



Nathaniel Lichfield
& Partners

Planning. Design. Economics.

**Northern West Sussex Economic
Growth Assessment**

Main Report

Crawley Borough Council
Horsham District Council
Mid Sussex District Council

22 April 2014

13512/MS/CGJ/LE

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Appendices

Contained in separate volume

1.0 Introduction

1.1 The Northern West Sussex authorities comprising Crawley Borough Council, Horsham District Council and Mid Sussex District Council, commissioned Nathaniel Lichfield & Partners ('NLP') to prepare an Economic Growth Assessment ('EGA') for the Northern West Sussex sub-region.

1.2 The purpose of this study is to:

- 1 define and consider the current position of the local economy and demand/supply considerations in respect of employment land;
- 2 evaluate the options available for future growth, including the testing of various scenarios, and;
- 3 provide recommendations as to the most appropriate option(s), outlining a clearly defined approach as to how the three authorities may best achieve economic growth.

Scope of Study

1.3 The purpose of the EGA is to provide an evidence base to inform the emerging Local Plans for each of the three authorities, and support the development of a partnership approach to joint working across a range of planning policy and economic development issues in line with the National Planning Policy Framework (NPPF) duty to cooperate.

1.4 The focus of this report is on the employment space needs for the group of B-class sectors outlined below:

- **B1 Business** (offices, research & development, light industry);
- **B2 General Industrial**; and
- **B8 Storage or Distribution** (wholesale warehouses, distribution centres).

1.5 Demand for B-class employment land and floorspace represents the particular focus of this report. This reflects the approach of the NPPF which states that significant weight should be placed on supporting growth and planning proactively to meet the development needs of businesses, and the need for Local Planning Authorities to plan proactively to meet the development needs of business. In this context, business uses are recognised as a key barometer of economic need, and represents the most appropriate basis on which to plan positively for economic growth. References to 'employment space' are intended to mean both these elements. Industrial space in this report includes both manufacturing and distribution uses.

1.6 The study also considers future projections for growth in non B-class sectors to set out how the overall economy in each area could change in the future, although does not specifically assess the space implications of these other

sectors because they are planned for using different methodologies and are/will be considered within other evidence base documents.

- 1.7 An important consideration for any work of this type is that it is inevitably a point-in-time assessment. This study has incorporated the latest data and other evidence available at the time of preparation, which may be subject to future change or revision. It should be noted that much of the background economic indicators and the employment forecasts date from mid-2013 when the majority of analysis was prepared. The accuracy and sources of data derived from third party sources has not been checked or verified by NLP. In line with market conventions, values (i.e. rents) for commercial space are expressed in £ per ft² although metric units of measurements (i.e. m²) have generally been used elsewhere in the report.
- 1.8 As part of the study, consultation was undertaken with a range of stakeholders including commercial agents, economic development and business organisations. A list of consultees is included at Appendix 1. An internal workshop attended by officers from each authority comprising a presentation of interim findings and structured group discussion was held in June 2013.
- 1.9 Subsequent to this, summary reports of emerging findings were published in November and December 2013 for Crawley and Horsham respectively to inform plan preparation and consultation. In addition, the emerging findings (as they related to Horsham) were presented to a meeting in public of all Horsham District Council Members in February 2014. This report provides a synthesis of the findings for each of the local authorities, taking account of the data (including forecasts) at the time of preparation and the latest national guidance produced by central government (i.e. the Planning Practice Guidance [PPG]).

Structure of Report

- 1.10 The report is structured as follows:
- Section 2.0 provides an overview of the Northern West Sussex sub-region, including relevant strategic economic policy objectives and commercial property market conditions;
 - Sections 3.0 – 5.0 provide a baseline assessment of economic trends, property market conditions and employment space trends for Crawley, Horsham and Mid Sussex respectively;
 - Section 6.0 assesses the quality of current and potential employment land supply across the sub-region against a series of defined criteria;
 - Section 7.0 considers future scenarios of economic growth for each local authority and the employment space requirements arising from these;
 - Section 8.0 assesses the gap between current land supply and future needs, in both quantitative and qualitative terms, by comparing forecast requirements with availability of sites; and

- Section 9.0 considers policy and other measures to meet future economic growth and business needs in the sub-region and presents overall conclusions.

1.11 Details of assumptions and other supporting information are set out in the appendices which are contained in a separate volume.

Future Expansion of Gatwick Airport

1.12 The Airports Commission is currently examining the need for additional UK airport capacity, and will make final recommendations to government in 2015 about how this can be met in the short, medium and long term.

1.13 The terms of reference for this study do not require specific consideration of the potential employment or economic impacts arising from any additional runway capacity at Gatwick Airport but assumes that the Airport develops to its maximum capacity of 45 million passengers per annum within its existing runway capacity. Any future policy decisions regarding expansion of Gatwick Airport may necessitate updates to the analysis and conclusions contained in this study.

1.14 The report does however consider the implications for economic growth within the context of land that is currently safeguarded to accommodate a potential second runway at Gatwick Airport. Until such time as there is a formal Government decision on the future of UK airport capacity, the land will continue to be safeguarded from development in the Crawley Local Plan. This significantly limits the potential availability of developable land within Crawley, and represents a key constraint that is considered through the EGA work.

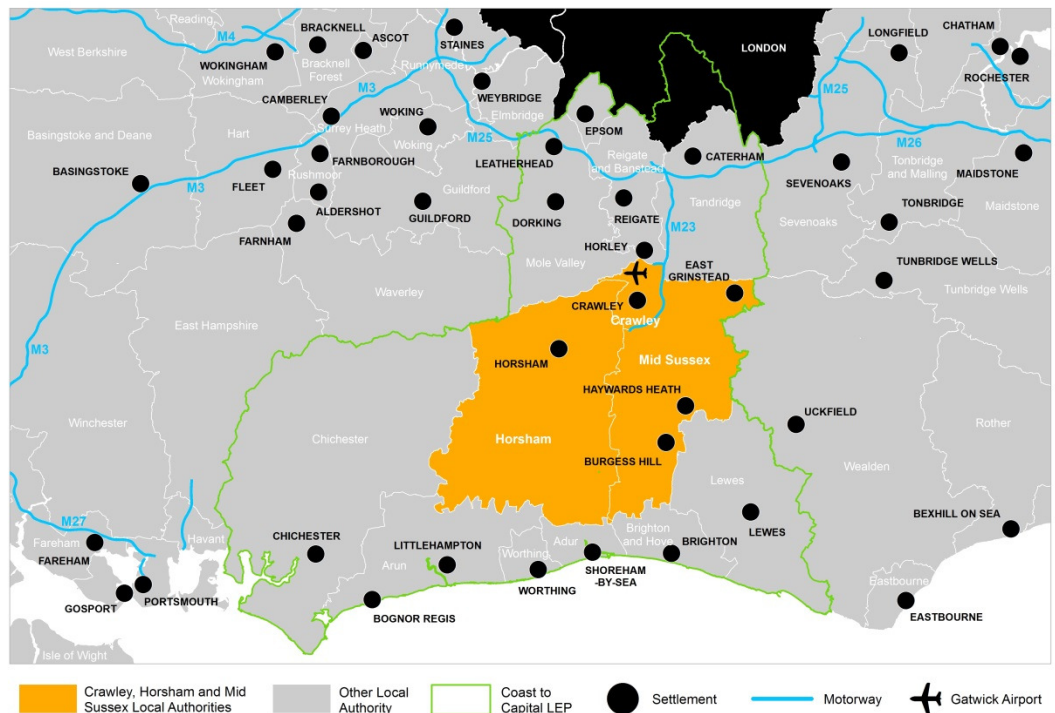
2.0 Northern West Sussex Sub-region

2.1 This section provides an overview of the Northern West Sussex sub-region, including relevant strategic economic policy objectives, functional economic relationships, relative economic performance and commercial property market conditions. It provides the basis for the more detailed assessment of the individual local authorities contained in the subsequent sections of this report.

Overview

2.2 The Northern West Sussex sub-region lies at the northeast end of West Sussex County and comprises the three local authorities of Crawley, Horsham and Mid Sussex (Figure 2.1). Crawley/Gatwick is a major centre of employment and Gatwick Airport is the UK's second busiest. Connectivity is enhanced by the mainline rail and A23/M23 corridors linking to London and Brighton through the centre of the sub-region; the M25 lies just to the north of the sub-region. The central part of the sub-region lies within the High Weald AONB, while the South Downs National Park lies on the southern fringe, to the south of Burgess Hill.

Figure 2.1 Northern West Sussex Context Plan



2.3 Together, as part of the Coast to Capital Local Enterprise Partnership (LEP) area and part of the Gatwick Diamond, they form a functional economic area. The three authorities share a number of common characteristics and important linkages with other sub-regions, not least in terms of commuting and transport connectivity.

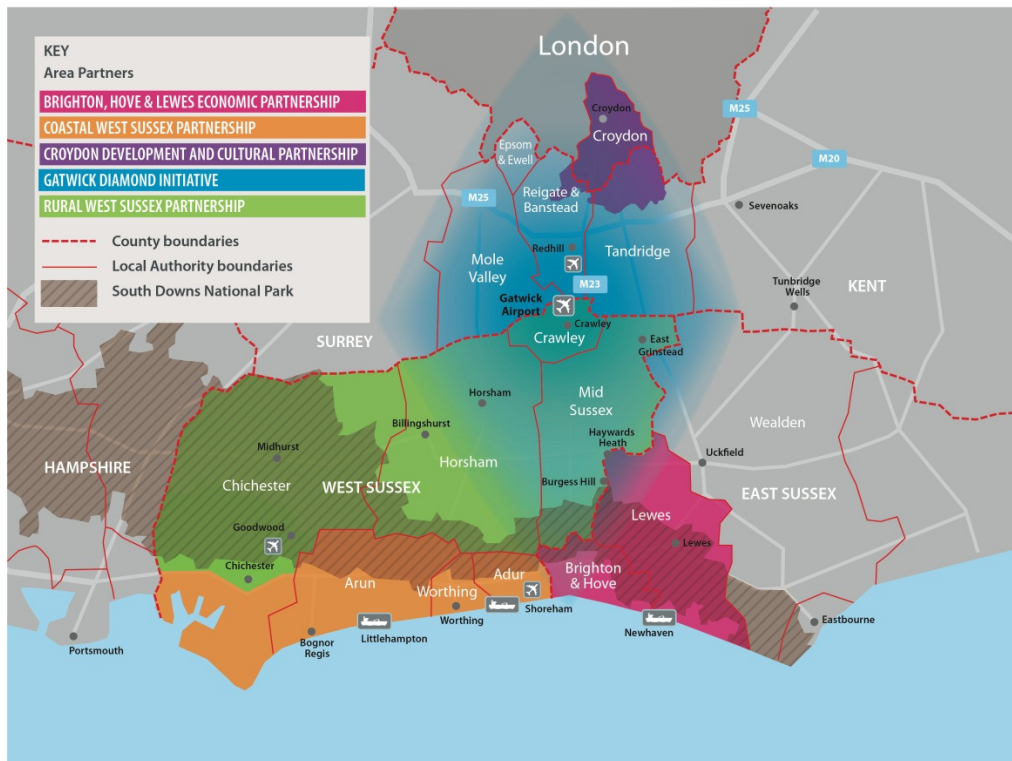
Policy Geographies

- 2.4 The Northern West Sussex sub-region lies within a number of policy geographies that provide a strategic framework for considering planning and economic development actions and decision-making as detailed below.

Coast-to-Capital Local Enterprise Partnership

- 2.5 Coast to Capital is the Local Enterprise Partnership (LEP) for Brighton and Hove, Croydon, the Gatwick Diamond, Lewes and West Sussex (Figure 2.2)

Figure 2.2 Local Enterprise Partnership Areas



Source: Strategic Economic Plan, Coast to Capital LEP

- 2.6 To deliver growth, the LEP Strategic Economic Plan (SEP) has recently been submitted to the Government in order to secure investment to promote continued growth within the LEP area.¹ ‘Heart of the Gatwick Diamond’ is identified by the SEP as having capacity for 5,000 new jobs, 3,300 new homes, and 78,500 square metres of additional employment floorspace. For the purposes of the SEP, the Heart of the Gatwick Diamond is defined as including Manor Royal, Crawley and a major new development to the north of Horsham which will deliver new homes and a business park.
- 2.7 The SEP recognises Manor Royal as one of the most important and prestigious business locations in Coast to Capital, though outlines threats to the business function and character of the area from developer pressure to

¹ Strategic Economic Plan, Coast to Capital LEP, March 2014

introduce retail, and residential development enabled through Permitted Development rights.

- 2.8 The SEP also highlights the important strategic employment opportunity that exists at Burgess Hill. In particular, it notes that the proposals are at a highly advanced stage and there are no significant obstacles to delivery. The SEP states that the proposals also have the potential to impact positively on the wider region and beyond. These wider benefits will support high end economic and business growth across the Coast to Capital and South East LEP areas.
- 2.9 The SEP proposes that over six years, £26m public sector, £284m private sector, and £84m Growth Deal/Local Growth Fund will be directed to addressing key priorities:
- 1 improve transport infrastructure to allow new housing/employment development;
 - 2 improve surface and rail access to Gatwick Airport;
 - 3 protect prime employment locations and business premises from erosion by residential use; and
 - 4 town centre renewal.

