unemployment and productivity. These differ slightly from the EEFM, but are designed to be consistent with the latest ONS workforce job estimates.

- **East Sussex Economic Forecasting Model (ESEFM)** – based on Cambridge Econometrics and IER Estimates. These forecasts are available only for local authorities within East Sussex (ie. Wealden, Eastbourne, Hastings, Lewes and Rother), and were prepared in September 2014.

6.12 To ensure that the most up-to-date forecasts were available for this study, it has drawn on EEFM forecasts from Autumn 2014\(^5\), ESEFM forecasts from September 2014, and Experian forecasts from June 2016.

**Comparison of Forecasts**

6.13 The diagram below compares past and future employment change according to the three sets of forecasts used. As well as modelling future change, the forecasts also show the historic data on which projections are based. This shows that the East Sussex Economic Forecasting Model (ESEFM) consistently estimates an employment rate that is higher than what the East of England Forecasting Model (EEFM) and Experian give.

6.14 All three sets of forecasts show an increase in employment figures from 2000 onwards. The difference between the three economic forecasts is the level of growth experienced since 2000. As the diagram below shows, the Experian forecasts shows steady growth in employment until the mid-2000s. On the other hand, both the EEFM and ESEFM give a much steeper rise, only to experience a steeper decline in employment figures as a result of the recession.

6.15 Also, the forecasts do not agree with regards to when employment in the Wealden District fell, with Experian and the EEFM suggesting a drop employment between 2007 and 2009, whilst the ESEFM starts showing decline in 2009 followed by a steeper fall 2010 and 2011. All three forecasts suggest that employment in the Wealden District has been on the increase over the past few years.

6.16 Overall, the EEFM and the ESEFM both suggests an annual growth rate of around 2% between 2005 and 2015. On the other hand, Experian is more conservative suggesting an annual employment growth rate of less than 1%.

\(^5\) A new version of the East of England Forecasting Model has recently been published. However, these forecasts do not include a sector breakdown for Wealden, and as a result we used the earlier version of the EEFM from Autumn 2014.
There is general agreement between the forecasts in terms of which sectors will grow and which ones will decline in Wealden between 2015 and 2037. Overall, drivers of growth in the Wealden District between 2015 and 2037 are expected to be the professional services, hotel and restaurants, construction and business services. Other key sectors over this period will include the arts and entertainment activities and health care. On the other hand, manufacturing (including general, metals, chemicals, pharmaceuticals and food manufacturing) and public administration are all expected to see a decline between 2015 and 2037.

A comparison of recent economic change in the Wealden District indicates that the majority of these forecasts are in line with past employment trends. This is particularly true for the professional, and hospitality (ie. hotels and restaurants) sector which has seen overall growth of 5% and 6% respectively between 2009 and 2014. In addition, future scenarios agree with recent trends which have seen a decline in manufacturing employment.

There are however slight differences between recent employment trends and future forecasts. In particular, an assessment of BRES data for 2009-14 shows a decline in both construction (-4%) and healthcare (-2%) employment. Overall, construction activity has been very badly affected by the slowdown in bank lending and access to finance given to infrastructure and housebuilding projects. Healthcare is expected to become more important as the population becomes older. Therefore, we are confident that future forecasts for the area are realistic.
Figure 6.2 Forecast jobs growth by sector, 2015 to 2037


6.20 A more detailed breakdown of the sectoral changes between 2015 and 2037 across the three economic forecasts is available in the table below.
<table>
<thead>
<tr>
<th>Sector</th>
<th>East of England Forecasting Model</th>
<th>Experian</th>
<th>East Sussex Economic Forecasting Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture &amp; fishing</td>
<td>1,485</td>
<td>1,020</td>
<td>-465</td>
</tr>
<tr>
<td>Arts &amp; entertainment</td>
<td>3,355</td>
<td>4,690</td>
<td>+1,335</td>
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<tr>
<td>Business services</td>
<td>3,890</td>
<td>5,360</td>
<td>+1,470</td>
</tr>
<tr>
<td>Chemicals excl. pharmaceuticals</td>
<td>595</td>
<td>425</td>
<td>-170</td>
</tr>
<tr>
<td>Construction</td>
<td>9,035</td>
<td>11,840</td>
<td>+2,805</td>
</tr>
<tr>
<td>Education</td>
<td>5,125</td>
<td>4,785</td>
<td>-340</td>
</tr>
<tr>
<td>Electronics</td>
<td>570</td>
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<td>-175</td>
</tr>
<tr>
<td>Finance</td>
<td>925</td>
<td>1,045</td>
<td>+120</td>
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<tr>
<td>Food manufacturing</td>
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<td>600</td>
<td>-5</td>
</tr>
<tr>
<td>General manufacturing</td>
<td>1,465</td>
<td>1,090</td>
<td>-375</td>
</tr>
<tr>
<td>Health &amp; care</td>
<td>8,055</td>
<td>8,880</td>
<td>+825</td>
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<tr>
<td>Hotels &amp; restaurants</td>
<td>4,815</td>
<td>6,250</td>
<td>+1,435</td>
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<tr>
<td>IT services</td>
<td>1,095</td>
<td>1,740</td>
<td>+645</td>
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<tr>
<td>Land transport</td>
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<tr>
<td>Metals manufacturing</td>
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<tr>
<td>Mining &amp; quarrying</td>
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<td>0</td>
<td>0</td>
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<td>Other services</td>
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<td>Professional services</td>
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<td>Publishing &amp; broadcasting</td>
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<td>+140</td>
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<td>Real estate</td>
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<tr>
<td>Retail</td>
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<td>+715</td>
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<tr>
<td>Transport equipment, machinery &amp; equipment, etc...</td>
<td>495</td>
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<td>-20</td>
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<tr>
<td>Utilities &amp; Waste &amp; remediation</td>
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<tr>
<td>Water &amp; air transport</td>
<td>30</td>
<td>30</td>
<td>0</td>
</tr>
<tr>
<td>Wholesale</td>
<td>4,145</td>
<td>3,875</td>
<td>-270</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>64,885</strong></td>
<td><strong>76,420</strong></td>
<td><strong>+11,535</strong></td>
</tr>
</tbody>
</table>


