

Proof of Evidence of the Brighton and Hove Economic Partnership

Brighton Marina Regeneration Project

Appeal Ref: APP/Q1445/A/09/2102048/NWF

01.09.09

- 1 BHEP is a partnership of 38 individuals representing the various sectors of the local economy in the city of Brighton & Hove. It receives grant funding from the South East England Development Agency (SEEDA) but it is an independent body and is not directed in its activity by SEEDA. We note that the regional development agency has also supported these proposals.
- 2 BHEP devises the economic strategy for the city in consultation with a wide range of stakeholders and sits on the city's Local Strategic Partnership, Public Service Board, Business Retention & Inward Investment Board and the Strategic Housing Partnership.
- 3 The Economic Partnership has no relationship with the appellant.
- 4 BHEP supported the scheme at planning application stage (LPA ref: BH2007/03454) with a written submission dated 11.01.2008 and it now supports the proposals at appeal.
- 5 It is not within BHEP's expertise or remit to offer views on the architectural merits of the scheme. The reason BHEP is moved to support the appeal is because of the substantial regeneration and economic benefits that the development would bring to the city and the wider region.
- 6 We view the merits of the proposed development on four levels based on its economic relevance to:
 - A) The South East Plan (SEP) and Regional Economic Strategy (RES)
 - B) The wider Brighton & Hove "City Region" or Functional Economic Area (what the RDA terms the "Diamond for Growth and Investment")
 - C) The city of Brighton & Hove
 - D) Brighton Marina district centre.

A) The SEP

- 7 The South East Plan¹ includes Brighton in the *Sussex Coast* section which it identifies as suffering from "higher levels of multiple deprivation, lower levels of GVA, lower earnings, higher levels of unemployment and lower rates of business formation"²
- 8 The SEP aims to improve the sub-region's "economic performance to at least match the regional average."³ Brighton & Hove's economic performance measured by GVA/head is £19,447, which is only marginally ahead of the UK average but well below the regional average of £20,152⁴. It also suffers from a higher than SE average unemployment rate and a lower than SE average employment rate⁵ and has two wards in the ten most deprived in the UK⁶, one of which, East Brighton, is adjacent to Brighton Marina.

¹ Core Doc Ref CD7/1. South East Plan. Section C; Sub Regional policies. [Para 16.1]. May 2009. ISBN 978 0 11 753998 3

² Core Doc Ref CD7/1. South East Plan. Section C. Para 17.1

³ Core Doc Ref CD7/1. South East Plan. Section C. Para 16.4

⁴ Office of National Statistics (online). 2006 (the most recent figures available)

⁵ NOMIS. Official Labour Market Statistics (online). 2008.

9 Notwithstanding these challenges the SEP identifies the city as a “regional hub” and a potential growth point; Policy SCT2 specifically includes Brighton & Hove as a location for national and regional assistance and expenditure suggesting it has a key role to play as a catalyst for economic activity across a wider region. However, such catalytic activity will not be realized without the sort of substantial investment that Explore Living/X-Leisure’s regeneration scheme is proposing.

10 The South East Plan places considerable importance upon the economic development of Brighton & Hove as one of only 21 regional hubs in the south east. It recommends a housing allocation of 570 dwellings per annum up to 2026, however the Brighton & Hove Strategic Housing Market Assessment (SHMA)⁷ points out that “the difficulty in allocating land within the City means that there is significant uncertainty about whether this rate of delivery can be continued in the future” and that “recent completions have been heavily reliant on windfall sites”. One need only examine the physical constraints that surround the city to see why it is imperative that the most is made of previously built-on [brownfield] land, such as the Marina.

11 As we will show later the provision of sufficient housing is an essential element of successful economies.

The RES

12 The Regional Economic Strategy⁸ (RES), published by South East England Development Agency (SEEDA), has a vision for the south-east to be a “world class region achieving sustainable prosperity”. It identifies three “economic contours” in the region and places Brighton & Hove in the *Coastal South East* contour, which it characterises as “an area which has seen continued economic and social decline” but also “an area of substantial untapped economic potential”⁹

13 The RES estimates that, if the Coastal South East could match the economic performance of the rest of the UK, an additional £13bn in GVA/annum would be added to the national economy.

14 A priority in the RES is the creation of “cities and towns where people choose to live by investing in an urban renaissance, redeveloping and regenerating key town centres to stimulate development of local economies” and it makes clear that “the prime focus for development in the South East should be urban areas, in order to foster accessibility to employment, housing, retail and other services, and avoid unnecessary travel”. The Marina proposals comply perfectly with this priority. It has excellent public transport accessibility and Explore Living/X-Leisure’s proposals will not only improve accessibility to the rest of Brighton & Hove, but will regenerate the Marina itself, stimulating employment, housing, retail and other services that will in turn feed into the local economy.