Gatwick Diamond

- 2.10 The Gatwick Diamond (including the Surrey districts of Epsom & Ewell, Reigate and Banstead, Mole Valley and Tandridge) is one of the LEP's five economic sub-areas. The Gatwick Diamond is a reasonably long-standing and widely accepted spatial concept which was included within the former SEEDA Regional Economic Strategy and formed a sub-regional planning area for the purposes of the South East Plan.
- 2.11 The Gatwick Diamond Initiative is a business-led partnership set up in 2003 with the aim to grow the region's existing jobs base, attract new jobs and secure investments from companies that most closely match industry strengths. Key objectives identified in the 2013-16 Strategic Business Plan² include:
- 1 To promote the area as a world class business location
 - 2 To attract investment whether from UK, government or abroad
 - 3 To help retain existing businesses
 - 4 To foster the growth of existing and new businesses
 - 5 To maximise the benefits of technological change
 - 6 To contribute to public sector decision making at a local, regional and national level.
- 2.12 The Business Plan defines a series of key outcomes for the Gatwick Diamond:

² Gatwick Diamond Initiative Strategic Business Plan 2013-2016 (<http://www.gatwickdiamond.co.uk/media/6229/2013-16-gatwick-diamond-strategic-plan-draft-7-.pdf>)

- a 3% annual GVA growth over the period 2010/11 to 2019/20.
- b Growth in the quality and size of business stock.
- c Attract infrastructure and inward investment.
- d An internationally recognised business location.
- e A resilient international airport with excellent and convenient business connectivity in terms of routes and surface access.
- f A locally available skilled workforce.
- g World leaders in key sectors: aviation; aerospace and defence; advanced manufacturing and engineering; financial and professional services; life sciences; health technologies and medical devices; environmental technologies; food and drink.
- h Locally adopted plans that accommodate a Gatwick Diamond Plan for Growth which meets housing, office, property and infrastructure requirements.
- i An attractive location to work, live and play.

2.13 Under the auspices of the Gatwick Diamond Initiative, a group of local authorities have jointly agreed a Local Strategic Statement (LSS) to provide a framework for co-operation on strategic planning and development issues.³ The LSS does not seek to impose top-down targets or pre-empt detailed decisions on the location or scale of new development but rather to support cross-boundary cooperation on strategic issues. It is therefore highly relevant to the 'duty-to-cooperate' provisions of the NPPF.

2.14 The LSS defines a number of specific considerations in relation to economic growth in the Gatwick Diamond, as follows:

- 1 Supports a shift in the structure of the economy with a focus on businesses which require higher skill levels, on entrepreneurship and enterprise.
- 2 Identifies the need for interventions to address perceived weaknesses in the Diamond's economy, including low skills base, availability of high quality sites and premises, opportunities for small businesses and start-ups and transport infrastructure.
- 3 The need for housing growth to support the labour market needs of an expanding economy if there is not to be a significant increase in longer distance commuting.
- 4 Given the strength of Crawley/Gatwick as a business location and the concentration of demand there, this area is expected to be the main focus for economic development. Business development in other locations is likely to reflect the attributes of smaller settlements and

³ Gatwick Diamond Local Strategic Statement, March 2012. Endorsed by Surrey County Council, West Sussex County Council, Crawley Borough Council, Horsham District Council, Mid Sussex District Council, Mole Valley District Council and Reigate and Banstead Borough Council.

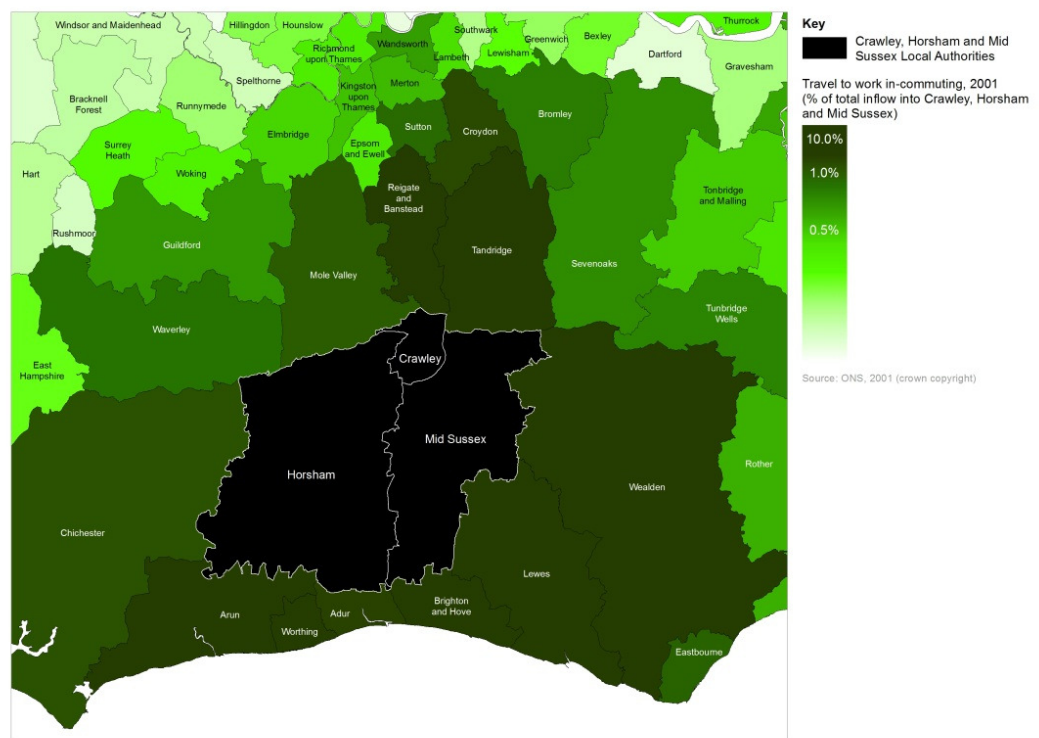
support local communities rather than providing strategic employment growth.

Functional Economic Relationships

2.15 Examining commuting flows can help in defining the functional economic market area of a particular local economy. Based on 2001 Census data (the latest available), Northern West Sussex is a net importer of labour with an aggregate inflow to the sub-region of nearly 58,000 workers and an aggregate outflow of just under 49,000 workers.

2.16 Figure 2.3 illustrates the local authority areas from where North West Sussex draws the largest proportions of in-commuters. This shows a broad geographical footprint, but also a clear concentration along the A23/M23 corridor and along the A27 Sussex coastal strip. It underlines the functional economic market area importance of both the Gatwick Diamond and Coast-to-Capital LEP areas.

Figure 2.3 Proportions of In-commuters to North West Sussex by District, 2001



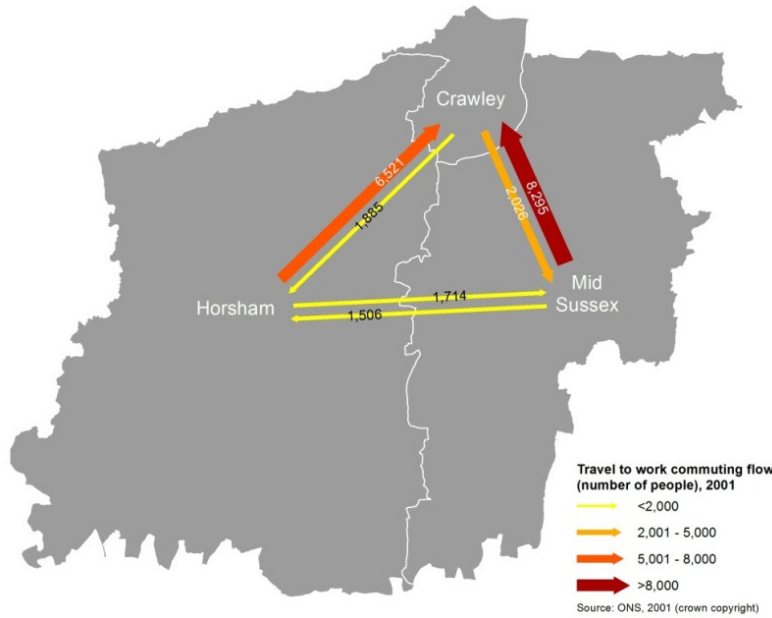
Source: 2001 Census / NLP analysis

2.17 As the largest workplace economy, Crawley attracts significant daily commuting flows from both Horsham and Mid Sussex, amounting to nearly 15,000 people. However, there is also an important reverse flow from Crawley to Mid Sussex amounting to just over 2,000 people and flows between Horsham and Mid Sussex amounting to between 1,500-1,700 persons in each direction (Figure 2.4).

2.18

As all three authorities within the sub-region are dependent on each other for employment, it is worth noting that updated 2011 Census travel-to-work data is due to be released later in 2014 and this may necessitate updates to the analysis contained in this study.

Figure 2.4 Internal Commuting Linkages within the Sub-region



Source: NLP analysis

Economic Performance

2.19

Figure 2.5 benchmarks the Northern West Sussex authorities across a range of key economic and labour market indicators to provide an indication of their comparative performance, set against the context of the averages for the Coast-to-Capital LEP area and the South East region (indexed to 100).

Figure 2.5 Northern West Sussex Key Economic Indicators



Source: Experian, ONS, NOMIS, ASHE / NLP analysis

2.20

The analysis illustrates:

- 1 **Employment growth** in the sub-region over the 1997-2013 period has been lower than the regional average but higher than the LEP area overall; Horsham and Crawley recorded job growth (7.7% and 5.5% respectively), whilst Mid Sussex lost jobs in overall terms (-5.3%).
- 2 Current **unemployment** levels in Mid Sussex (3.6%) and Horsham (4.5%) are below the LEP (6.4%) and regional (5.9%) averages, with the highest rate recorded in Crawley (6.7%)⁴.
- 3 All districts have similar levels of **economic activity** amongst their working age population⁵, and are broadly in line with the South East regional average (79.6%).
- 4 The proportion of residents with **higher level qualifications**⁶ is above the regional and LEP averages in Horsham (41.8%) and Mid Sussex (39.1%), but significantly below average in Crawley (26.9%).
- 5 To some extent reflecting this skills profile, **average weekly earnings**⁷ (resident based) are highest in Horsham and Mid Sussex (£583 and £578 respectively) and above the South East average (£555), but lower in Crawley (£510).

2.21

More detailed analysis for each authority is set out in the corresponding baseline sections of this report.

Current Stock of Employment Space

2.22

Analysis of Valuation Office Agency (VOA) data indicates that the total stock of employment floorspace across the sub-region in 2008 amounted to 2,570,000 sq.m of commercial office, factory and warehousing space. Nearly half of this space (48%) was located within Crawley, with smaller proportions in Horsham (28%) and Mid Sussex (24%) (Figure 2.6).

2.23

About 36% of the total stock comprised factory space, of which the largest share (40%) was located in Crawley, although both Horsham (43%) and Mid Sussex (41%) recorded larger proportions of factory space relative to their total stock of space. Warehousing space accounted for the second largest proportion of total stock (35%), with Horsham recording the largest proportion (some 43% of the District's total stock) but Crawley had the largest amount in absolute terms. Commercial office space accounted for 29% of the total stock of employment space, with Crawley registering the largest stock in both absolute and relative terms.

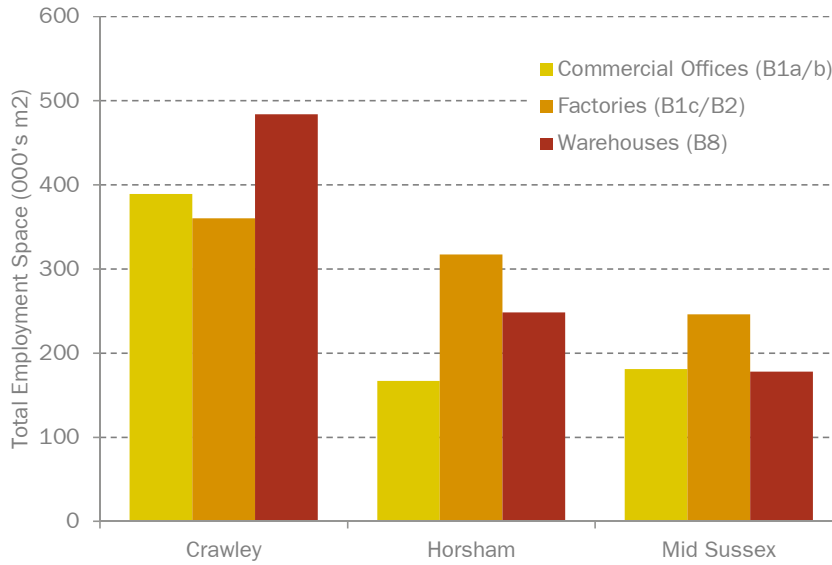
⁴ ONS Annual Population Survey 2013

⁵ Working age population is defined as those members of the population aged between 16 and 64

⁶ Equivalent to NVQ level 4 and above, ONS Annual Population Survey 2012

⁷ Mean gross average weekly earnings, based on Annual Survey of Hours and Earnings (ASHE) 2012

Figure 2.6 Employment Floorspace in Northern West Sussex

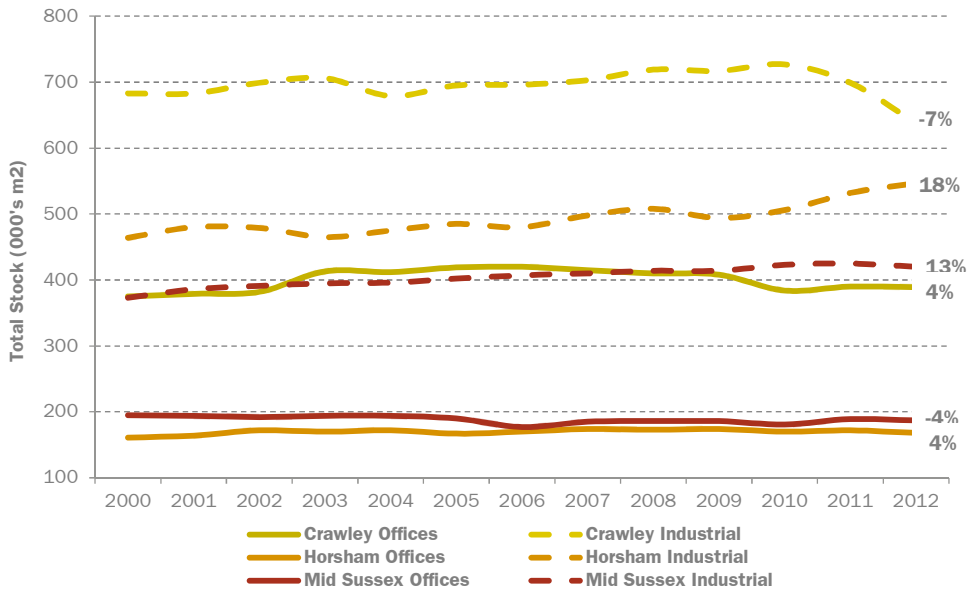


Source: VOA 2008 / NLP analysis

2.24

Figure 2.7 illustrates how the stock of employment space in the sub-region has changed since 2000. Horsham and Mid Sussex (18% and 13% respectively) have seen the largest gains of industrial space, whilst Crawley recorded an overall decline of 7%. Whilst Crawley and Horsham registered net increases in total office stock (both 4%), Mid Sussex recorded a decline of 4%.