Please note: Annual figures are rounded to the nearest multiple of 5.
6.21 All economic forecasts are subject to a large degree of uncertainty, especially when they are concerned with a sub-regional economy and are looking far into the future. While we can take reassurance from the fact that all three forecasts used are pointing toward a similar level of growth, there are significant differences in the implications for structural change. The challenge for this study was therefore to identify which forecast represents the most plausible view of future prospects, based on our knowledge of the strengths of the Wealden District and its past performance.

**Translating Jobs Growth to Floorspace**

6.22 The employment forecasts have been translated in to a requirement for floorspace by considering the nature of employment in each sector and the implications for the types of floorspace which employers in the sector will need to grow. The following categories of floorspace which employers in the sector will need to grow were used:

- **B1a / B1b**: office-based and research and development (R&D)
- **B1c/B2**: manufacturing
- **B8**: distribution and logistics

6.23 The EEFM forecasts are broken down into 31 broad sectors, which have been built up through groupings of 2-digit SIC codes. Similarly, the Experian UK Local Market Forecasts is made up of 38 broad sectors, whilst the East Sussex Economic Forecasting Model is made up of 12 broad sectors. Within each of these sectors, there may be a number of sub-sectors with quite different requirements for floor space.

6.24 For instance, in the EEFM the broad sector ‘Business Services’ includes office based sectors such as labour recruitment, but also includes sectors which are likely to have minimal requirements for any type of employment floorspace (eg. cleaning services, landscaping and security activities). We therefore, required a methodology for apportioning employment growth in each sector to different use-classes.

**Home Working**

6.25 It was also necessary to take account of the fact that a significant proportion of employment in B-class sectors is likely to be by self-employed people with no employment and other working from home rather than from a traditional workplace. This is particularly important in the Wealden District, which has a particularly high rate of home working (23.2%) when compared with its functional economic area (FEA) and nationally.

6.26 This study has assumed that the proportion of people who work from home and/or with no fixed address will remain constant over the study period, and does not make any further allowance for potential changes in working practices which could impact on job densities, including flexible working patterns and hot desking.

6.27 A number of studies have considered how employers’ use of office space is changing. All of these studies note that office densities have been increasing, but stress that the use of office space is highly dependent on the specific sectors and occupiers using the space. A recent study from 2015 looking at the changing dynamics of offices found that technological improvements and flexible

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Standard industrial classification (SIC) codes are the building blocks of sectoral analysis. Each business and employee is categorised with a 5-digit SIC codes, which can then be grouped into broader categories of sectors, including 4-digit, 3-digit, 2-digit and broad industrial groups.
working practices have reduced floorspace requirements, but also warned that this does not always result in smaller floorplates as in many cases declining workstation space is offset by growing space for break-out areas, meeting rooms and amenities such as cafes and gyms\textsuperscript{7}. To this end, in assessing the employment space needed, based on economic forecasts, we have made use of the latest employment densities guidance\textsuperscript{8} published in November 2015.

**Figure 6.3 Percentage of employed residents in the Wealden Districts who work from home or with no fixed place by sector, 2011**

![Bar chart showing percentage of employed residents by sector who work from home or have no fixed place]

Source: ONS, Census of Population, 2011

**Safety Margin**

6.28 The application of a safety margin is common practice in employment land reviews (ELRs), with the justification being that it allows for a choice of sites for the market and delays in sites coming forward. Although national guidance on ELRs does state the need to provide a portfolio that allows for choice, there is no official benchmark on what allowance should be made, with many local authorities basing it on past take-up, others applying a figure of 20% and other applying none at all.

6.29 We believe it is necessary to make some allowance for the Wealden District, given that it is a buoyant market where the supply of employment land is very tight. We have applied a safety margin of 10% for office space, and 5% for industrial and distribution land and applied these where demand for floorspace is growing.

\textsuperscript{7} NLP/TRIP, *Workspace Futures: The changing dynamics of office locations*, April 2015.

Key Steps

6.30 The floorspace requirements have been derived by applying the following steps:

1) Deduct home workers from sector employment forecasts using data from the 2011 Census of Population.

2) Allocate detailed 4-digit SIC sectors to employment use-classes. This was done using the professional judgement of Regeneris, and our assessment and knowledge of the nature of key sectors in the Wealden District.

3) Use data from the Business Register and Employment Survey (BRES) for 2014, estimate the proportion of employment in 4-digit sectors for each of the broad sector.

4) Use these proportions as ‘weights’ to derive the total number of jobs in each sector which will require different types of floorspace.

5) Convert total employment in full-time equivalent jobs (FTEs) at broad sector level. This was based on the long-term average of the ratio between full-time and part-time employment taken from ABI-BRES.