15 The sustainable element of the RES urges development to be on brownfield sites especially where there is already infrastructure in place to support development. The number of such sites in a crowded region of a populous country is understandably limited; in Brighton & Hove, trapped by the sea and the Downs, it is even more so. It is essential that we develop the few brownfield sites we have to their optimum potential. The Marina already possesses adequate infrastructure, which will be enhanced by the Explore Living proposals by the addition of improved transport, leisure and retail facilities.

⁶ Brighton & Hove Reducing Inequalities Review. OCSI. December 2007.

⁷ Core Doc Ref CD9/5. Brighton & Hove Strategic Housing Market Assessment. DTZ. April 2008.

⁸ Core Doc Ref CD/19.1. The Regional Economic Strategy 2006 – 2016. A Framework for Sustainable Prosperity. SEEDA.

⁹ Core Doc Ref CD/19.1. The Regional Economic Strategy 2006 – 2016. Para 1, Page 34

B) The Diamonds for Growth & Investment

- 16 The RES identifies Brighton & Hove as one of eight Diamonds for Investment & Growth in the south-east region, which it defines as: -

*“major concentrations of growth potential, which can act as a catalyst to stimulate prosperity across wider areas, and with the potential for further sustainable growth through targeted investment in infrastructure”.*¹⁰

- 17 SEEDA expects the eight Diamonds to deliver 45% of the economic growth in the region over the next decade¹¹. However, with a host of economic issues including lower than south east average GVA, lower than south east average resident and worker’s salaries; lower than south east average employment rate, higher than SE average unemployment and a shortage of affordable housing, Brighton & Hove is one of the poorest performing Diamonds in the south east. Nevertheless, it is seen by SEEDA as key to turning around the fortunes of more economically weak areas on the Sussex Coast.

- 18 Consequently, all eight Diamond areas were highlighted as a focus for investment in infrastructure in the Regional Funding Allocation guidance submitted to central government in January 2006.

- 19 In practice this means that, instead of a scattergun approach, new investment should be targeted at these Diamonds where it will deliver the greatest benefit. It is increasingly important that the city complements public funds (likely to be much reduced over the next three years) with private sector investment such as that proposed by Explore Living/X-Leisure, wherever possible.

- 20 A key priority in the Brighton & Hove Economic Strategy¹² emphasizes the need to work across local authority boundaries to develop the city’s Diamond area.

C) The city of Brighton & Hove

- 21 The population growth of the city over the period 1981 - 2006 was 5.6% but in the last fifteen years of that period it was 17.6% (against 15.5% for the South East) highlighting the degree to which growth has accelerated since 1991¹³.

- 22 But during this period the level of household growth exceeded the level of new housing completions, which suggests that households have continued to form despite constraints on the supply of new homes and consequently many may have been accommodated in shared housing.

- 23 Over the period 1995-2006, the number of jobs in Brighton and Hove has grown by 17%. This compares with growth in employment of 7% in the South East as a whole. Furthermore the City Employment & Skills Plan has analysed trend growth and predicts that Brighton & Hove will have to generate another 8,000 jobs over the next nine years just to stand still at the current employment rate of 75.6% (against a SE average in excess of 80%). To reach the government target of 80% employment an additional 16,000 jobs will have to be found.¹⁴

¹⁰ Core Doc Ref CD/19.1. Regional Economic Strategy 2006 – 2016. SEEDA. Para 1, Page 42

¹¹ Prospectus for Prosperity. SEEDA. April 2009.

¹² Raising out Game: Brighton & Hove Economic Strategy 2008 – 2016. BHEP. Dec 2008

¹³ Source: 1991 and 2001 Census and DCLG 2004 Based Household Growth Figures

¹⁴ Brighton & Hove City Employment & Skills Plan 2007/08 – 2010/11. Brighton & Hove City Council. 2007