Figure 2.7 Change in Employment Space by Type, 2000-2012



Source: VOA 2012 / NLP analysis

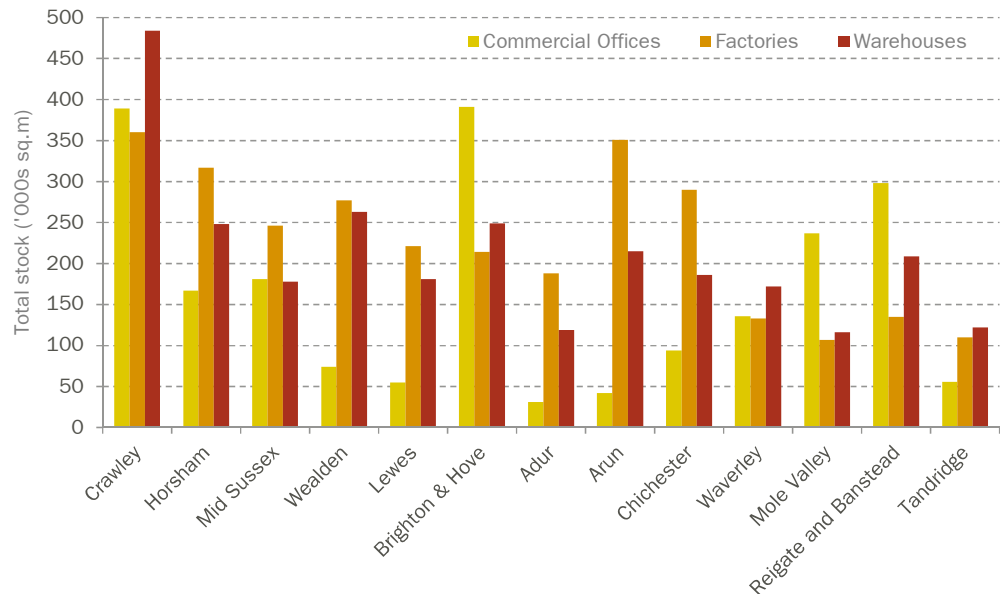
Employment space in adjoining areas

2.25

Figure 2.8 summarises the amounts of employment space in those local authorities which adjoin the sub-region (see Figure 2.1 for a location map).

This confirms that Crawley has the largest stock of employment space in the wider area, Horsham the 3rd largest (after Brighton & Hove) with Mid Sussex at 7th out of thirteen authorities. Crawley is one of the largest office centres in the area, second only to Brighton & Hove, and contains the largest stock of both warehousing and factory space.

Figure 2.8 Employment Floorspace in NW Sussex and Adjoining Authorities



Source: VOA 2008 / NLP analysis

- 2.26 It is also important to understand the extent of available employment land in adjoining local authority areas and any major new economic developments coming forward which might compete with the sub-region for future demand. A brief review has therefore been undertaken of the current position in each area summarised below, with further details for each authority presented in Appendix 3.
- 2.27 Overall, many of the Districts adjoining Northern West Sussex are largely rural, the main exception being Brighton & Hove. There are some large employment sites allocated in these districts, with key examples including Oldlands Farm in Bognor Regis and Glenmore Business Park in Chichester. To varying degrees these may compete with Northern West Sussex for future investment.

Commercial Property Market Conditions

- 2.28 The UK commercial property market is still recovering from the financial crisis of 2007/8 and the ensuing recession and property slump. Falls in the capital value and rental levels of office and industrial premises of up to 40% combined with stricter lending criteria from banks and the abolition of tax relief on empty property mean that property development is less profitable, finance is hard to obtain and the risks of developing space without an end-user identified are high. As a result, speculative development has become very rare in virtually all of the UK outside of prime London markets. This is particularly the case in

more economically marginal locations, and those without a significant existing commercial property market, where lenders and developers are likely to be especially cautious.

- 2.29 There are differing views on how the market will evolve in the coming years, in particular the recovery of commercial values and rents and the appetite for business investment will vary in different locations and sectors. In any case, this study looks over the long term of the three authorities plan periods and the inherent qualities of the sub region as a commercial location must therefore be considered, drawing on consultations with a range of commercial property agents.

Market geography

- 2.30 Northern West Sussex has a relatively buoyant commercial property market, boosted by its central location within the wider South East and excellent transport links and connectivity, making it an attractive and competitive business location for a wide range of industries. Strong quality of life factors and access to a highly skilled workforce combine to both retain indigenous firms within the sub region and attract investment from elsewhere.
- 2.31 Each of the three local authority areas within Northern West Sussex has a different role to play in economic and property market terms. As the largest economic and commercial centre in the sub-region, Crawley attracts the strongest levels of demand from business occupiers, across both office and industrial sectors and from major multinational firms as well as local SMEs. Alongside the wider Gatwick Diamond area, the Borough benefits from the presence of an international airport as well as excellent rail and road links and accommodates 48% of all employment floorspace in Northern West Sussex. It also represents one of the few commercial centres in the South East that continues to attract speculative development (albeit on a modest scale) in the current climate. By comparison, Horsham and Mid Sussex Districts have traditionally had more localised commercial property markets and a smaller overall stock of business accommodation.
- 2.32 The commercial property market in Northern West Sussex is relatively insular and self-contained, with local agents reporting that the majority of enquiries for business space tend to originate from within the sub-region itself. This is thought to be due to poorer perceptions amongst businesses outside of the area regarding the scale and range of premises available and access/ connectivity away from the key strategic routes. The notable exception to this is Crawley which accommodates the largest employment site in the Gatwick Diamond area at Manor Royal. This enables the Borough to be more external facing in terms of the scale of occupier requirements that can be met within the Borough, many of which originate from outside of the sub-region.
- 2.33 Whilst key centres such as Crawley/Manor Royal and Burgess Hill compete from time to time with other locations within the Gatwick Diamond and Coast to Capital LEP area (including the nearby M3/M25 corridor and Brighton/South Coast market) for occupiers and investment, property market inter-

relationships between the three authorities are not particularly strong, with few recent examples of firms relocating elsewhere within the sub region.

- 2.34 Echoing broader UK trends, demand for commercial space in Northern West Sussex has generally weakened following the economic downturn in 2007/08. The office market in particular has been impacted by occupier uncertainty alongside more general changes in working practices which influence demand for premises. For example, office centres within Northern West Sussex (particularly the towns of Horsham and Haywards Heath) have been affected by wider business consolidation practices, with parent companies operating outside of the area streamlining existing operations through the closure of sites. Nonetheless, local agents reported some upturn in the level of office enquiries received over recent months across a range of size bands. By comparison, the industrial market in Northern West Sussex remained relatively static throughout the economic downturn, continuing to attract demand from a variety of sectors and for a range of premises sizes.
- 2.35 Issues relating to the quality and age of employment space are common across all three authorities within the sub region. Vacancy is generally low within good quality, modern office and industrial accommodation, while very limited demand for 'Grade B' premises – typically comprising stock that is ageing, of a poorer quality and not configured to meet modern business requirements – has increased vacancy levels within this category of premises. At the same time, very little new stock has been developed in the sub region in recent years, and local agents expect to see a shortage of accommodation at the high quality end of the market in the near future, for both offices and industrial, across all three districts.
- 2.36 Furthermore, the view amongst local agents is that the sub region is 'running out of space' to meet the spatial requirements of businesses, both local companies looking to expand/relocate and new companies potentially moving into the area. For example, agents report that they already struggle to find suitable sites to accommodate larger occupiers (particularly for industrial space up to 30,000 sq.ft). Some occupiers in the sub region have been forced to make compromises and identify temporary solutions to accommodate their needs, for instance by locating their operations on split sites, although there is a risk that this activity is displaced from the sub region as space becomes increasingly constrained in future. This could have a harmful effect on the Northern West Sussex economy as jobs are lost due to a lack of suitable employment space forcing occupiers away, particularly when other competing centres nearby such as the M3 corridor are reported to still have significant space/strategic business sites available to develop.
- 2.37 Local agents consistently reported that there is a need to allocate additional land in the sub region to maintain a high quality business offer and improve the choice for occupiers. However, location is key and any new space must appeal to the market in order to be viable in the current climate and foreseeable future. Accordingly, agents suggested a number of potential locations for a new strategic employment site/business park including the northern part of Crawley

Borough (benefiting from the town's existing transport and connectivity strengths), the north eastern part of Horsham District as well as land close to Burgess Hill, which would likely be more industrial in nature. Whilst any such site(s) would invariably be located within the boundaries of a specific authority, depending upon their configuration they could provide the potential to accommodate wider business needs arising from across the sub region, as well as freeing up and enabling 'churn' on smaller scale sites within Northern West Sussex's other key employment areas such as Manor Royal (a normal market process which is currently being constrained by lack of alternatives).

Rental levels

2.38 As shown in Table 2.1, rental levels within Northern West Sussex's key commercial centres vary significantly, with both office and industrial stock in Crawley commanding the highest rents, although this does vary depending upon the quality and age of premises. Within the Borough, rents tend to be higher in Manor Royal than Crawley town centre and Three Bridges area. Rental levels across the remaining centres in Horsham and Mid Sussex are generally similar and offer a cost advantage over both Crawley and nearby areas such as Brighton & Hove, Guildford and Reigate.

Table 2.1 Industrial & Office Rents in Northern West Sussex and Comparator Locations

Location	Industrial (£ / sqft)	Offices (£ / sqft)
Crawley – Manor Royal	7 - 10	15 - 25
Crawley – Town Centre / Three Bridges	7 - 8	10 - 20
Horsham	6 - 8	10 - 15
East Grinstead	7 - 8	9 – 10
Haywards Heath	n/a	16 – 17
Burgess Hill	7 – 8	9 - 11
Brighton & Hove	10 – 12	10 – 20
Worthing	5 - 7	10 - 12
Guildford	7 - 10	15 – 19
Reigate	n/a	15 - 20

Source: Survey of Commercial Agents / VOA / NLP analysis

Rural provision

2.39 The rural areas of Northern West Sussex also accommodate provision of employment space. This takes the form of purpose built, stand-alone business parks of which examples include Rowfant Business Centre (Mid Sussex), Bolney Grange Business Park (Mid Sussex), Broadlands Business Park and Oakdene Industrial Estate (Horsham District). There are also examples of small units in converted farm buildings, for example Rosier Commercial

Centre, Billinghamurst (Horsham District), Backlands Farm, Hickstead (Mid Sussex), Windacres Farm, Rudgwick (Horsham District) and the Knepp Castle estate (Horsham District). These sites accommodate a range of sectors and industries from professional services and recreation to construction and wholesale.

- 2.40 Many rural businesses face particular challenges to continued economic growth and prosperity, including poor infrastructure and access to facilities (such as high speed broadband), low density of firms leading to a poorer choice of local employment opportunities for rural residents, and limited access to affordable housing for employees in many areas. The availability of broadband and good access is essential to ensuring the growth and expansion of the local rural economy and should continue to be recognised by relevant planning policy in the sub-region.
- 2.41 Agents reported limited demand for rural business space, which tends to comprise poorer quality, older stock, with units typically below 5,000 sq.ft in size. Very little new space has been brought forward in the last 20 years or so. Nevertheless, continued growth of this type of premises was considered inevitable to meet the needs of what is essentially a very local market consisting of rural businesses which operate in this area. These premises can also play an important role in providing affordable workspace and retaining home based businesses within the local community.

Provision for start-up/small businesses

- 2.42 The sub-region has a reasonable supply of space specifically designed for small and start-up businesses. For example, the Regus business centre (based in the new Pinnacle building opposite Crawley station) provides modern office and meeting space for micro businesses. The Basepoint Centre at Manor Royal provides a range of flexible business units from small one to two-person offices, through to larger units and suites, as well as studios/workshops, with local agents reporting recent occupancy levels of over 90%. Similar facilities elsewhere in the sub region include The Beehive at Manor Royal, Citibase and Regus in Horsham town centre and the Citibase business centre in Burgess Hill. MSDC, in partnership with West Sussex Council and Basepoint is in the process of developing 33 new business starter units on the site of the old waste depot at Bridge Road in Haywards Heath, with a planning application due to be submitted in Spring 2014.
- 2.43 Whilst local commercial agents felt that there is sufficient existing provision to meet demand from local SMEs and start-ups, there could be scope to develop additional facilities in future as the sub-region's business base expands and develops, focused on the key commercial hubs such as Crawley, Burgess Hill, Haywards Heath and Horsham town.
- 2.44 Key to any such provision will be a flexible offer, with a range of membership packages to suit a range of business needs including access to affordable workspace. Any such facility should be well located and accessible to key public transport routes. In order to be viable and sustainable, this type of

flexible workspace should be close to existing concentrations of workers and residents and could feasibly involve the re-use of high street retail units and upper floors, rural workspaces and co-location with other uses such as cafes, community space or a gym/leisure centre.