6) Convert the total number of FTE jobs in each use-class into floorspace by applying employment densities\(^9\) from the Homes and Communities Agency’s (HCA’s) Employment Density Guide\(^8\), as follows:

- **B1a space**: 12 sq. metres per FTE net internal area (NIA) or 15 sq. metres per FTE gross external area (GEA);
- **B1b space**: 50 sq. metres per FTE NIA or 63 sq. metres per FTE GEA;
- **B1c space**: 47 sq. metres per FTE NIA or 59 sq. metres per FTE GEA;
- **B2 space**: 36 sq. metres per FTE gross internal area (GIA) or 38 sq. metres per FTE GEA;
- **B8 space**: 77 sq. metres per FTE GEA.

7) An allowance of 10% is added to all floorspace requirements to reflect normal levels of market vacancy in employment space. This is only added where demand for floorspace is growing.

8) A safety margin of 10% is added to office space, and 5% for industrial space to allow for flexibility and to provide a choice of sites for potential occupiers. This is only added where demand for floorspace is growing.

6.31 There are a number of caveats which should be applied when interpreting the forecasts. It is possible that the structure of employment within each sector may change over the course of the study period. However, there is no way of knowing how or where this might occur. The methodology is based on the assumption that future growth in the demand floorspace will be driven by the same sub-sectors which are already established in the Wealden District.

\(^9\) In reality, employment densities for completed projects may differ slightly from the averages used in our calculations. This may account to some of the differences identified between the past completions scenario and other employment-led scenarios.
Using this methodology, it is estimated that between 900 and 1,200 FTE jobs in the Wealden District will require B-class employment space based on the three employment-led scenarios assessed.

Table 6.3 Total employees and FTEs requiring B-class floorspace in the Wealden District, 2015-37

<table>
<thead>
<tr>
<th>Source</th>
<th>Total jobs growth</th>
<th>B-class FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>East of England Forecasting Model</td>
<td>+6,100</td>
<td>+1,100</td>
</tr>
<tr>
<td>Experian</td>
<td>+5,300</td>
<td>+900</td>
</tr>
<tr>
<td>East Sussex Economic Forecasting Model</td>
<td>+7,200</td>
<td>+1,200</td>
</tr>
</tbody>
</table>

Source: Calculations by Regeneris Consulting, 2016

Please note that the total jobs growth and B-class employment listed in this table are not directly comparable as the former refers to total employees whilst the later refers to full time equivalent (FTE) employment.

The total number of FTEs and floorspace requirements using this approach are shown in the table below. The continued growth in office based sectors will be the key driver of demand for employment space, with 32,600 sq. metres of additional floorspace (ie. B1a/B1b) required by 2037, or 1,500 sq. metres per annum. All three forecasts agree that employment in manufacturing in the Wealden District will decline, resulting in the loss of between 22,100 and 23,900 sq. metres of manufacturing floorspace.

There is however, significant disagreement about distribution employment, and the floorspace required. Both the EEFM and Experian forecasts indicate a decline in distribution employment resulting in the loss of between 10,100 and 24,700 sq. metre of distribution floorspace. On the other hand, the East Sussex Economic Forecasting Model forecasts an increase in distribution employment, resulting in the need for 9,100 sq. metres of additional distribution floorspace.

Translating Floorspace into Land Requirements

The next step is to translate floorspace into land requirements. This is determined by the nature of employment land development in the Wealden district, and specifically the density of development. This varies considerably for different types of floorspace and across different parts of the district.

It is therefore necessary to apply different assumptions for plot ratios (the relationship between gross floorspace and total site area) for the different types of land use. The assumptions for the
different use classes are shown in the table below. These assumptions have been based on industry
standards and evidence gathered from desktop research.

6.37 Because of the uncertainty surrounding the exact plot ratios, the different plot ratios shown in
Table 6.5 should be interpreted as providing broad guidance. The actual plot ratios achieved on
individual sites will vary, depending on their particular characteristics and location.

<table>
<thead>
<tr>
<th>Plot ratio assumption used</th>
<th>Office (B1a/B1b)</th>
<th>Manufacturing (B1c/B2)</th>
<th>Distribution (B8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office (B1a/B1b)</td>
<td>0.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>0.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>0.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 6.5 Plot ratio assumptions, Wealden District

Source: Based on desktop research by Regeneris Consulting, 2016

6.38 The land requirements for each of the three economic forecasts in terms of office, manufacturing
and distribution uses are shown in the table below. All three forecasts identify the need of around
3.3 hectares (ha) of land for office development between 2015 and 2037. The three forecasts also
agree that the demand for land for manufacturing uses will fall, resulting in a surplus of between
5.5 (EEFM) and 6.0 (ESEFM) hectares.

6.39 Reflecting the forecasts’ disagreement on distribution employment, the EEFM and Experian
forecasts indicate that by 2037 there will be a surplus of between 2.0 and 4.9 hectares respectively,
whilst the ESEFM indicates that demand for land for distribution uses will be 1.8 hectares between
2015 and 2037.