- 24 The Brighton and Hove Employment Land Study (2006)¹⁵ highlighted the possibility of ‘constrained’ employment growth, which actually forecasts a decline in employment in Brighton and Hove – by around 1,150 jobs up to 2016 and around 2,300 jobs up to 2026. The study goes on to say that growth in this forecast would be ‘constrained’ by the dwellings allocation in the city. Dwelling constraints will obviously restrict population growth, which also determines the supply of labour.
- 25 When considering the Marina inner harbour proposals – essentially a residential led development – it is important to highlight the reciprocal relationship between economic development and the provision of housing. The economy cannot grow unless the population grows and the population cannot grow without new housing.
- 26 Unlike other coastal locations the workforce in the city is getting younger but despite having 41% qualified to degree level, some 33,000 people commute out of the city each day because there is a shortage of graduate level jobs. Median earnings for residents and workers are well below the regional average, which leads to a housing problem exemplified by an acute lack of affordable housing.
- 27 Notwithstanding the current bear market in housing, affordability continues to be an issue. Assuming a 10% deposit and a mortgage of 3.25x earnings, a salary of £41,730 is needed to buy a first-time buyer’s one-bed flat in the city and a salary of £78,401 is required to buy a three-bedroom house¹⁶. This is against a median residential salary of just £26,743¹⁷
- 28 In this respect the city’s provision of new and affordable housing is extremely pressing. Brighton and Hove has a higher level of overcrowding than any comparator areas in Sussex, with 13% of its stock with one or more rooms less than reasonably required by the occupants. This compares to 6% for other areas of Sussex and the South East Coastal strip¹⁸.
- 29 The level of affordable housing needed each year in order to address the backlog and meet need that is likely to arise over the next five years is far in excess of what is likely to be delivered by way of new affordable housing and what has been delivered in recent years. The City Council’s Housing Needs Survey identified a shortfall of 1,202 affordable homes per annum¹⁹.
- 30 As a consequence, lower income (and intermediate) households may decide to move out of Brighton and Hove and access housing in cheaper areas – a process which works against mixed income communities and also affects the ability of key workers to live and work within the City. Some 28,000 people commute into the city each day largely from the east and west to do lower paid jobs which exacerbates transport problems²⁰.
- 31 And it is not only workers that may be forced to leave the city; significant house price increases associated with restricted supplies of housing subsequently lead to declines in employment and income. In the short run, high housing costs force firms to pay higher wages but in the long run, firms generally leave high-cost areas²¹.
- 32 Home grown companies may leave and others may choose to avoid locating in areas where housing is an issue. For example, in the 1990s Hewlett Packard decided to locate their European Research

¹⁵ Core Doc Ref CD9/9.1. Brighton & Hove Employment Land Study. Roger Tym & Partners. August 2006

¹⁶ Housing Costs Update. 2009 Quarter 1. Brighton & Hove City Council Housing Strategy Unit

¹⁷ NOMIS. Official Labour Market Statistics. Earnings by Residence 2008

¹⁸ Core Doc Ref CD9/5. Brighton & Hove Strategic Housing Market Assessment. DTZ. April 2008

¹⁹ Core Doc ref CD9/2. Brighton & Hove Housing Needs Survey. DCA. 2005

²⁰ Census 2001

²¹ The Economic Impact of Restricting Housing Supply. Edward L. Glaeser, Harvard University. May 2006

Establishment in Bristol; a decision that was strongly influenced by the quality of life for workers including the affordable housing environment²².

- 33 The Barker Report²³ which forms a foundation for government economic policy, also proposes that housing supply, in particular the supply of affordable housing, is a foundation stone for a successful economy. A report by Professor Christine Whitehead²⁴ [Director of the Cambridge Centre for Housing & Planning Research] commissioned by the Economic Partnership looking at barriers to growth in Brighton & Hove opens with the bald statement, "Brighton and Hove has a worsening affordable housing problem, which is affecting its growth and competitiveness" and goes on to recommend, "Every opportunity must be taken to expand effective supply and to ensure affordability".
- 34 There are many reports that demonstrate that house price increases have excluded those with lower incomes from accessing permanent housing at prices affordable to their household²⁵.

D) Brighton Marina District Centre

- 35 Conceived in the 1970s in a spirit of considerable optimism, the Marina was always intended to be a place where people would live and work while offering leisure pursuits that extended beyond the nautical.
- 36 Despite some investment over the years Brighton Marina continues to disappoint and fails to be either a destination in its own right or make a meaningful contribution to the city's wider destination offer.
- 37 Brutal architecture, poor public realm and unattractive access routes have all contributed to its perceived, and actual, separation from the city centre.
- 38 The third largest Marina in Europe should be high on the list of "must see" attractions for the leisure visitor to Brighton & Hove and yet it receives something "over 3 million" visitors per annum²⁶ compared to 8.5 million to Brighton & Hove. Not to put too fine a point on it: the Marina is perceived by many to be a blight on Brighton's destination offer when it should be a jewel.
- 39 The multi-million £ investment proposed by Explore Living/X-Leisure offers the chance to halt the endless cycle of piecemeal additions and make the Marina a meaningful and thriving part of the city. The continued development of the residential element of the Marina will contribute towards the evolution of a vibrant local community with sufficient critical mass to sustain economic activity even in the winter months when visitor numbers are reduced (one major economic problem suffered at the Marina at present is the seasonal variation in visitors and business). The proposed commercial element will go a long way towards making the Marina a destination in its own right and the developers and master-planners are to be congratulated for their holistic view in terms of planning for the entire inner harbour area.
- 40 The proposals also offer much-needed affordable and family housing. The importance of this element of the scheme cannot be over-emphasised. With 27% of the workforce employed in the public sector we have a large number of key-workers that would benefit directly from the Marina development with 40% of the total residential units being affordable.