- 2.45 A relevant metric to potential demand for start-up/small business space is the proportion of the working-age population who identify their home as their primary place of work. Home-based businesses often seek more formalised employment space or access to business support facilities as they grow and expand. Table 2.2 compares 2001 and 2011 Census travel-to-work statistics showing the proportion of working-age population categorised as 'working mainly or at home'.

Table 2.2 Proportion of Working-age Population working mainly at or from home

	2001	2011
Crawley	5.1	5.0
Horsham	8.2	10.5
Mid Sussex	7.6	9.7
South East	6.7	8.3
England & Wales	5.8	6.9

Source: 2001/2011 Census travel-to-work statistics

- 2.46 Of the three Northern West Sussex districts, the data indicates that home-working rates have been consistently highest in Horsham (rising from 8.2% to 10.5%), followed by Mid Sussex (rising from 7.6% to 9.7%) and then Crawley (stable at about 5.0%). Home-working rates in Crawley are lower than the regional and national average, whereas Horsham and Mid Sussex have both remained above average. This reflects that, typically, rural areas have more remote workers and home-based businesses than urban centres. The propensity for home-working in Crawley may also be lower reflecting the much larger stock of commercial space available.
- 2.47 A recent report by Enterprise Nation⁸ suggests that there are around 2.8 million businesses operating full time from home, representing approximately 60% of the SME business base. These home based businesses contribute over £280 billion to the UK economy each year, and have increased in scale by around 300,000 businesses over the past 12 months alone (with the recession proving to be a key factor for many start-ups). The research points to the South East region as accommodating the greatest concentration of home based businesses, which tend to fall within the business services (e.g. consultancy, legal, accountancy, architecture) and consumer services (arts/crafts, domestic repairs/services, beauty) sectors.
- 2.48 Local stakeholders and business representative groups noted that although the sub-region is currently well catered-for in terms of networking groups for home workers and home based businesses, there could be scope over the short to medium term for a greater choice of work hub facilities in the area that offer meeting space, opportunities for co-working and informal meet-ups. This type

⁸ Enterprise Nation, Home Business Report 2009

of hub environment can provide home based businesses with a professional image as well as a route to meeting suppliers, partners and potential customers.

Needs of Local Businesses

- 2.49 A business survey was undertaken as part of the study in order to gain a better understanding of the needs of businesses operating within the sub-region and the main factors that support and inhibit business growth. This involved a sample of 39 firms across a range of B class sectors and locations in Crawley, Horsham and Mid Sussex. A summary of the key findings is set out below.

Business Profile

- 2.50 Respondents were based across the sub-region, although the majority were located within Crawley (67%). 24% were based in Mid Sussex and a further 9% based in Horsham. Businesses surveyed comprised a range of sizes; just under half (47%) had less than 10 employees, while 18% had more than 100 employees.

Current Business Premises

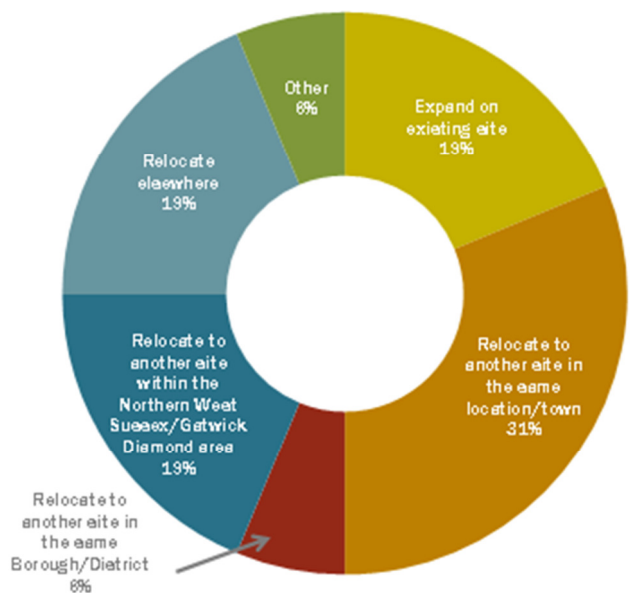
- 2.51 Respondents currently occupy a range of business premises, although the most common were offices (50%). 14% of respondents occupy a factory/workshop unit, with a further 14% working from home. 9% occupy a warehousing unit. Respondents provided mixed views on the quality of their site, although the majority (69%) rated the quality of their site and surrounding environment as good or very good. Just 11% of business respondents are unsatisfied with their current premises/site, largely due to a lack of adequate parking and space for expansion. However the majority of respondents cited that their premises were adequate to meet their current requirements.
- 2.52 Just under half (43%) of businesses have experienced difficulties in finding suitable premises/sites to expand, upgrade or relocate to within the local area. The most commonly cited difficulties include findings premises in the right location/close to their existing building, at the right size, with the right ownership arrangements (i.e. freehold) and a lack of on-site parking. Businesses would like to see greater flexibility within the planning system (i.e. speeding up the time it takes to process planning applications), more support from the local authority/business organisations to help them search for suitable property and more flexible ownership options, for example the opportunity to purchase their site/premises on a freehold basis.

Future Growth Plans

- 2.53 Just over half (51%) of respondents are considering expanding their premises in the next five to ten years, and of these, the majority (56%) believe they would be able to find a suitable site/premises to accommodate this expansion within their local authority area, either through expansion on their existing site

(19%) or by relocating elsewhere in the District (38%). A further 19% cited that they would relocate to another site within the Northern West Sussex/Gatwick Diamond area.

Figure 2.9 Do you expect to expand or relocate your premises in the future, i.e. over the next 5-10 years? Are you most likely to:



Source: NLP analysis

Northern West Sussex as a Business Location

2.54 The most common factors that business survey respondents cited for keeping them in Northern West Sussex were:

- proximity to a reasonably skilled, local workforce;
- firms had built up a successful business/client base in the sub-region;
- good access and transport infrastructure, with good proximity to both Gatwick airport, London and the South Coast ports;
- high quality of the local area and surrounding environment, with many business owners/employees choosing to live and work locally.

2.55 At the same time, business respondents cited a number of factors that could prevent their business from staying in the area, or make them consider relocating. These include a perceived lack of investment in improving internet services, citing a lack of high speed broadband as a key weakness of Northern West Sussex as a business location, lack of affordable business premises and poor parking provision and congestion around some of the area's key employment sites at peak times.

2.56 Recent research undertaken by Local Futures identifies a number of key strengths and weaknesses of the Gatwick Diamond (and individual local authorities within it) as a business location. Table 2.3 below presents the key scores across a range of business location factors for Crawley, Horsham, Mid

Sussex and the Gatwick Diamond as a whole on a scale of A-E (where A is the highest scoring and E is the lowest scoring).

Table 2.3 Business Location Index

		Crawley	Horsham	Mid Sussex	Gatwick Diamond
Economic Performance		A	C	B	A
Human Resources		A	A	A	A
Environment and Infrastructure		A	D	D	C
Business Location Index Score	Ranking (out of 325) Score	7	86	58	11
		A	B	A	B

Source: Local Futures 2013

- 2.57 This indicates that within the sub-region, Crawley consistently scores the highest across economic performance, human resources/skills and infrastructure and represents a highly competitive location for business activity at a national level (falling within the top 5% of authorities nationally for overall business location). Conversely, Horsham and Mid Sussex perform less well, particularly with regards to their respective business accommodation and supporting infrastructure offer. This research implies significant scope for both Horsham and Mid Sussex to improve their sites and premises on offer to businesses, especially if they are to effectively compete with other authorities within both the wider Gatwick Diamond and South East area for business and investment in future. This issue is recognised by the Economic Development Strategies for both authority areas, and represents a strategic economic objective.

Conclusions

- 2.58 The Northern West Sussex sub-region comprises the local authorities of Crawley, Horsham and Mid Sussex. The area benefits from a major focus for economic activity at Crawley (Manor Royal) with access to Gatwick Airport and key strategic rail and road routes linking to London and the South Coast. The sub-region forms the southern part of the 'Gatwick Diamond' which is now an established sub-regional economic planning area (having featured in the former South East Regional Economic Strategy and South East Plan) and has been adopted by the Coast-to-Capital Local Enterprise Partnership as a priority location for future growth. The Northern West Sussex authorities, along with a number of others, have agreed to work in partnership in support of this.
- 2.59 There is a high degree of economic inter-relationship between the three Northern West Sussex authorities in terms of commuting flows, and collectively these areas act as a net importer of labour drawing from the wider region. Their relative economic performance in recent years has been mixed, for example Crawley and Horsham have recorded net job gains during the past 16 years while Mid Sussex lost jobs overall. Economic trends in each authority are considered in more detail in the subsequent sections of this report.

- 2.60 The sub-region contains about 2.5 million sq.m of commercial office, factory and warehousing space in total, of which nearly 50% is located in Crawley with the remainder distributed fairly evenly between Horsham and Mid Sussex. Crawley is one of the largest office centres in the area, second only to Brighton & Hove, and contains the largest stock of both warehousing and factory space compared to adjoining authorities. The overall stock of office space has been relatively stable in all three authorities; Horsham and Mid Sussex have expanded their stock of industrial space while Crawley recorded an overall decline.
- 2.61 The sub-region's commercial property market is relatively buoyant and continues to represent an attractive business location due to its central location, excellent transport links and connectivity and access to a highly skilled workforce. Local markets are relatively self-contained, with limited inter-relationships between the three authorities, with the exception of key centres such as Crawley and Burgess Hill which are better placed to compete across the wider Gatwick Diamond strategic area for occupiers and investment. Market feedback indicated a requirement to allocate additional land in the sub region to maintain a high quality business offer and competitiveness.
- 2.62 Business feedback indicates that while the majority of firms are satisfied with their current premises, a number have experienced difficulties in finding suitable premises/sites to expand, upgrade or relocate to within the local area. An underlying shortage of good quality business accommodation in the right location could potentially threaten Northern West Sussex's longer term ability to attract and retain the business base needed to achieve continued economic growth. Nevertheless, the sub-region's strong transport connections and quality of life factors continue to maintain its popularity as a business location.

3.0 **Crawley Baseline Economic Context**

3.1 This section provides a baseline assessment of the Crawley local economy. The analysis is structured in terms of:

- 1 Economic conditions and trends;
- 2 Current stock of employment space; and
- 3 Commercial property market conditions.

Overview

3.2 Crawley Borough is situated in the northeast of West Sussex, bounded by Horsham to the west, Mid Sussex to the south and east, and Surrey to the north. The Borough is tightly confined to its administrative boundaries and is mainly urban in character, but is surrounded by areas of countryside. The Borough benefits from direct access to the M23 and London-Brighton mainline (via Three Bridges) and Mid Sussex branch line rail connections, and includes Gatwick Airport to the north of Crawley town. The town centre is surrounded by a number of individual residential neighbourhoods with local centres, whilst the large Manor Royal employment area and Gatwick Airport are located to the north of the Borough.

Economic Conditions and Trends

3.3 Current economic conditions and trends in Crawley are summarised below, with comparisons made, where appropriate, with regional and national averages. Data is from published Office for National Statistics (ONS) sources via NOMIS unless indicated otherwise.

Employment

3.4 The overall population of Crawley, currently 106,600⁹, grew by 6.7% between 2001 and 2011, lower than both the South East (7.8%) and national (7.0%) averages. The number of workforce jobs in the Borough was 94,200 in 2013¹⁰, representing an increase of 5.5% from its 1997 level, behind growth in the wider South East region (13.5%) and national employment growth over this period (11.6%). In terms of the recession, Crawley underwent a contraction of approximately 4,100 workforce jobs in overall terms during the period 2007-2010, but this has since stabilised with net job gains registered since 2011.

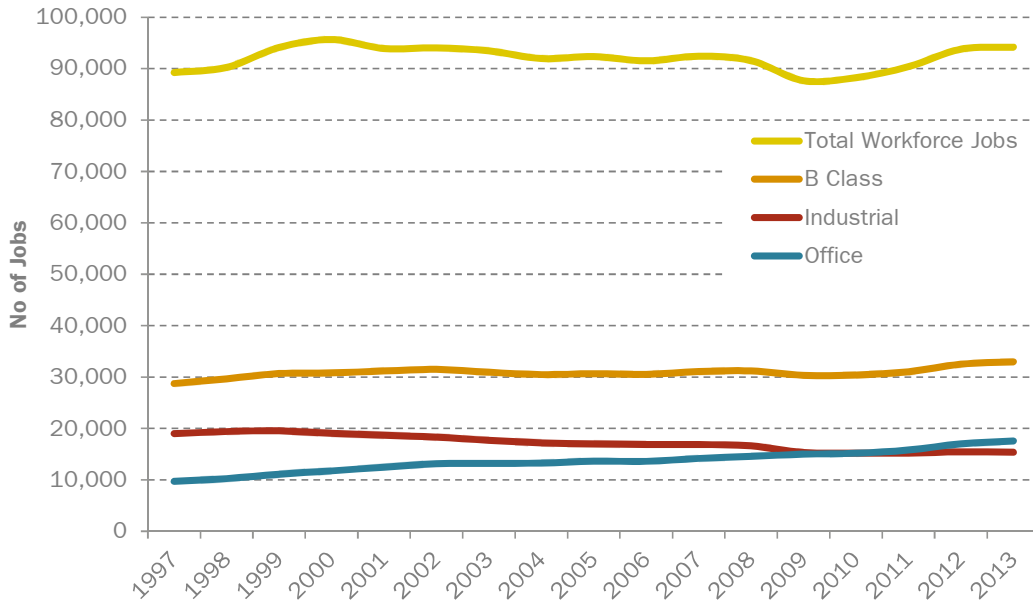
3.5 The proportion of B class jobs (i.e. offices, industrial and warehousing activities) in the Borough has remained relatively constant over the last 16 years, representing between 32% and 35% of all jobs in Crawley. B class jobs peaked at 32,990 in 2013, having increased by nearly 15% since 1997. During

⁹ Census 2011 data

¹⁰ Experian 2013

this period, office jobs have gradually represented an increasing contribution of all B class jobs (Figure 3.1).