<table>
<thead>
<tr>
<th>Office (B1a/B1b)</th>
<th>Manufacturing (B1c/B2)</th>
<th>Distribution (B8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEFM 2015-37 pa.</td>
<td>+3.3</td>
<td>-5.5</td>
</tr>
<tr>
<td>+0.15</td>
<td>-0.25</td>
<td>-0.09</td>
</tr>
<tr>
<td>Experian 2015-37 pa.</td>
<td>+3.3</td>
<td>-5.7</td>
</tr>
<tr>
<td>+0.15</td>
<td>-0.26</td>
<td>-0.22</td>
</tr>
<tr>
<td>ESEFM 2015-37 pa.</td>
<td>+3.3</td>
<td>-6.0</td>
</tr>
<tr>
<td>+0.15</td>
<td>-0.27</td>
<td>+0.08</td>
</tr>
</tbody>
</table>

Table 6.6 Employment land requirements in hectares, 2015-37

Source: Calculations by Regeneris Consulting, 2016

Past Completions Scenario

6.40 Past trends in the completion rates of employment floorspace offer an alternative view of how the
demand for employment space might change in the future. Over a long enough period, these
scenarios can be a useful means of identifying future trends in demand as they reflect the actual
development patterns on the ground.

6.41 The table below presents values for (net) average annual completions for office, manufacturing
and distribution space over the short (2010 to 2015) and long (2005 to 2015) terms. This
information is based on monitoring data about net completions for the period 2005 to 2015, and
draws on the analysis presented in para. 5.46 above.
Table 6.7 Net average completions in the Wealden District over the short (2010-15) and long-(2005-15) terms

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office (B1a + B1b)</td>
<td>500 sq. m.</td>
<td>2,000 sq. m.</td>
</tr>
<tr>
<td>Manufacturing (B1c + B2)</td>
<td>400 sq. m.</td>
<td>1,600 sq. m.</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>700 sq. m.</td>
<td>3,000 sq. m.</td>
</tr>
</tbody>
</table>

Source: Based on monitoring data about net completions for 2005-15 made available by Wealden District Council.

### Employment Floorspace

6.42 We have projected forward the trend in net completions for the period 2010 to 2015 and 2005 to 2015. Based on average net completions over the past 5 years (see Table 6.7), we identify that between 2015 and 2037 there will be demand for 13,200 sq. m. of office floorspace, 8,800 sq. m. of distribution floorspace and 2,200 sq. m. of manufacturing floorspace.

6.43 Using average net completions for the period 2005 to 2015 (see Table 6.7) we estimate the demand for 52,800 sq. m. of manufacturing floorspace and 39,600 sq. m. of distribution floorspace in the Wealden District by 2037.

6.44 As evidenced in Table 6.8 below there are considerable differences between the demand for future employment floorspace based on the 5-year and 10-year average completions rates. It is likely that the 5-year completion rates are influenced by the major slowdown experienced following the recession where average (net) completions are yet to recover to pre-recession levels. On the other hand, (net) completions over a 10-year period are influenced by a small number of uncharacteristically large developments, such as change of use at Lillywhites Poultry Farm (3,100 sq. m.) and Willow Farm (2,600 sq. m.) to B8 in 2005-06.

### Employment Land

6.45 Using the same assumptions plot ratios used above (please see Table 6.5) we have converted floorspace into employment land requirements in the Wealden District to 2037. The table below shows that based on average net completions between 2010 and 2015, the demand for land for office use is expected to be 1.59 hectares to 2037. Furthermore, the demand for manufacturing and distribution land is expected to be 2.51 and 3.69 hectares respectively.

6.46 Based on the average net completions for 2005 to 2015 would result in the demand for 6.57 hectares of land for office use, 12.10 hectares for manufacturing use and 15.20 hectares for distribution land use.
Table 6.9 Employment land requirements based on past completions (ha)

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Average net completions 2010-15</th>
<th>Average net completions 2005-15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total (ha)</td>
<td>Per annum (ha)</td>
</tr>
<tr>
<td>Office (B1a/B1b)</td>
<td>+1.59</td>
<td>+0.07</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>+2.51</td>
<td>+0.11</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>+3.69</td>
<td>+0.17</td>
</tr>
</tbody>
</table>

Source: Calculations by Regeneris Consulting, 2016

6.47 The figures presented above are based on average annual completions over the period 2005 to 2015. A look at Table 6.9 above shows that in the late 2000s, overall net completions were considerably higher than net completions post 2010. Whilst acknowledging that net completion figures have been particularly affected by macro-economic conditions (ie. the recession), we wanted to test the robustness and reliability of net completions data provided by Wealden District Council.

6.48 As such, we went back to the net completions data provided by the Council, and identified any developments that might be unduly influencing our assessment of future employment land need based on past completions. In practice this meant taking out any outliers and/or large one-off developments. This exercise focused primarily on large scale developments between 2005 and 2010.

6.49 The table below shows the updated employment land requirements based on past completions following the removal of possible outliers and/or large one-off developments. It shows that in comparison with the long-term figures presented above, total employment land requirements fall for all land uses identified (ie. office, manufacturing and distribution).

Table 6.10 Employment land requirements based on long-term completions (ie. 2005-2015) following removal of large one-off developments

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Total (ha)</th>
<th>Per annum (ha)</th>
<th>% change on previous long term trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office (B1a/B1b)</td>
<td>+4.36</td>
<td>+0.20</td>
<td>-34%</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>+9.01</td>
<td>+0.41</td>
<td>-26%</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>+7.87</td>
<td>+0.36</td>
<td>-48%</td>
</tr>
</tbody>
</table>

Source: Calculations by Regeneris Consulting, 2016
Labour Supply Scenarios

6.50 The employment-led scenario represents a labour demand driven view of future employment floorspace and land requirements. However, it is also important to consider the implications of changes in the population and labour force for potential jobs growth in the Wealden District. In effect, this is asking the question, “how many jobs in Wealden would be required in response to future population and labour force growth in the area?”.