²² Review of inward investment practices (page13). Bristol City Council/ Western Development Partnership, 1995

²³ Barker Review of Land use Planning. Kate Barker. December 2006

²⁴ Brighton & Hove: The Barriers to Further Economic Development. Whitehead, Scanlon, Monk & Short. 2003

²⁵ e.g. The geography of affordable and unaffordable housing: the ability of younger working households to become home owners. Steve Wilcox. JRF. December 2006

²⁶ Brandspace

41 The link between affordable housing and the local economy; and the link between Brighton & Hove's success and the wider sub-region are vitally important. People who live and work in the same place have a much greater vested interest in that place and develop more cohesive communities. Their contribution to the wider economy and the vibrancy of the city can only be enhanced by them being residents as well as workers.

42 The Marina development will also generate significant employment opportunities both during the construction phase and after. The value of the construction phase is enhanced by the willingness of the appellant to enter into construction training agreements with the local authority offering apprenticeship opportunities to local residents at a time when the construction industry is in crisis. Many of the 185 permanent employment opportunities will be entry level jobs that will be valuable in a city with some 25,000 people on unemployment benefits of one kind or another²⁷. The development will also help to safeguard the 1,130 existing jobs many of which are under threat from the under-performing micro-economy of the Marina. The Marina's close proximity to the East Brighton and Moulsecoombe & Bevendean wards will offer a welcome source of employment to two deprived areas.

43 We consider the proposals to be deliverable. As a cash-rich company employing its own workforce, Lang O'Rourke is perhaps one of the few developers that can realistically build in the current economic climate. In 2008 Brighton & Hove had £2.2bn of developments in the pipeline but most have been postponed, abandoned or placed "under review". The redevelopment of the Marina will go a long way to restoring confidence in the city and marking it out as the "Diamond" it could be, for future investment when the recession ends.

44 CONCLUSION

Permission for this development should be granted because it complies with strategies for economic development at the national, regional and local level and it amply satisfies the requirements of the Brighton & Hove Local Plan and Strategic Housing Market Assessment.

The provision of affordable housing (40% of the scheme) will play an important role in addressing the shortfall that has been identified by a series of reports over the past decade.

Affordable housing has a direct relationship to economic development and the generation of jobs. Thus the proposals will play an important role in meeting the city's need to generate an additional 16,000 jobs, increase its GVA to regional level and contribute to the ongoing development of the wider functional economic area or Diamond for Growth & Investment.

The scheme itself will generate employment both during and after construction and offer the possibility for training programmes for young people entering the construction industry.

Anthony Mernagh

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Brighton & Hove Economic Partnership

²⁷ NOMIS. Official Labour market Statistics (online) June 2008

Annexes to
Proof of Evidence of the Brighton and Hove Economic Partnership
Brighton Marina Regeneration Project
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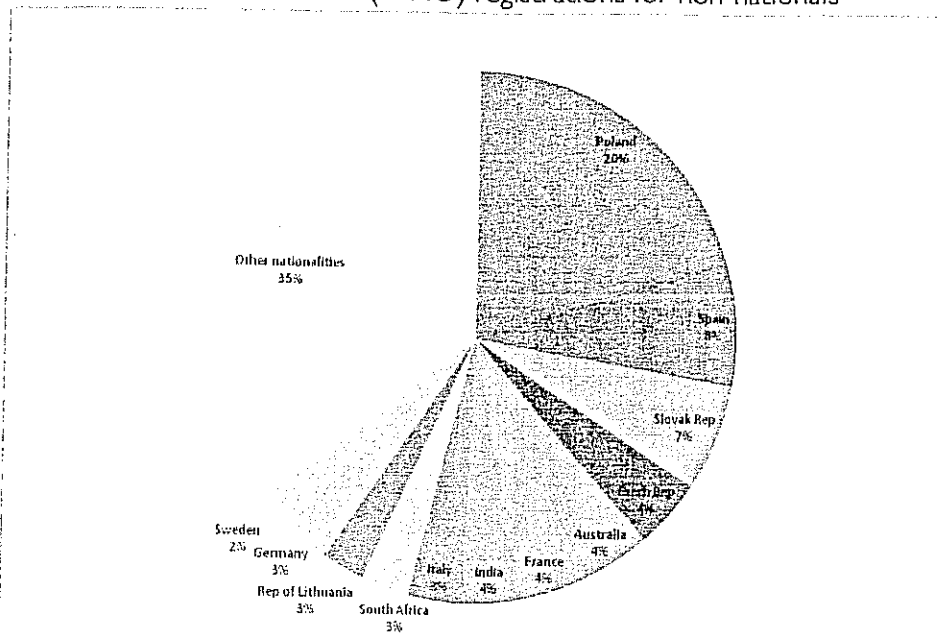
Extracts from the non-Core documents referenced in the proof of Evidence

The numbering in the top right hand corner of each page refers to the
footnote number in the Proof of Evidence

and 4% of the economically active population). The city ranks among the top 10% of authorities in England in terms of NINO registrations.