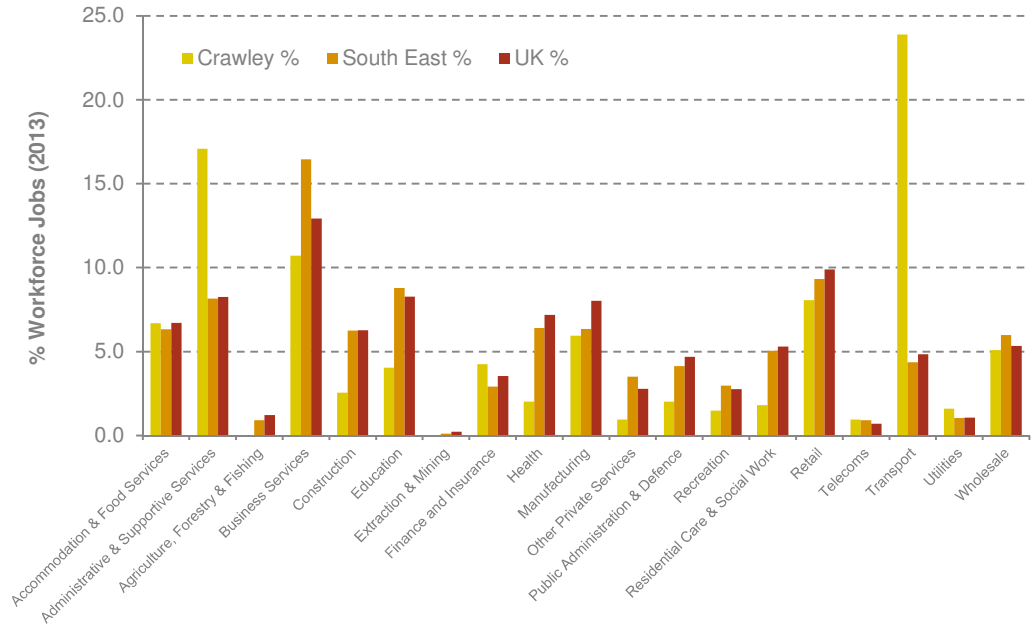
Figure 3.1 Total Workforce and B Class Jobs in Crawley, 1997-2013



Source: Experian 2013 / NLP analysis

- 3.6 In total employment terms, the Borough’s largest sectors in 2013 are transport (23.9%), administrative & supportive services (17.1%) and business services (10.7%), with retail (8.1%), accommodation & food services (6.7%) and manufacturing (5.9%) also important (Figure 3.2). This partly reflects the impact of direct employment associated with Gatwick Airport.
- 3.7 Education, health, public administration & defence, residential care & social work and construction sectors are under-represented compared with the regional (South East) average. The Borough does however have a higher proportion of employment in finance and insurance jobs (4.2%) than the South East (2.9%) and nationally (3.5%). Further analysis of Crawley’s recent economic performance in relation to the key growth sectors identified by the Gatwick Diamond and Coast to Capital LEP is presented in Appendix 2.

Figure 3.2 Main Economic Sectors in Crawley by share of employees, 2013

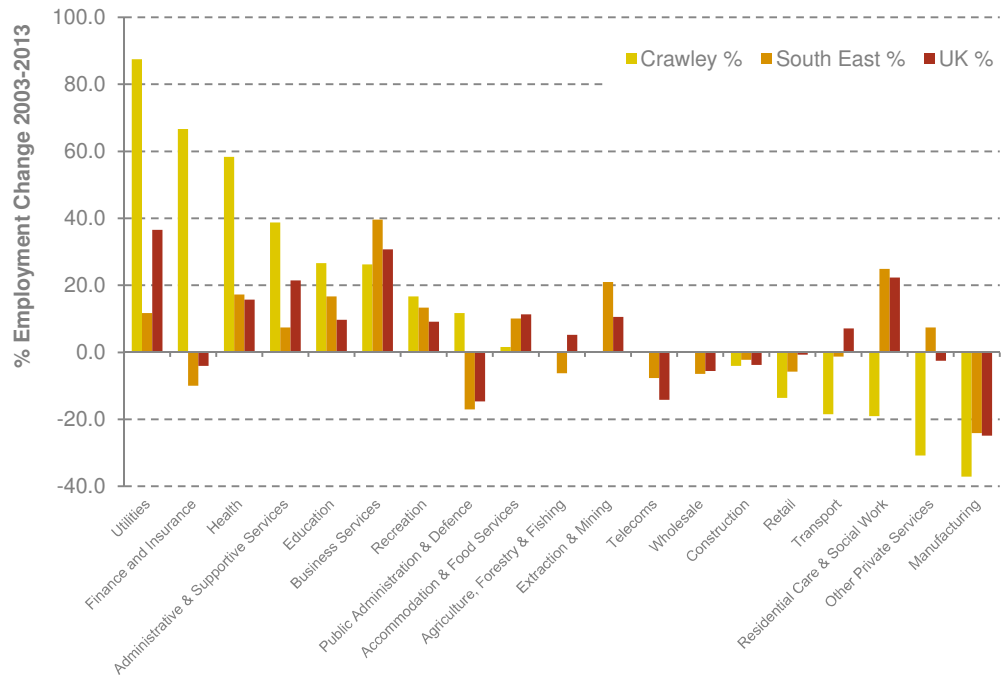


Source: Experian / NLP analysis

3.8

Over the last decade, the largest contributors to job growth in the Borough have been utilities, finance and insurance, health, administrative & supportive services and education, where the Borough outperformed regional and national growth rates (Figure 3.3). During the same period, the Borough saw significant job losses in manufacturing and other private services, as well as losses in residential care & social work, transport and retail.

Figure 3.3 Employment Change in Crawley by Sector, 2003-2013



Source: Experian / NLP analysis

Productivity

- 3.9 Productivity (measured by Gross Value Added (GVA) per worker) within Crawley's labour force is relatively high compared with regional and national averages, due in part to the Borough's high value transport sector, coupled with large business services and administrative & supportive services sectors.

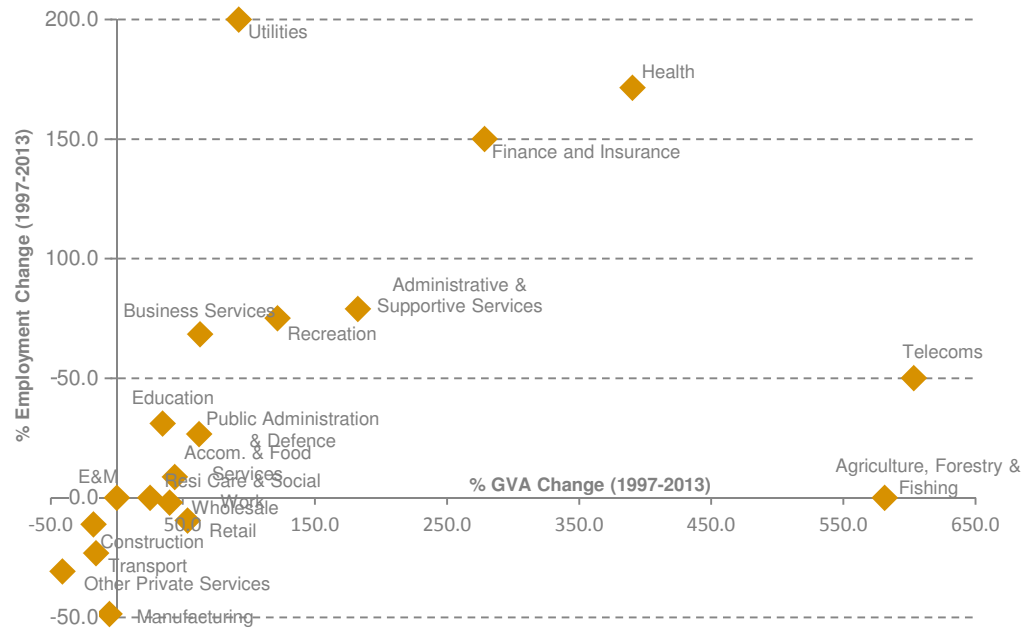
Table 3.1 Average GVA per Worker (Crawley)

Location	GVA Per Worker
Crawley	£46,380
Horsham	£40,530
Mid Sussex	£39,430
Adur	£39,030
Worthing	£41,530
Arun	£37,120
Chichester	£37,970
Brighton & Hove	£36,960
South East	£42,170
UK	£41,060

Source: Experian 2013 / NLP analysis

- 3.10 The average GVA generated by workers in Crawley (£46,380) is higher than other Sussex and South Coast centres such as Worthing and Brighton & Hove, as well as the South East (£42,170) and UK (£41,060) averages. Crawley's high average GVA is likely to reflect its reliance upon Gatwick Airport and its associated transport and business services sectors which tend to generate higher value activity and employ a highly skilled workforce.
- 3.11 Figure 3.4 presents employment and GVA growth over the past 16 years (1997 – 2013) by sector in Crawley. It shows that in terms of employment growth, utilities, health and finance and insurance sectors have made the most significant contribution to the Borough's economy in recent years. Meanwhile, telecoms and agriculture, forestry & fishing recorded very high GVA/output growth over the past 16 years, with health and finance and insurance also making a significant contribution. At the same time, manufacturing recorded noticeable employment decline (echoing broader macro-economic trends), whilst other private sectors, transport and construction recorded simultaneous employment and GVA decline, with the exception of transport, potentially indicating their declining importance within the Borough's economy.

Figure 3.4 Employment and GVA Growth in Crawley (1997-2013)



Source: Experian 2013 / NLP analysis

Business demography

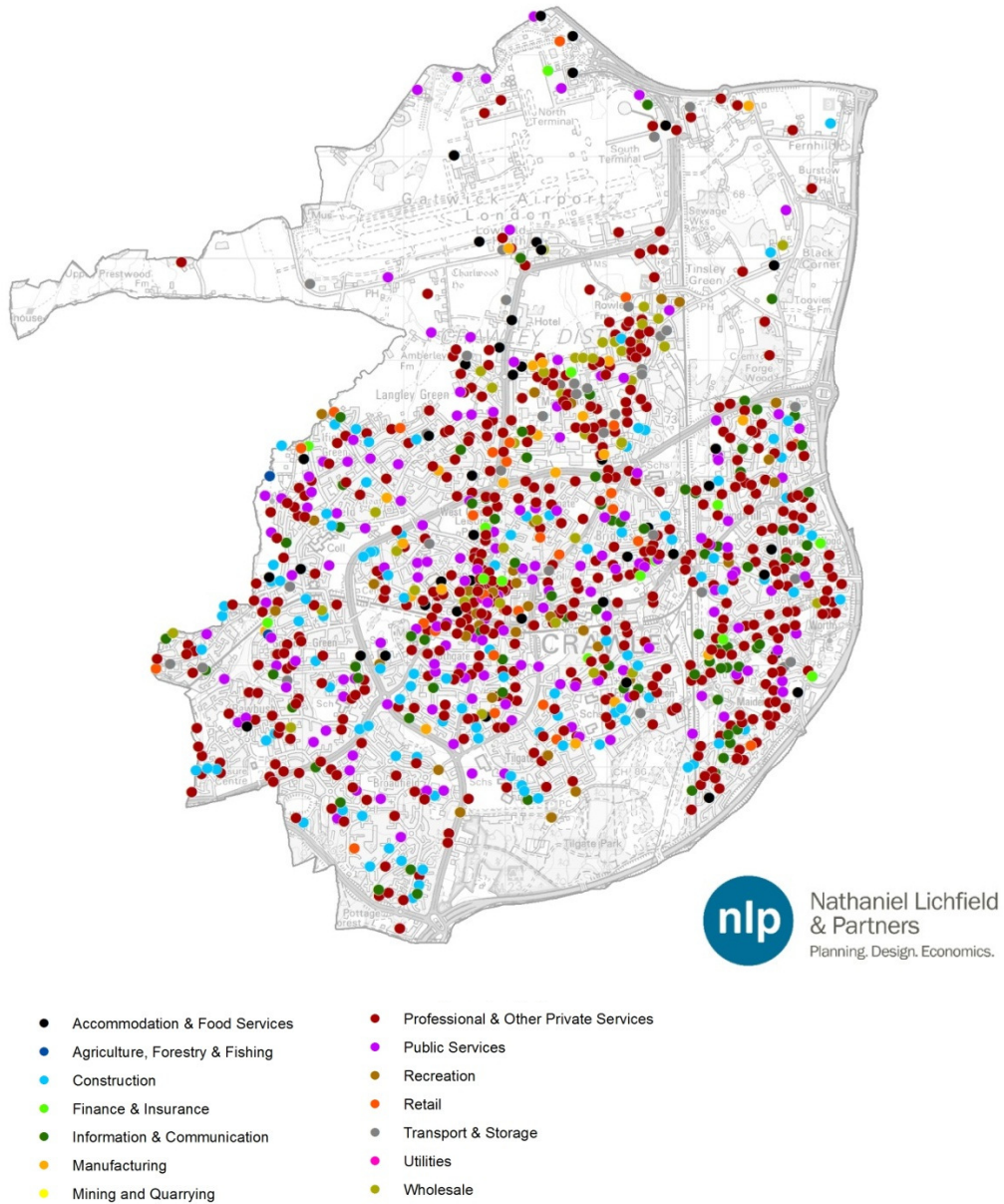
- 3.12 Looking at the size of businesses in Crawley, the Borough has a lower proportion of small firms with 1-9 employees (85.2%) than the regional (89.5%) and UK (88.7%) averages, and a relatively high number of larger firms. To some extent this is likely to reflect the concentration of larger corporate occupiers at Manor Royal.
- 3.13 Between 2004 and 2010, the number of VAT registered firms in the Borough grew by 6.2%, a rate that matches that of the South East region (6.2%) but falls below the UK average (6.6%)¹¹. With 52 new VAT registrations per 10,000 working-age population in 2010, the Borough's rate of new business formation in 2010 was much lower than the South East regional (68) and UK (60) averages. Crawley has a lower than average rate of self-employment, with 3.7% of the working-age population falling within this category compared with 10.7% in the South East and 9.6% nationally in 2012¹². These indicators suggest a low level of entrepreneurial activity in Crawley.
- 3.14 Drawing on Inter-Departmental Business Register (IDBR) data, Figure 3.5 below provides an overview of the spatial distribution of business clusters within Crawley. This indicates the presence of a wide range of business sectors but with a particular focus upon professional and public services, reflecting the Borough's role as a sub-regional commercial and administrative centre. Industrial (manufacturing and wholesaling) activities tend to be clustered around Manor Royal to the north of the Borough, alongside transport