6.51 A labour supply scenario takes projected changes in the Wealden’s population by age group, and derives the implied size of the workforce and the number of jobs that this could support. The approach is summarised in Figure 6.4. More detail about our method used to derive population estimates and in calculating labour supply in the Wealden District is included below.

6.52 The sectoral breakdown of this employment is then taken from the EEFM forecasts used for the employment-led scenario.

6.53 To ensure consistency with the assessment of future housing need in the Wealden District, this scenario has drawn on the Council’s emerging plans\(^\text{10}\) to deliver around 19,970 new dwellings (or 832 dwellings per annum) between 2013 and 2037. Over the first two years of this plan period (ie. 2013 to 2015) a total of 1,130 dwellings have been delivered across the Wealden District, leaving around 18,840 additional dwellings to be delivered over the 2015 to 2037 period. Based on the analysis presented below we estimate that the construction of 18,840 additional dwellings in Wealden between 2015 and 2037 would result in an increase of 32,000 people to the district’s population.

6.54 Furthermore, the Council’s emerging plans are compared with the latest demographic projections released by the Office for National Statistics in June 2014 (SNPP2014) to provide additional context. Overall, the ONS’s latest projections indicate that by 2037, Wealden’s population is expected to grow by 31,700 people. This means that although the Council’s emerging plans results in a slightly higher population estimate, the difference between the two is minimal.

6.55 To convert housing projections (ie. 18,840 dwellings 2015-37) into population forecasts and ultimately labour force changes and the number of jobs required locally, we made use of POPGROUP and followed the guidance set out in NPPF and PPG. The following is a brief description of the steps taken to derive the projected population growth in the Wealden District from the Council’s emerging plans to test to deliver 18,840 dwellings between 2015 and 2037.

- Dwelling numbers are initially converted into households by estimating the number of dwellings that are left vacant, as well as dwellings used as second homes. The vacancy rate is based on data from the Council Tax Base between, and is assumed to remain constant at

\(^{10}\) Wealden District Council, *Wealden Local Plan Issues, Options, Recommendations Consultation Document*, October 2015
2.4% throughout the plan period. Data on second homes is based on data from the 2011 Census and is held constant throughout the plan period as well.

- Household estimates are then converted into population forecasts using the household formation rates from the 2014-based Sub-National Housing Projections. To this, the number of people not in households (i.e. institutional population) is added.

- Using data on potential economic activity rate changes from the office of Budget Responsibility’s (OBR) most recent Fiscal Sustainability Report\textsuperscript{11} we estimate the number of economically active residents in the Wealden District by 2037. This calculation is based on a number of assumptions including, changes in participation rates for people aged over 55 to reflect changes in the retirement age, as well as changes in the number 16-19 year-old who are economically active to reflect changes in the compulsory education age.

- We then calculate the number of Wealden residents that are reasonably expected to be unemployed at any one time. To start with, we take the most recent model-based unemployment rate from the Annual Population Survey (APS) and assume that over the period to 2018 unemployment falls back to the average levels at which it stood when the UK economy reached its most recent peak performance between 2004 and 2007. This is then held constant throughout the rest of the plan period.

- We finally adjust for the number of local residents who commute outside of the district for work. Generally described as the commuting ratio, we apply this ratio to forecast employment growth. Being a net exporter of labour, Wealden’s ratio of 1.27 implies that there are 127 people for every 100 jobs locally.

### Employment Change

6.56 The table below shows each of the steps described above, and arrives at an estimate of total employment growth. An assessment of SNPP 2014 is included for comparative purposes, and shows that the Council’s emerging plans to deliver around 19,970 dwellings between 2013 and 2037 would result in a higher population and as a consequence the number of people working locally.

6.57 Table 6.11 shows that under the Council’s emerging plan, population in the Wealden District is expected to increase by +32,000 (+20.4%) people between 2015 and 2037. This is around 300 people higher than what SNPP 2014 projects. A large proportion (around 80%) of the total population change is expected to be in the population aged 65 and over. As a result, overall change in the district’s working age population is expected to be minimal at 3.6% (or 2,900 people), however the number of economically active people is expected to increase by 9,900 people (or +12.7%). The table also shows that a 20.4% increase in the Wealden District’s population could support 7,800 additional jobs locally between 2015 and 2037, or 355 annual jobs (+0.57% per annum).

\textsuperscript{11} Office of Budget Responsibility, \textit{Fiscal Sustainability Report}, June 2015
Table 6.11 Growth in workforce in labour supply scenario, 2015-2037

<table>
<thead>
<tr>
<th></th>
<th>SNPP 2014</th>
<th>Council’s emerging plans for 832 dwellings per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Population</td>
<td>+31,700</td>
<td>+20.3%</td>
</tr>
<tr>
<td>Working age population (16-64)</td>
<td>+2,700</td>
<td>+3.4%</td>
</tr>
<tr>
<td>Economically active</td>
<td>+9,800</td>
<td>+12.5%</td>
</tr>
<tr>
<td>People working in the area</td>
<td>+7,700</td>
<td>+13.1%</td>
</tr>
<tr>
<td>Annual growth</td>
<td>+350</td>
<td>+0.56%</td>
</tr>
</tbody>
</table>

Source: Calculations by Regeneris Consulting, 2016

**Employment Floorspace**

6.58 This total employment growth was allocated to sectors based on the forecast industrial breakdown of employment in the East of England Forecasting Model. The steps used in converting the 7,800 additional jobs resulting from the Council’s emerging plans into FTEs and ultimately demand for employment land need are similar to those used above (see para 6.30).