A.3.44 The Figure below examines the breakdown of the city's migrant worker population:

National Insurance Number (NINO) registrations for non-nationals



Source: DWP 2005/6

A.3.45 The largest component of NINO registrations are from Poland who account for over 20% of all newly registered workers in the city. The other main nationalities of Brighton and Hove migrant workers include Spain and Slovakia.

A.3.46 The large migrant worker population is leading to an increasingly international profile to Brighton and Hove's population. In 2006 alone, 445 people were granted British Citizenship in the city²¹² whilst 20% of all new births in the city in 2005 were to mothers born outside of the UK (ONS 2005).

The ethnic minority population in Brighton and Hove is growing at a faster rate than across England as a whole.

A.3.47 The demographic profile of the city is shifting. Between 2001 and 2004, the ethnic minority population of Brighton and Hove is estimated to have grown to 19,300 by 2004 (7.7% of the population).²¹³

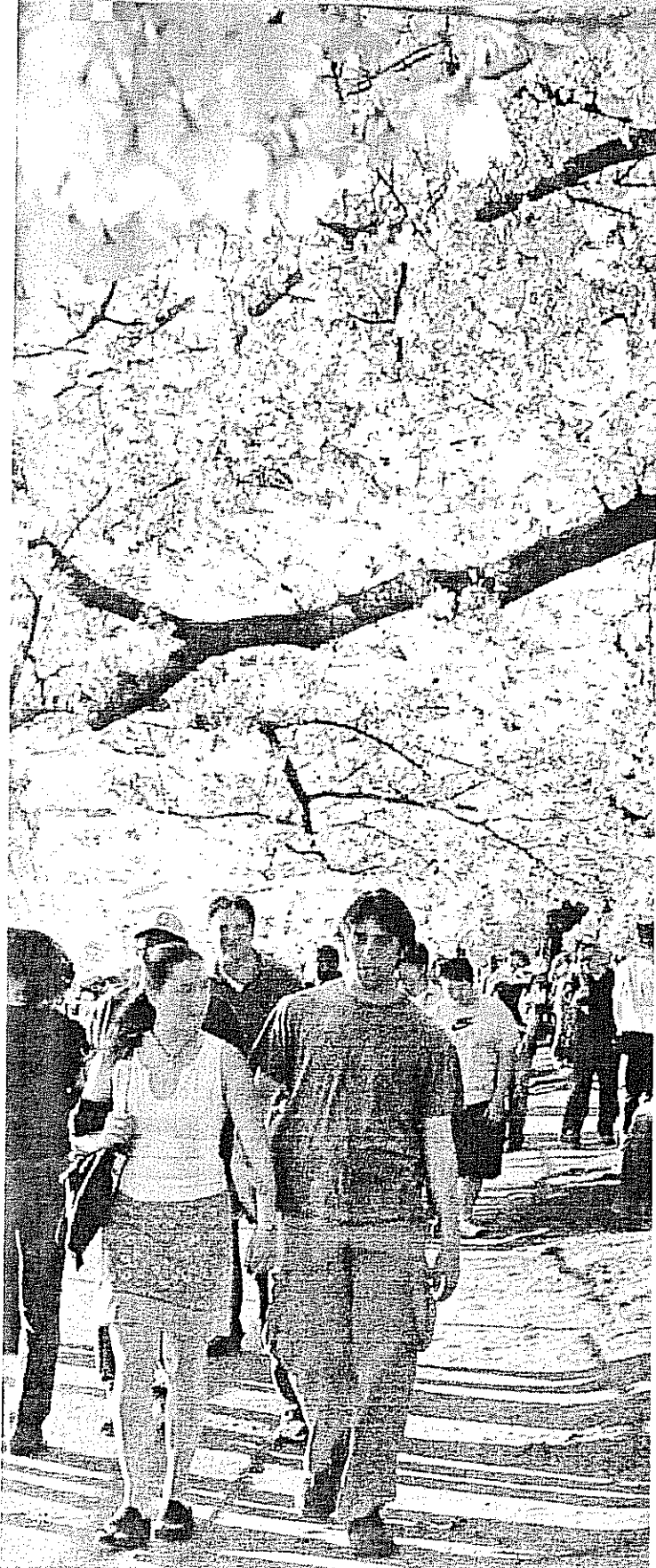
A.3.48 This represents a significant increase in the city's ethnic minority population of 35% between 2001-2004 – this is almost double the national ethnic minority growth rate of 13% over the same period.