¹¹ ONS Business Demography Statistics 2010

¹² ONS Annual Population Survey 2013

and storage activities. The largest concentrations of retail and recreation sectors can be found in and around the town centre, at Manor Royal and the K2 Leisure Centre.

Figure 3.5 Profile of Business Sectors in Crawley



Source: IDBR / ONS / NLP analysis

Labour market

3.15

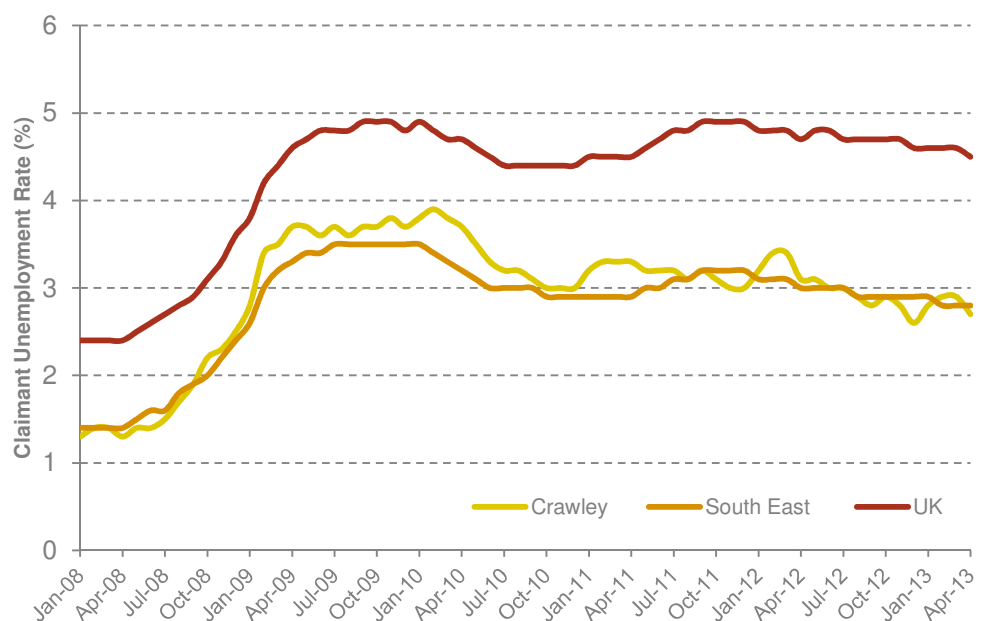
Crawley's economic activity rate, the proportion of working age residents in or seeking employment, at 79.6% is equal to the South East (79.6%) rate but higher than the UK (76.9%) figure¹³. These figures suggest the Borough is

¹³ ONS Annual Population Survey 2013

performing in line with the regional average, but there remains some degree of scope to further expand local labour supply from existing residents.

- 3.16 Claimant unemployment has increased by approximately 120% in Crawley since the start of the recession in early 2008 (1.3%) to 2.7% in April 2013. While the Borough's rate compares favourably with the national average (4.8%), it remains about the same for the South East region (2.8%), a pattern that has prevailed historically (Figure 3.6). On the wider Annual Population Survey Measure¹⁴, the Borough's unemployment rate is higher at 6.7%, comparing favourably with the national average (7.9%), but remaining below the regional (5.9%) rate.

Figure 3.6 Claimant unemployment Jan 2008 to April 2013



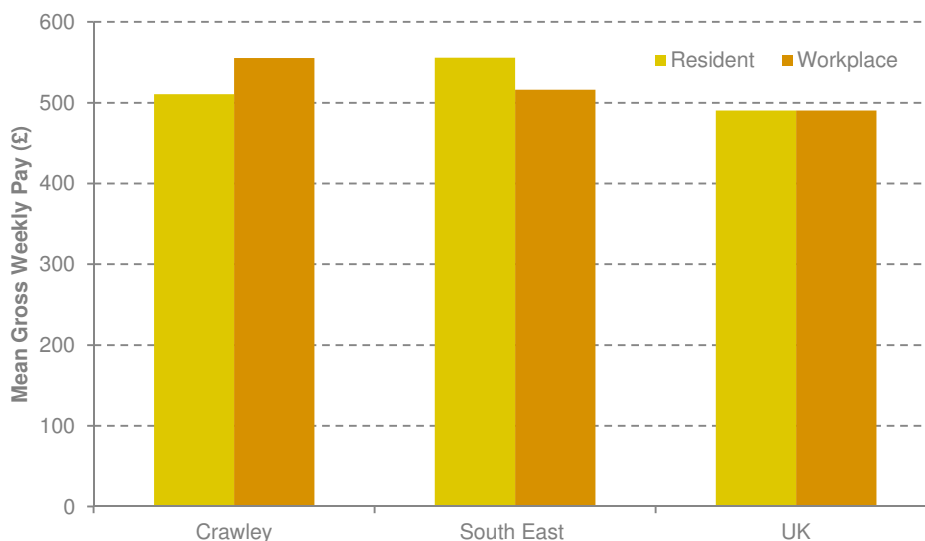
Source: Nomis 2013

- 3.17 In April 2013 there were 1.1 claimant unemployed workers for every unfilled job centre vacancy in the Borough, indicating a broad balance between available jobs and job seekers. This was less than half the ratio for the South East (2.6) and much lower than the equivalent ratio for Great Britain (3.9). The figures indicate a less challenging labour market locally than elsewhere, with potential for local residents to find suitable work.
- 3.18 Crawley's resident workforce has a lower than average level of job skills (NVQ4 and above 26.9%) when compared to the South East region (36.8%) and Great Britain (34.4%) as a whole. The Borough has a lower than average proportion of residents employed in higher skilled, higher earning occupations, when compared to the South East and Great Britain ratios.
- 3.19 As Figure 3.7 illustrates, wages for those working within the Borough (workplace) are higher than those for people who live in the Borough

¹⁴ This measure records all those searching for work but who are currently unemployed regardless of whether they are claiming job-seekers allowance or not

(resident). This is likely to reflect the high levels of in-commuting from residents that live outside of the Borough. The disparity also reflects that workplace wages in Crawley (£555 per week) are high compared to the South East (£516 per week) and the UK (£490 per week) as a whole.

Figure 3.7 Mean Gross Weekly Earnings (Crawley)



Source: Annual Survey of Hours and Earnings 2012

- 3.20 Despite performing strongly across a range of economic indicators over the past decade, parts of Crawley experience relatively high levels of deprivation when compared to other areas in the South East. The Borough is ranked as the 170th most deprived local authority area out of 326 in England¹⁵, which places it near the mid-point between most deprived and least deprived areas. Despite the average rank, certain pockets of Crawley suffer acutely from multiple deprivation, particularly the ward of Broadfield South which is one of the most deprived in West Sussex, but also Broadfield North, Bewbush and Southgate.

Knowledge-based industries

- 3.21 Knowledge-based industries are those sectors of the economy where value-added is derived from the intensity and accumulation of knowledge, often fostered through innovation and increasing use of technology. Firms within this sector tend to grow faster and have greater future potential than other sectors and so are considered an important indicator of an economy's competitiveness and future growth prospects¹⁶. Just 22.9% of Crawley's businesses were classed as knowledge-based in 2008 – below the South East (25.6%) rate, but above the Great Britain (21.8%) rate¹⁷. These figures suggest that the Borough

¹⁵ Indices of Multiple Deprivation 2010

¹⁶ Based on definition adopted by the Organisation for Economic Co-operation and Development (OECD), includes high-technology manufacturing such as pharmaceuticals, computers and aerospace, and services such as telecommunications, financial intermediation, computing and research and development.

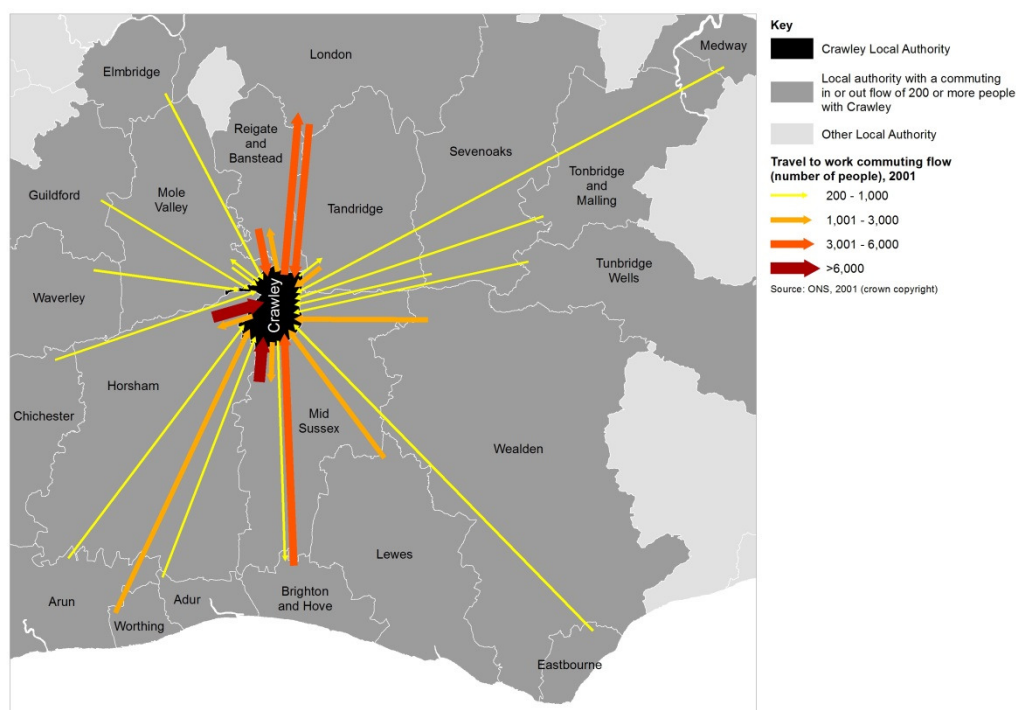
¹⁷ UK Competitiveness Index, 2010

is under-represented in the types of businesses that are more likely to generate future growth.

Functional economic area

- 3.22 Examining commuting flows can help in defining the functional economic market area of a particular local economy¹⁸. In 2001, 30% of Crawley's residents worked outside of the Borough indicating a high rate of out-commuting. In total, over 15,000 residents work elsewhere, predominately in the adjoining areas of Reigate & Banstead (17.8%), Mid Sussex (13.1%) and Horsham (12.2%) (Figure 3.8). London also accounts for a significant proportion (27.2%) of all out-commuting from Crawley and although the capital is just beyond the Borough's immediate functional economic area, this significant out-flow means that the Borough maintains strong economic links with London.
- 3.23 At the same time, approximately 46,274 workers commuted into Crawley, predominately from the adjoining districts of Mid Sussex, Horsham, Reigate & Banstead and Brighton & Hove. On this basis, Crawley is a net importer of labour, with a net inflow in the order of 30,835 residents from outside of the Borough. While the Borough predominately competes with neighbouring authorities for labour, this competition also extends further afield to other centres within the wider South East including Brighton & Hove, Worthing and Lewes.