6.59 The table below shows that the labour-supply scenario suggests the need for 24,900 sq. metres of office floorspace by 2037. The table also shows that based on the labour supply scenario, there will be 32,600 and 14,300 sq. metres of surplus floorspace for manufacturing and distribution respectively by 2037.

Table 6.12 Floorspace requirements in labour supply scenario based on Council’s emerging plans

<table>
<thead>
<tr>
<th></th>
<th>FTEs</th>
<th>Floorspace (sq. metres)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Per annum</td>
</tr>
<tr>
<td>Office (B1a/B1b)</td>
<td>+1,350</td>
<td>+60</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>-620</td>
<td>-30</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>-190</td>
<td>-10</td>
</tr>
</tbody>
</table>

Source: Calculations by Regeneris Consulting, 2016
Please note: Total FTE figures are rounded to the nearest multiple of 10, while annual FTE figures are rounded to the nearest multiple of 5.

**Employment Land**

6.60 The floorspace has been converted into employment land using the plot ratios identified in Table 6.5. This shows the requirement for 2.5 hectares of employment land for office developments. The table shows that demand for manufacturing and distribution employment land is expected to decline by 5.9 hectares and 2.9 hectares respectively.

Table 6.13 Employment land requirements (ha) based on labour supply scenario based on Council’s emerging plans.

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Per Annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office (B1a/B1b)</td>
<td>+2.5</td>
<td>+0.11</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>-5.9</td>
<td>-0.27</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>-2.9</td>
<td>-0.13</td>
</tr>
</tbody>
</table>

Source: Calculations by Regeneris Consulting, 2016
Please note that employment land requirements based on SNPP 2014 have been excluded from this table. Given the similarity between SNPP 2014 and the Council’s emerging plans, the employment land requirements for the two scenarios are broadly similar.
Planned Investments

6.61 There are a number of future investments in the Wealden District, East Sussex and the Greater South East which may affect the economic prospects of the district. These are summarised in Table 6.14 below. A large number of these projects are transport and infrastructure-related, in addition to projects seeking to improve Uckfield town centre and the delivery of a number of employment floorspace in the Hailsham/Polegate area.

6.62 Assessing the potential effect of these planned investment on the economy of the Wealden District is complex as there is potential for both positive and negative effects on employment. While improvements to poor transport infrastructure in the district could increase Wealden’s desirability as a business location and increase its appeal as a location for inward investment, it may also result in a higher proportion of residents commuting to these locations which may in terms have a longer-term negative effect on employment.

6.63 The list of planned investments below includes around 7,000 dwellings which are already committed, and form part of the Council’s emerging plans to deliver 19,970 new dwellings (or 832 dwellings per annum) between 2013 and 2037. As such, caution should be exercised before adding the figures in the table below on top of the growth forecasts discussed above, as this would constitute double counting. Having said that, the likely impacts of delivering an additional around 13,000 dwellings will result in increased pressure on the District’s already crowded infrastructure, in effect reducing the likely benefits of the investments discussed below.

6.64 Furthermore, the list below also includes the possible expansion of Gatwick Airport. The government has recently announced Heathrow as its preferred option for a new runway in the South East. However, a final decision on the runway is expected to be taken following extensive consultation (expected to last 2 months) in winter 2017. In the meantime, a competitive bid by Gatwick Airport is still being promoted, arguing that should anything stop progress at Heathrow Gatwick Airport could deliver their vision for building a new runway over a shorter period.

6.65 Given these recent developments, and the uncertainty surrounding the decision to build a new runway in the South East and the fact that no details on airport expansion are as yet available, we feel that including the possible expansion of Gatwick Airport in the list below is justifiable. Discussions with commercial agents have revealed that should Gatwick Airport be allowed to expand, there would be several benefits for the Wealden District. A new runway at Gatwick Airport would increase pressure, as well as prices on employment land around the airport (ie. Crawley and Hassocks), making locations further out (including Wealden) more attractive.
Table 6.14 Major investments in and around Wealden District

<table>
<thead>
<tr>
<th>Scheme / Investment</th>
<th>Description</th>
<th>Possible effects on Wealden</th>
</tr>
</thead>
</table>
| Sustainable transport corridor + walking and cycling package | • Hailsham / Polegate / Eastbourne sustainable transport corridor  
• Eastbourne and South Wealden LSTF walking and cycling package  
• Together both scheme cost £13.9 million | • Enable up to 900 jobs and 4,300 new dwellings across A22/A27 corridor  
• Increase inward investment attractiveness of Wealden District |
| Uckfield town centre | • Package of accessibility improvements for Uckfield town centre  
• Cost of up to £3.0 million | • Help towards development and integration of town centre as identified in TC Masterplan (2007)  
• Enable up to 440 new jobs and 1,000 dwellings in and around Uckfield |
| A22/A27 junction | • Improvements to A22/A27 junction  
• Project cost of up to £5.0 million | • Improved flows between A22 and A27  
• Increase desirability of Wealden as a business location and inward investment location  
• Enable up to 4,400 jobs and 8,400 new dwellings |
| A27 improvements | • Series of improvements to A27 proposed by East Sussex County Council as part of Polegate Movement and Access Strategy  
• Could cost upward of £7.2 million | • Improve traffic flows across A27 in Wealden District  
• Increase desirability of district as business location and inward investment |
| Possible expansion at Gatwick Airport | • Construction of second runway at Gatwick Airport  
• +22,000 airport-related jobs  
• Could contribute £1.73 billion to local economy | • Increase desirability of greater South East region, whilst also increasing demand for employment land  
• Would result in locations close to Gatwick becoming less affordable forcing some businesses to seek accommodation elsewhere  
• Wealden could offer itself as a more affordable location to
7. Conclusions

7.1 This section starts to consider our emerging conclusions for Wealden District based on our findings to date. It sets out our emerging conclusions on the scenarios and our thinking on the supply-demand balance.