A.3.49 The growth in the ethnic minority population is likely to raise a set of key challenges for Brighton and Hove. Economic Activity rates have historically been lower across all minority groups in Brighton and Hove - Just under 70% of Brighton's White British population are economically active compared with economic activity rates of around 50% for some minority ethnic groups including Bangladeshi and Chinese. Black African and Bangladeshi groups are more than three times as likely to experience household

²¹² Home Office (2006)

²¹³ Office of National Statistics (2004) Resident Population Estimates by Ethnic Group and Sex, All Persons; ethnic minority population estimates

Appendix One Supporting metrics and technical data



1. GVA Growth Rate

The Diamonds will seek to provide a higher share of the regional growth in GVA up to 2016 than that required in the RES, with the figures as follows:

Year	SEEDA Target (%)	RES Target (%)	Diamonds (%)
2013	60.5%	60.5%	55%
2016	60.5%	60.5%	45%

Source: SEEDA estimates based on Experian data

2. Regional Gross Domestic Expenditure on Research and Development

For this indicator, the total number of employees involved in research and development has been taken as a proxy. The SEDFIG will seek to deliver the RES required rates of improvement by 2013, in advance of the 2016 target.

Region	2013	2016
South East	27,747	37,275
PUSH	1,941	2,608
Brighton and Hove	352	473
Thames Gateway	154	207
Gatwick Diamond	440	592
Reading Diamond	769	1,033
Central Oxfordshire	4,038	5,425
Basingstoke and Deane	219	294
Milton Keynes and Aylesbury Vale	89	120
Diamonds	8,004	10,752

Source: SEEDA estimates derived from ONS data

The City Employment and Skills Plan - 2007/8-2010/11 (CESP) sets ambitious targets for the city to improve employment and skills, based under four strategic priorities:

- **Strategic Priority 1: Support the Creation, Retention and Development of Local Business and Enterprise.**
- **Strategic Priority 2: Increase the Employment Rate in the City.**
- **Strategic Priority 3: Develop and Improve Skills for Work.**
- **Strategic Priority 4: Develop the Infrastructure and Intelligence to Support the Delivery of the Actions in the CESP.**

• Increasing the Employment Rate

The aim to increase the employment rate by 1% over the next three years is more ambitious than it sounds. This may mean finding work for around 5,600 more people – around 3,900 to keep the employment rate at the same level and an additional 1,700 workless people to be brought into employment over the period.

Considering there has only been a reduction of 1,400 working age benefit claimants in the city over the past seven years, this will require a step change in efforts to extend employment to welfare benefit claimants in the city, with the CESP agencies making a contribution as employers to achieve this.

There has been a significant increase in the number of both employees in employment and residents in work in the city over the past decade. This buoyant labour market has not resulted in

a notable increase in the employment rate or a substantial reduction in the number of working age benefit claimants.

• Working Age Population Growth

Local trends in the age profile of the resident population do not reflect those in Britain or the South East. Whilst nationally and regionally the population has become older, in Brighton & Hove it has become younger. Post working age and older working age residents have moved out of the city to outlying areas, and have been replaced by younger residents (including students) who have moved into the city from other parts of the country and from overseas.

This has resulted in a significant increase in the working age population and the number of new jobs in the city has struggled to keep up with this. Latest trend based projections suggest that the working age population could increase by a further 12,000 over the next ten years. If this happens, 8,000 additional Brighton & Hove residents will need work just to maintain the current employment rate of 75.6%. If the city is to get close to reaching the national aspiration of an 80% employment rate target, around 16,000 residents will need work – around one in six of the target for the whole South East Region. Whilst many of these residents may find work outside Brighton & Hove, this still represents a significant job creation challenge for the city.

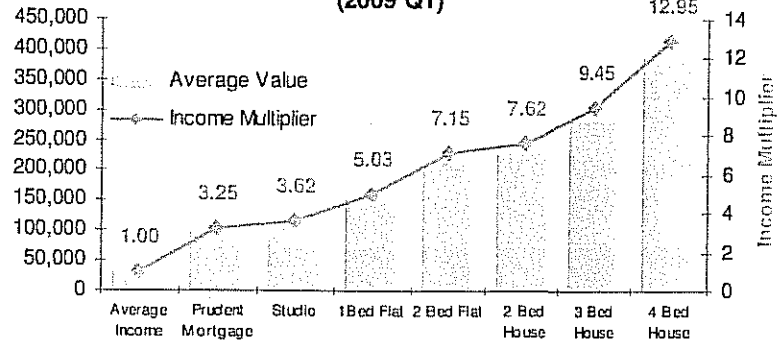
Given that the number of working age welfare benefit claimants has fallen by an average of only 200 per year over the past seven years, those who are at risk of labour market disadvantage may continue to find that there is stiff competition for jobs in the city in the foreseeable future.

The Affordability of Buying in Brighton & Hove

Historically, mortgage lending has usually been limited to around 3.25 times annual income.

The 2007 CACI Wealth of the Nation report shows that the average household income in Brighton & Hove was £35,123. However, 61% of households earn below the average. The average is affected by the number of very high earners in the city.

Brighton & Hove
 Average property prices and income multipliers
 (2009 Q1)



Brighton & Hove Median Household Income 2007: £29,950 (CACI Wealth of the Nation 2007)

The Median household income (where 50% of households earn less and 50% of households earn more) in the city is £29,950. We have used this median figure to more accurately reflect the pressures on local residents.