Figure 3.8 Crawley travel-to-work linkages, 2001



Source: Census 2001

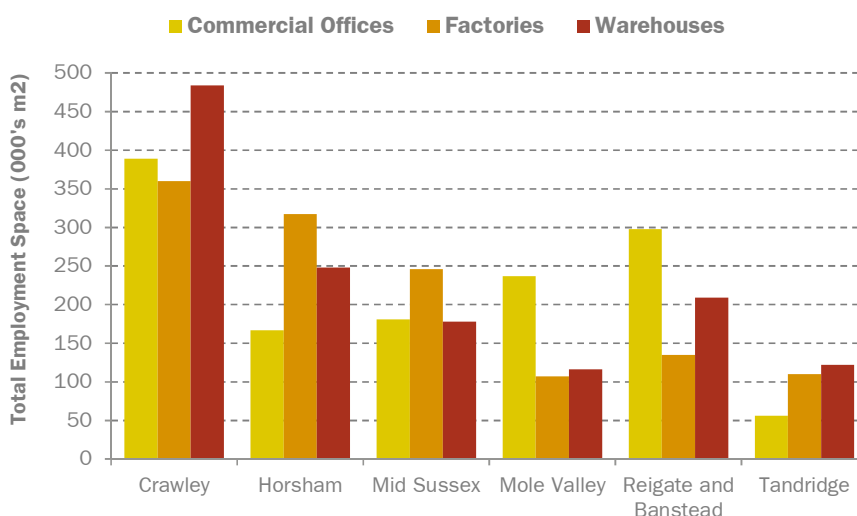
¹⁸ Functional Economic Market Areas, An economic note, CLG 2010

Current Stock of Employment Space

3.24

In 2008, Crawley contained some 1,230,000 sq.m of B class floorspace. A breakdown of this space by main uses, and a comparison with employment space levels in nearby districts, is shown in Figure 3.9. This indicates that the supply of employment space in Crawley is dominated by industrial uses (manufacturing and distribution/warehousing) which account for 29% and 39% of total stock respectively. Crawley's stock of commercial office, factory and warehouse space is the largest of all six adjoining Districts.

Figure 3.9 Employment floorspace by District ('000s sqm)



Source: VOA 2008 / NLP analysis

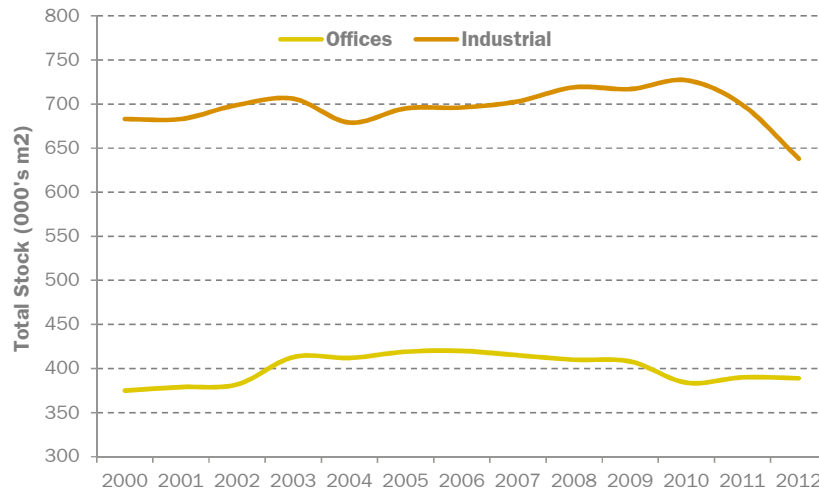
3.25

The Borough's commercial office stock amounts to just under a third (32%) of total employment space, exceeding the total stock in all adjoining districts. By comparison, Crawley accommodates more than twice as much commercial office space as Horsham and Mid Sussex, and nearly seven times as much as nearby Tandridge.

3.26

Industrial space in Crawley decreased by nearly 7% over the 12 year period 2000-2012 according to published VOA data (Figure 3.10), compared with a slight increase of approximately 2% across the South East as a whole. This is likely to reflect the gradual redevelopment of industrial sites for office uses (particularly at Manor Royal). Total commercial office space grew by just under 4% over the same period, compared with 12% across the South East.

Figure 3.10 Change in Employment Floorspace in Crawley, 2000-2012



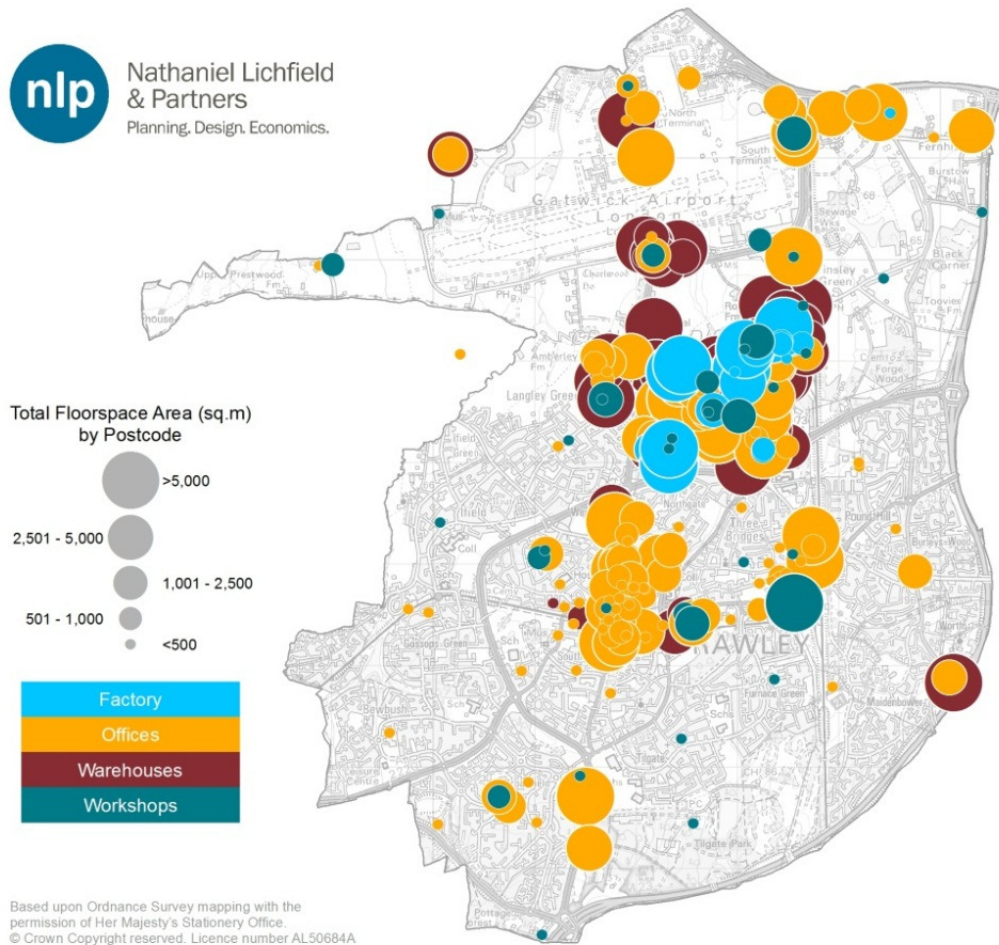
Source: VOA Employment Floorspace Statistics / NLP analysis

Spatial Distribution

3.27

Figure 3.11 shows the distribution of B class employment space across Crawley using latest available VOA data. This indicates that the Borough’s factory and warehousing stock is predominantly concentrated within the Manor Royal employment area between the town centre and Gatwick Airport, while office space is more evenly distributed across the Borough with key clusters in Crawley town centre, Manor Royal and around Gatwick Airport.

Figure 3.11 Spatial Distribution of Employment Floorspace in Crawley



Source: VOA 2010 / NLP analysis

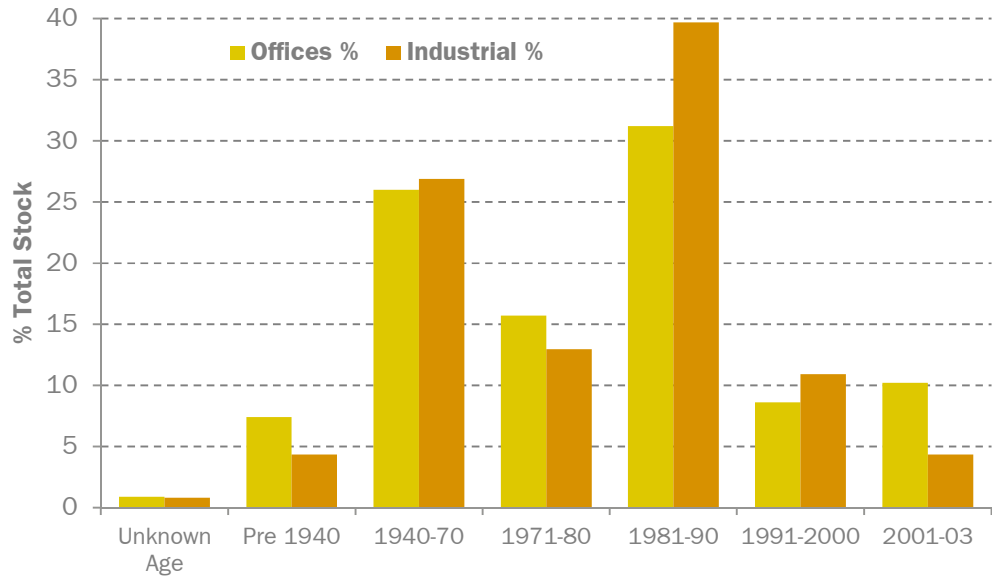
- 3.28 Manor Royal accommodates just under 37% of all office space in Crawley, with the town centre and Gatwick Airport also representing significant office locations (accommodating 14% and 16% of the Borough's office stock respectively). The remainder of office space is distributed across smaller commercial centres including the Three Bridges corridor, Broadfield and Tilgate.
- 3.29 The vast majority (84%) of Crawley's factory and workshop space is also concentrated at Manor Royal, with the Three Bridges corridor also representing a key industrial location, accommodating a further 9% of factory and workshop space. Warehouse space tends to be concentrated to the north of the Borough, largely at Manor Royal (68%) and Lowfield Heath (12%).

Age of premises

- 3.30 Although only covering the period up to 2003, ONS data on the age of premises can give a broad indication of the age of stock in the Borough. Reflecting the 1950s New Town origins, there is generally very limited pre-1940 stock and about a quarter of industrial and office stock dates from the 1940-1970 period. However, Crawley's stock of industrial space is relatively

new with 55% built since 1981, significantly higher than the South East regional average (33%). The Borough has recorded a reasonable level of industrial completions since 2003, adding just over 63,160 sq.m of new industrial accommodation to the overall stock, equivalent to an increase of around 9%.

Figure 3.12 Age of Premises in Crawley



Source: ONS 2003

- 3.31 With regard to offices, 50% of Crawley's stock has been built since 1981, compared with just 33% across the South East as a whole. Approximately 182,340 sq.m of new office (B1a/b) space has been built in Crawley since 2003, adding to the proportion of new office stock in the Borough. Overall, this indicates a fairly new stock of office space in the Borough and high proportion of modern business premises relative to what is recorded in other parts of the region.

Vacancy levels

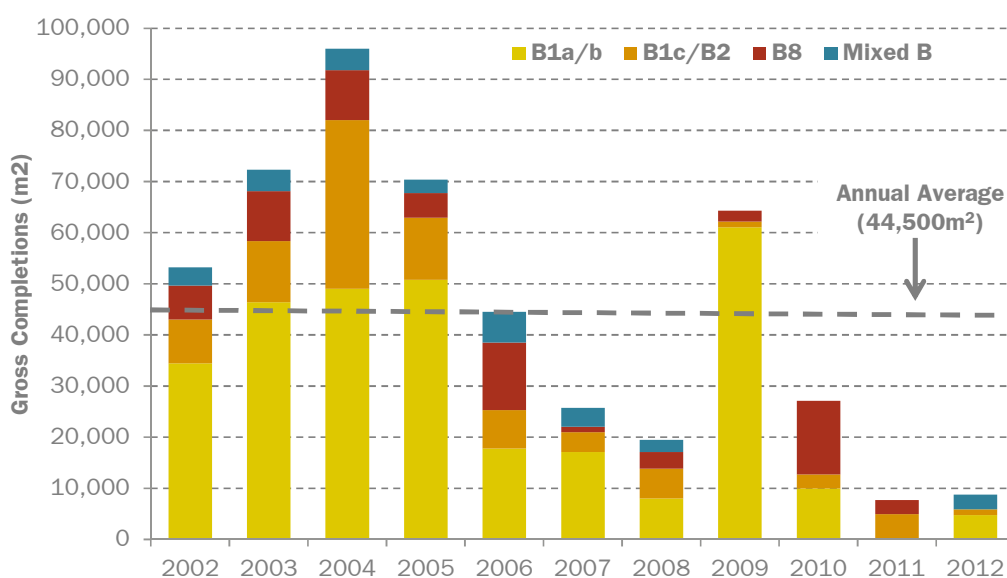
- 3.32 Latest commercial property market reports¹⁹ indicate that approximately 61,320sqm of office space is currently available across Crawley, equivalent to a vacancy rate of around 14%. This is slightly higher than typical availability rates (around 10%) for a normal market with a reasonable amount of space available for firms to relocate and expand, indicating a current oversupply of vacant stock.
- 3.33 The equivalent figure for industrial space was 58,000sqm, or about 7% of the total stock. This vacancy figure appears to be lower than a typical market level, indicating an overall shortage of industrial space available to the market.

¹⁹ Stiles Harold Williams, Crawley / Gatwick Office Focus Q3 2013 / Stiles Harold Williams, Crawley / Gatwick Industrial & Logistics Focus Q3 2013

Development trends

- 3.34 The gross amount of floorspace developed for employment uses in Crawley over the last 11 years is shown in Figure 3.13 below. This indicates that 44,500m² of gross B Class space was developed per annum across the Borough between 2002 and 2012. The majority (27,200m² or 61%) of new floorspace was developed for office (B1a/b) uses, 19% (8,450m²) for B1c and B2 factory/industrial uses, 14% (6,160m²) for B8 distribution uses and 6% (2,690m²) for mixed B uses.