Emerging Conclusions on Scenarios

7.2 An overall view of our assessment of employment land need in the Wealden District between 2015 and 2037 is presented in the table below. The table shows a detailed breakdown for both total and annual values for employment floorspace (in sq. metres) and employment land (in hectares)

<table>
<thead>
<tr>
<th>Economic Forecasts</th>
<th>Floorspace (sq. metres)</th>
<th>Employment land (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEFM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office</td>
<td>32,600</td>
<td>3.3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-22,100</td>
<td>-5.5</td>
</tr>
<tr>
<td>Distribution</td>
<td>-10,100</td>
<td>-2.0</td>
</tr>
<tr>
<td>Experian</td>
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</tr>
<tr>
<td>Office</td>
<td>32,600</td>
<td>3.3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-22,600</td>
<td>-5.7</td>
</tr>
<tr>
<td>Distribution</td>
<td>-24,700</td>
<td>-4.9</td>
</tr>
<tr>
<td>ESEFM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office</td>
<td>32,600</td>
<td>3.3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-23,900</td>
<td>-6.0</td>
</tr>
<tr>
<td>Distribution</td>
<td>9,100</td>
<td>1.8</td>
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<tr>
<td>Past Completions</td>
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<tr>
<td>Office</td>
<td>13,200</td>
<td>1.6</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2,200</td>
<td>2.5</td>
</tr>
<tr>
<td>Distribution</td>
<td>8,800</td>
<td>3.7</td>
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<tr>
<td>Average net completions 2010-15</td>
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<td></td>
</tr>
<tr>
<td>Office</td>
<td>52,800</td>
<td>6.6</td>
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<tr>
<td>Manufacturing</td>
<td>50,600</td>
<td>12.1</td>
</tr>
<tr>
<td>Distribution</td>
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<td>15.2</td>
</tr>
<tr>
<td>Average net completions 2005-15</td>
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<td></td>
</tr>
<tr>
<td>Office</td>
<td>24,900</td>
<td>2.5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-23,600</td>
<td>-5.9</td>
</tr>
<tr>
<td>Distribution</td>
<td>-14,300</td>
<td>-2.9</td>
</tr>
</tbody>
</table>

Source: Calculations by Regeneris Consulting, 2016

7.3 Our initial conclusions on the scenarios for employment land need in the Wealden District between 2015 and 2037 are as follows:

- The two scenarios based on past completions (ie. 5 and 10 year trends) indicate that the requirements for employment land are significantly above any of the other forecasts. We have examined the long-term scenario in more detail to understand the extent to which this scenario is plausible.
Taking account of some of the larger schemes which have occurred in the past, and removing them from the long-term scenario, suggests that this is a plausible scenario\(^\text{12}\). There are several schemes (or subsequent phases) which are likely to come forward in the future, including the Swallow Business Park in Lower Dicker, and the Ashdown Business Park in Maresfield. This suggests that high levels of growth similar to historic levels of demand could occur in the future.

Our assessment of current supply suggests that a large proportion of the existing stock of premises in the Wealden District is sub-optimal and therefore will likely need to be replaced in the future. Although this study has not quantified the amount of floorspace that needs to be replaced, we believe that these scenarios (ie. based on 5 and 10 year trends) allow for both growth in employment need as well as opportunities to replace current stock within the district.

Under the long-term (ie. 10-year) scenario, total manufacturing (B1c/B2) and distribution (B8) employment land need to 2037 are set at 12.1 hectares and 15.2 hectares respectively. These figures are contrary to what the other scenarios investigated suggest (with contraction or slow growth predicted). However, discussions with local commercial property agents suggest that there is likely to be strong demand for industrial space in the future.

Adopting this scenario would allow for plenty of capacity if growth did indeed exceed the forecasts which we have examined (ie. EEFM, Experian and ESEFM). The importance of this scenario is highlighted by Planning Practice Guidance (PPG) which suggests that outcomes from the past development trends should be taken into consideration. Furthermore, this scenario is in line with NPPF, in that it does not take a cautious view of future economic growth across the Wealden District.

- The three employment forecasts used (ie. EEFM, Experian and ESEFM) are largely in line with each other in terms of the requirements they suggest for office (B1a/B1b) and manufacturing (B1c/B2) uses. However, they do not agree on the need for distribution and warehouse (B8) land. The requirements range from a decline of 4.9 hectares (per the Experian forecasts) to an increase of 1.8 hectares (per the ESEFM forecasts) to 2037.

- The labour supply scenario is largely in line with the employment forecasts for office (B1a/B1b) and manufacturing (B1c/B2) uses. As with the EEFM and Experian forecasts, this approach suggests that there will be a decline in the requirements for distribution (B8) land.