In Brighton & Hove the average 1 bedroom flat costs just over 5 times the median household annual income and 3-bed houses costs nearly 9½ times median annual income.

Households on average incomes must have either a sizeable deposit or borrow significantly in excess of prudent mortgage limits in order to buy. If interest rates rise, it could place a serious financial strain on households who have had to borrow large sums in excess of 3.25 times income, with every 1% increase in interest rates adding around £90 per month to a £150,000 mortgage.

Monthly Cost of Mortgage Repayments

	1 bed flat	3 bed house
Purchase value of property	£150,700	£283,114
Deposit 10%	£15,070	£28,311
Total value of mortgage	£135,630	£254,802
Income required*	£41,732	£78,401
Repayment @ 5% **	£793	£1,490
Repayment @ 7% **	£874	£1,642
Repayment @ 9% **	£959	£1,801

* Based on 3.25 x salary ** Based on a 90% repayment mortgage repaid over 25 years

A sufficient mortgage for the average 1 bedroom home would traditionally require an income of just under £42,000 per annum, with a 3 bed home requiring an income of just over £78,000.

Perhaps the most obvious solution to this issue is to increase levels of new affordable housing, something that is recognised and is being addressed by the government. In rural areas, the Affordable Rural Housing Commission illustrated the stark issues for rural housing in terms of affordability and the subsequent review by Mathew Taylor²⁷ looked closely at ways to address the primary issues surrounding a lack of affordable homes and the relationship between affordable homes and local economies.

Widening the net by improving transport links to provide better access to new labour markets provides a partial solution, although it can bring its own problems. Long commuting distances does not support a low carbon economy, and can directly impact house price inflation.

A proposal to open a station in Corby, and a branch onto the main Eastern line providing access to London in 1 hour, and a heavy marketing campaign in London, has been a factor in house price increases in the area.

One very direct way of approaching the issue is to look towards employers providing land or investment in order to provide affordable housing with the specific purpose of supporting particular jobs, as historically occurred with industrialists such as Lever, or public sector employers.

Better engagement of housing organisations in wider economic partnerships can improve the alignment and delivery of housing alongside economic opportunities.

Eden HA's involvement in the Cumbria Economic Development Partnership resulted in an affordable housing scheme and an estate of small business units primarily providing services and products for the local tourism industry through a rural exceptions policy in the national park.

In Cumbria, there are initiatives to link new housing to specific local employer needs. As a specific example, a bakery in a village outside Keswick consulted with a local registered social landlord on affordable housing to retain workers and then provided a sponsored site that was developed for that purpose.

In other areas, the key concern is to alter the existing mix in order to balance up the overall residential 'offer' rather than to increase the supply of affordable housing – this provides more of the right kind of accommodation whether through new build or refurbishment, to attract and retain different professions, age-groups and levels of seniority within the workforce. Areas with an attractive range of housing of various design, size and tenure mix can better support growing economies in this way.

Attracting inward investment depends on the extent to which a location provides access to relevant markets and to a skilled workforce. And individuals make choices about where they want to live based on the quality of the housing and the environment. So in many ways, decisions around business location, investment and expansion are influenced by the availability of good housing and high quality environments.

Hewlett Packard has decided to locate their European Research Establishment in Bristol; a decision that was strongly influenced by the quality of life for workers including the housing environment.²⁸

²⁷ Affordable Rural Housing Commission final report December 2006, Matthew Taylor Review on rural economy and affordable housing reported, July 2006

²⁸ Bristol City Council/ Western Development Partnership, *Review of inward investment practices*, 1995

CONCLUSIONS

- ▶ Although a considerable spread of incomes is evident, a number of people live on relatively low incomes. Consequently, the two most important issues are the problem of affordability and the level of "concealed" households living within an existing household, the vast majority of whom are not recorded on a register of housing need.
- ▶ The house price and income study shows that 67% of these "concealed" households are not able to afford to rent even the cheapest available private housing in the City and 80% cannot access owner occupation, even though nearly 20% of them earn over the national average income of £27,300.
- ▶ 89.1% of all concealed households in Brighton and Hove earn under £29,200, the income necessary to purchase the cheapest entry level property.
- ▶ There is a shortfall of flats in the existing stock which should be addressed, along with the need for affordable larger family housing to ensure there is a mix of house types and sizes available, in line with the principles in PPG3 Housing and to provide balanced housing markets.
- ▶ The assessment of annual affordable housing need and supply reveals the following:-

Total annual need	2,520
Total Supply from re-lets	1,318
Net annual outstanding need	1,202

- ▶ The total affordable housing need annually is for 2,520 units. Re-lets of the existing social stock average 1,318 units and is the major means of addressing the scale of need identified. Even after allowing for this level of supply, there will still be an annual affordable housing shortfall of 1,202 units which projected over the six year period to 2011 is a total of 7,212 units.
- ▶ The level of annual need is much higher than the number of units likely to be able to be delivered from new delivery and conversions, resulting in growing levels of unmet need each year. However, it is vital to attempt to deliver as many units as possible and a target of 45% of new units from the total of all sites in the City should form the basis for negotiation as subsidised affordable housing.
- ▶ A significant finding from the study is the projected 15% increase in the retired population and 60% in the over 80 year old population between 2003 and 2026. In view of the relationship between increasing age and dependency, consideration will need to be given to the related housing and care needs of this particular sector if the needs of this group of people are to be effectively addressed.
- ▶ Existing and concealed elderly households express a need for 4,107 sheltered units over the three years to 2007, including a potential in-migration of 2,773 elderly households moving to be beside their family in the City. 2,346 units needed in the affordable sector and 1,761 in the private sector. There may be some similar out-migration and the flow of the existing sheltered stock should address some of the need. Demand for this group was predicted by the children of elderly people.
- ▶ The Survey identified a need for 768 units of independent accommodation with a visiting support worker, 125 units of independent accommodation with a live in carer, 47 units of residential / nursing homes and 62 units of extra care sheltered housing over the next three years to 2008.
- ▶ To address the requirements of disabled people there is a need to:-
 - ▶ Continue to promote disabled adaptations in order to improve the ratio of suitably adapted properties for disabled people;
 - ▶ Develop a register of adapted property and disabled people needing adapted accommodation in order to facilitate better matching.

May 2005



Brighton & Hove



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Executive summary

Current situation

- Brighton and Hove has a worsening affordable housing problem, which is affecting its growth and competitiveness.
- Many of Brighton and Hove's specific problems come from its success – in attracting higher income households, acting as a regional centre and as an incubator for new firms.
- Brighton and Hove has many valuable housing assets, including its large private rented sector, the flexible nature of much of its existing stock and the potential for densification within the city's boundaries.
- However, it faces particularly difficult constraints through its physical position, its inadequate transport links along the coast and the relative lack of large sites for development.

The way forward

No grand new schemes, and no one initiative, will provide the answer, but:

- Every opportunity must be taken to expand effective supply and to ensure affordability.
- Mainstream housing programmes through government grant and planning obligations must be used to their full extent but will not do anything like enough to alleviate the problem. Brighton and Hove's responsibility here is to ensure that they get their fair share of what is available.
- Other initiatives need to go with the grain of the market and particularly to concentrate on making better and more flexible use of existing assets. This applies not just to housing but to land, transport and employment conditions.

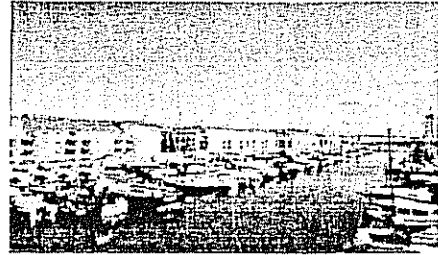
Specific initiatives for a future agenda

1. Lobby government to improve the definition of affordable housing; to make the s106 system easier to use; and to enable subsidies to private affordable housing provision where necessary.
2. Use the new emphasis on sub-regional partnership to improve and integrate transport linkages to lower cost locations (including park and ride).
3. Make redevelopment of mixed use and affordable housing schemes (including live/work space) that increase densities in low density inner areas easier.
4. Improve information/coordination on what affordable housing and low cost home ownership schemes are available as well as on the specifics of demand for intermediate housing.

Brighton Marina

X-Leisure is the UK's fastest growing premier leisure brand, with a portfolio of 21 exciting and innovative XLeisure entertainment and leisure destinations, all with promotional spaces exclusively managed by Brandspace. The venues offer an unprecedented opportunity for advertising, marketing and retailing to difficult to reach youth and family markets. Together, the X-Leisure venues attract over 70 million visitors per year, 50% of which are aged between 18 and 35.

Brighton Marina



Brighton Marina is the south coast's premier lifestyle destination. This cosmopolitan venue on the Brighton waterfront won the "Best place to visit award" 2006. It includes a marina, luxury hotel, designer outlet shopping village, an 8 screen cinema complex and over 20 cafes, restaurants and bars. Brighton Marina is also home to the Citys ONLY outlet shopping centre.

Brighton Marina
Suite 1, Octagon Office
Waterfront
Brighton
BN2 5WB

<http://www.brightonmarinauk.co.uk>

More information

Catchment and footfall	Main stores
annual footfall of over 3 million	Bowlplex
average weekly footfall of 65,000	Reebok
	Calvin Klein
	David Lloyd
	Cafe Rouge
	Pizza Express

	Demographics		
Socio-economic group:	ABC1	68%	
	C2DE	32%	
Customer profile:	Male	35%	
	Female	65%	

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