- Taking our consultations and research into account, we conclude that the labour supply scenario would represent a reasonable view of what is likely to happen in the future. This is largely in line with the EEFM and Experian forecasts which provide a credible view of what might happen in the future.

- It is also important to note that the quality of industrial and distribution uses needs to be improved to support current and any future opportunities. Adopting the long-term, past completions scenario would allow for additional land to be provided, should employment growth exceed the forecasts uses, whilst also providing opportunities for improving the

\(^{12}\) This scenario identifies the need for 4.36 hectares for office (B1a/B1b) uses, 9.01 hectares for manufacturing (B1c/B2) uses, and 7.87 hectares for distribution (B8) uses between 2015 and 2037. This translates to 0.20 hectares, 0.41 hectares and 0.36 hectares each year for office (B1a/B1b), manufacturing (B1c/B2) and distribution (B8) uses.
current stock available. As such, Wealden District Council may wish to adopt this scenario for the future.

**Demand and Supply Assessment**

7.4 Our research into the current supply of employment land in the Wealden District has shown that overall supply is in the region of 31.5 hectares. The table below gives an overview of current supply, in addition to the floorspace available, and whether sites have planning permission or not.

<table>
<thead>
<tr>
<th>Site area (ha)</th>
<th>Floorspace (sq. metres)</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashdown Business Park</td>
<td>13.3</td>
<td>23,000</td>
</tr>
<tr>
<td>Land at West Uckfield</td>
<td>3.2*</td>
<td>12,650</td>
</tr>
<tr>
<td>Employment land at Hackhurst Lane</td>
<td>8.0</td>
<td>14,829</td>
</tr>
<tr>
<td>Land at North Hailsham</td>
<td>2.5</td>
<td>8,650</td>
</tr>
<tr>
<td>Land at South Polegate and East Willingdon</td>
<td>2.2*</td>
<td>8,600</td>
</tr>
<tr>
<td>Land at Dittons Road</td>
<td>2.1*</td>
<td>8,290</td>
</tr>
<tr>
<td>Land at Dittons Road</td>
<td>0.2*</td>
<td>1,745</td>
</tr>
<tr>
<td>Total</td>
<td>31.5</td>
<td>77,764</td>
</tr>
</tbody>
</table>

Source: Based on information from Issues, Options and Recommendations Consultation Document, and planning application information from the Council’s planning portal.

*Please note that site areas marked with an asterisk (*) have been estimated based on assumption for converting floorspace into employment land need. For more information on method, please see the following chapter.

**The land at South Polegate and East Willingdon has been allocated for a considerable amount of development including 8,600 sq. of employment land, 700 new dwellings as well as retail, leisure and community facilities. As of end of August 2016, a planning application for the site is still yet to be submitted.

7.5 The labour supply scenario which is based on the Council’s emerging plans to deliver 832 dwellings per annum between 2013 and 2037 would result in the demand for 2.5 hectares. It is clear therefore that at present there is sufficient land supply to support the growth of the district’s workforce over the 2015-37 period. There are currently no barriers to the delivery of these sites.
7.6 The Economy Study has considered several possible scenarios for future growth in the Wealden District. The following are our conclusions and recommendations:

- Based on our assessment of the different scenarios for employment land need in the Wealden District, we conclude that the labour supply scenario represents the most reasonable view of what is likely to happen in the future. Having said that, we acknowledge that the long-term, past completions scenario would allow for additional land to be provided should employment growth exceed the forecasts used, whilst also providing opportunities for improving the current stock available.

- All scenarios assessed agree that the demand for good quality office (B1a/B1b) space will be a key driver of growth in the Wealden District. Ensuring that the district has a supply of good quality office space will also improve the district’s competitiveness across East Sussex and the wider South East region.

- The Wealden District is home to a relatively large number of highly-skilled individuals, many of whom commute outside of the district (often to London) for work. In planning for future employment land need, the Council should consider the opportunities afforded by such a large (and highly-skilled) workforce, as well as the opportunities provided by a growing population. Providing good quality and affordable office (B1a/B1b) space would not only support more people to work from home, but would also encourage more people to set up their own businesses.

- The council needs to ensure that the infrastructure required to support growth in B1 space is available. Our consultations have highlighted concerns with the district’s road network, as well as superfast broadband and mobile network coverage. This means that any future developments should consider improvements to the district’s infrastructure alongside the future release and/or development of employment land within the district.

- The recently-published Issues, Options and Recommendations Consultation paper sets the district’s housing requirement for testing between 2013 and 2037 at 832 dwellings per annum. Most of this growth is expected to be concentrated in the southern half of the district around the Hailsham and Polegate areas. It is important that the planning authority recognises its role in making Wealden an attractive place to live, adequate provision of retail and leisure facilities as well as high quality public realm and improved town centres is important in this regard.

- The South East LEP is in the process of refreshing its Strategic Economic Plan. Wealden District Council should take this as an opportunity to use its strengths in high-tech manufacturing, advanced engineering, creative and digital technologies, as well as the visitor economy to reposition itself better within the LEP area.

- Despite the government backing expansion at Heathrow Airport, there is still a lot of uncertainty surrounding this decision, and where a new runway should be built. In addition, there is also a lot of uncertainty surrounding Brexit, and how the triggering of Article 50 (and eventual departure from the EU) would affect the national and local economies. Both instances however, support the need for a flexible approach. This would enable the District Council to take advantage of any opportunities that might result from these.
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