Figure 3.13 Gross Development Rates 2002-12



Source: West Sussex County Council / NLP analysis

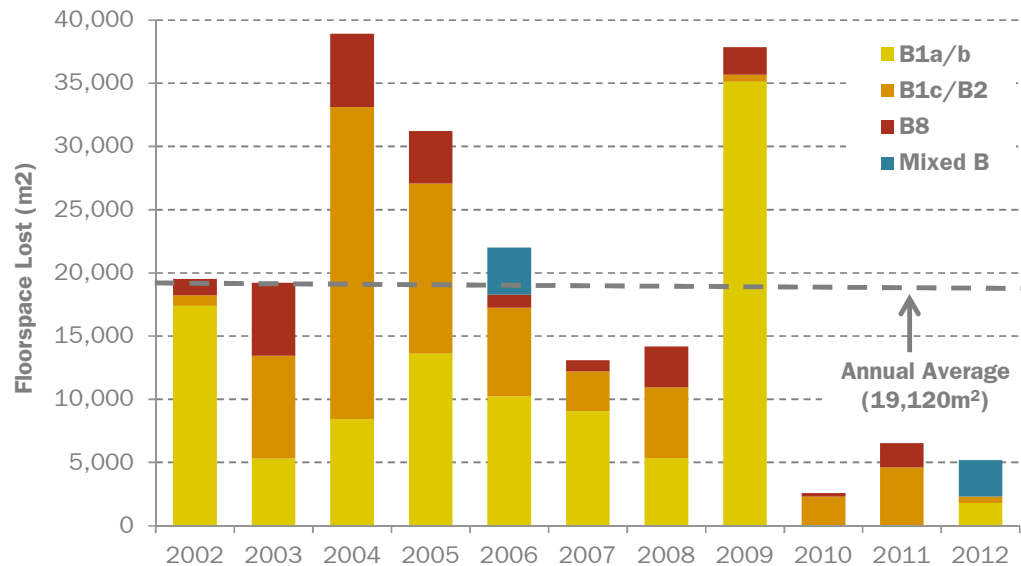
- 3.35 The rate of new development in Crawley has been very uneven over recent years, particularly in terms of B1a/b office and B1c/B2 industrial development. Relatively low levels of B class development have been recorded since 2007/8 (with the exception of the reporting year 2009²⁰), with office space accounting for the majority (66%) of all gross B class completions since then.
- 3.36 The level of development peaked in 2004 with the Borough recording gross completions of 95,990m², a figure more than double the annual average over the last 11 years. By contrast, the 2011 reporting year saw the lowest level of B class completions of all 11 years, at just 7,730m². The general decline in overall completions over the last few years is likely to be due to the economic downturn and subdued property market alongside increasingly constrained supply of land available for new development in the Borough.
- 3.37 Across the period as a whole the net development rate was significantly lower, at just under 25,380m² p.a., reflecting losses of B-class space through redevelopment to other uses (including non B uses and change of use to other B uses) as detailed below.

²⁰ 2009 recorded a significant level of gross development, largely accounted for by the redevelopment of the Thales/Asahi site in Manor Royal for office (B1a) uses

Losses of employment space

- 3.38 County Council monitoring data indicates that past losses of employment land to other uses have been significant and very variable by year and by B use class (Figure 3.14). In particular, 2004 and 2009 stand out as recording significant losses of industrial and office space respectively. The scale of B class losses has declined significantly since then.

Figure 3.14 B Class Losses by year (2002-12)



Source: West Sussex County Council / NLP analysis

- 3.39 Crawley recorded an annual average loss of 19,120m² for the period 2002-2012, with most of this involving losses from B1a/b office (51%) and B1c/B2 factory space (34%). This has mainly been lost to other B class uses (for example as sites are redeveloped and reconfigured) as well as to quasi retail uses such as trade counters, builder's merchants and car showrooms.

Commercial Property Market Conditions

- 3.40 Crawley represents the largest and most significant commercial centre within the sub-region, and accommodates 48% of all employment floorspace in Northern West Sussex. Its locational strengths, including proximity to an international airport at Gatwick, the M23/motorway network and fast rail links to London and the South Coast combine to make Crawley an attractive business location to a wide range of occupiers and uses. Its combined employment land and connectivity offer means that Crawley does not currently directly compete with other smaller centres in West Sussex but instead with larger centres in the South East such as Croydon, Basingstoke and Guildford. The Borough is home to a number of multinational companies and headquarters including Nestlé (recently relocated from Croydon), Virgin Atlantic, Thales UK and Elekta.

- 3.41 The commercial property market in Crawley remains strong for both industrial and office uses. Following its designation as a New Town in the 1950's, large scale commercial development commenced at Manor Royal, initially with an industrial focus, but its economy has since diversified to become one of the largest office centres in the South East.

Market geography

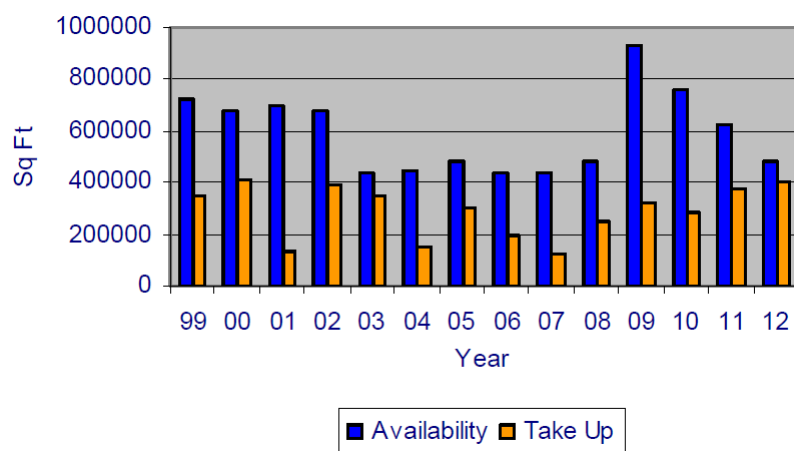
- 3.42 Manor Royal is the main business location in Crawley, covering an area of 240 hectares in between the town centre and Gatwick Airport, and is home to approximately 500 businesses and 30,000 employees²¹. It represents the largest employment site within the Gatwick Diamond area and accommodates a diverse range of business occupiers including Virgin Atlantic, Siemens, Elekta and Grant Thornton. Key sectors represented at Manor Royal include business services, transport, wholesaling, manufacturing and construction, with many occupiers related directly or indirectly to aviation.
- 3.43 The site was initially designated in the New Town Masterplan for industrial (manufacturing and distribution) uses but since the 1980's (following the removal of policy restrictions) has developed into a more mixed use business location through the gradual redevelopment of industrial sites for office use. In recent years, gradual replacement of industrial losses with higher value office uses and some non B-class uses (e.g. retail warehousing, car showrooms) has led to 'patchwork' development within Crawley's key employment site. In some cases, this has resulted in contrasting (and often less compatible) commercial uses operating side by side and a lack of coherent identity/appeal to potential occupiers. Furthermore, the relatively small size of some of the sites/plots at Manor Royal acts as a constraint to future re-development, while the site's spatial and (in some parts) access constraints (being located between the mainline railway, Airport and town centre) effectively limits the potential for large scale future expansion beyond its current footprint.
- 3.44 The town centre also represents a key focus for office based activity in Crawley, concentrated around the station area, and to the north and south of the High Street. There are a few examples of recent new office development within the town centre including St John's House, the Pinnacle and High Street One, comprising some of the few examples of Grade A office space within the sub region. All of these schemes currently have vacant space available which is likely to reflect the modest scale of demand in the current market and the lag time between new developments being completed and occupied. Aside from these examples, much of the town centre office stock comprises older, poorer quality secondary buildings that suffer from high vacancy. Demand remains relatively modest for town centre office space, and is likely to remain so until regeneration proposals get underway and enhance the quality of the public realm and townscape and consequently appeal to office occupiers.
- 3.45 Beyond Manor Royal and the town centre, a number of secondary employment locations accommodate Crawley's remaining business activity. These include

²¹ <http://www.manorroyal.org/pages/index.cfm>

Hazlewick Avenue, Broadfield Park and Tilgate Forest Business Centre which provide a range of office premises of varying quality and age. The Three Bridges Corridor (including the Stephenson Road Industrial Estate) represents a key industrial location, particularly for smaller businesses. The area benefits from proximity to the mainline railway station at Three Bridges and appeals to lower value industrial users seeking a more competitive cost base.

- 3.46 Local agents describe Crawley as having a two tier office market, comprising high quality Grade A stock that continues to attract demand and is holding its own with asking rents in the region of £20-25 per sqft. Market reports indicate that Grade A stock currently accounts for around 32% of all office space in Crawley²². By comparison, there is reported to be a significant amount of remaining 'Grade B' stock which is generally older/second hand, of a poorer quality and not configured for modern business needs (for example characterised by large floorplates and open plan layouts). This has contributed to an oversupply of office space across the Borough as a whole. Examples include the Boulevard, Broadway, Queens Square and various office units above shops in the town centre and can let for as little as £14-15 sqft in the current market. Whilst some of this vacancy is a short term product of the recession, agents believe that the scale of vacancy is too great to be fully taken up even as the market recovers.
- 3.47 Demand for industrial space in Crawley remains strong although new development has been very limited over recent years. Local agents report a slight drop in industrial take up since the beginning of the year as the effects of restricted supply of good quality units start to kick in and frustrate occupiers. Furthermore, vacancy levels amongst industrial premises have remained very low, preventing the churn, intensification and upgrading of existing sites that would be expected to take place within a normal market environment (i.e. one that faces fewer land constraints). Availability is currently recorded as 7% of total built stock and has been falling over the last few years (Figure 3.15), pushing up rental values amongst remaining stock.

Figure 3.15 Crawley Industrial Availability/Take Up (units of 5,000 sqft or more)



Source: Stiles Harold Williams, Crawley / Gatwick Industrial & Logistics Focus Q3 2013

²² Stiles Harold Williams, Crawley / Gatwick Office Focus Q3 2013

- 3.48 Demand is particularly strong for small to medium scale industrial premises (up to 5,000 sqft in size), as opposed to large scale distribution activities, although local agents report a number of larger requirements currently in the market for units of 25,000 sqft and over (which struggle to be met).
- 3.49 The overwhelming view amongst local agents is that Crawley needs at least one new strategic employment site to accommodate the growth of indigenous firms, attract inward investment and enable the churn and re-configuration of existing sites to better meet the needs/demands of firms. If new space of a significant scale does not come forward in the short to medium term, there is a risk that the Borough will become increasingly unable to compete for and capture economic and inward investment opportunities as and when they arise. For example, local agents expect a shortage of Grade A office stock to emerge in Crawley over the next 12 months, resulting in a significant reduction in supply available to the market²³. This may also influence the type of commercial property market within which the Borough continues to operate, particularly if sites of a strategic scale and nature were to come forward elsewhere in the wider West Sussex area over the plan period that can more effectively compete with Crawley for firms and investment. This issue is explored in more detail in Sections 7, 8 and 9.

Gatwick Airport

- 3.50 Located to the north of the Borough, Gatwick Airport is the UK's second largest airport, serving over 180 destinations and 34 million passengers each year. A key economic driver for the sub-region, the Airport also represents a major employer and hub of commercial activity, directly employing around 23,000 people and supporting a further 18,500 indirect and induced jobs.²⁴
- 3.51 The presence of the Airport has a notable influence on both the office and industrial (particularly distribution) market in Crawley, with some of the Borough's key occupiers related directly or indirectly to the aviation and transport industry. However, continuing strong demand for commercial space in Crawley is also heavily influenced by the town's highly competitive infrastructure and communications offer linked to an international airport, including good motorway connections and high speed rail links to London and the South Coast.
- 3.52 The Airport currently has an operational office portfolio of about 23,000 sq.m located within six standalone office buildings, as well as some office accommodation within the two terminals. Some of this space is undergoing refurbishment but will shortly come back onto the market to provide about 4,000 sq.m of available space, equivalent to a vacancy rate of 18%. The Airport's stock of office space has recently been reduced by about 25% with the change of use of two buildings (Norfolk House and Longbridge House) totalling about 7,500 sq.m to hotels.

²³ Stiles Harold Williams, Crawley / Gatwick Office Focus Q3 2013

²⁴ Gatwick Economic Benefit report, Optimal Economics, May 2012

- 3.53 Office space at Gatwick Airport is subject to aviation-related user restrictions intended to safeguard this space to meet the operational requirements of the Airport. However, discussions with Gatwick Airport indicate high vacancy levels resulting from the current economic climate and changes to airline operating models at the Airport which mean that substantially less office space is now typically required by airlines and other operators. The Airport has therefore proposed that the occupier restrictions be removed so that the office accommodation can be used more flexibly and marketed to a wider range of potential occupiers and vacancy levels reduced, although in practice a proportion of the stock would continue to be set aside for airport users.
- 3.54 Despite the overall positive role that Gatwick Airport plays within the town's (and wider regional) economy, the presence of a major international airport also presents challenges to the future prosperity of Crawley's commercial property market. Safeguarding of significant areas of land around the Airport site for potential expansion significantly limits the availability of developable land within Crawley and has created uncertainty regarding the scope and scale of future employment development elsewhere in the Borough and acts to preclude development in the short term, which has created challenges in terms of how the Borough might plan for additional development needs.
- 3.55 The extent to which any future growth of Gatwick Airport (excluding any additional runway capacity) could impact upon the commercial property market in Crawley and wider Northern West Sussex will ultimately depend upon the nature of growth. For example, a focus upon developing the airport's business aviation capacity and business facing routes (such as US and European cities) could significantly enhance demand for business space in and around Crawley, particularly from aviation and aviation-related sectors wishing to capitalise on improved access to international destinations and the convenience of Crawley/Gatwick as a business destination in this respect. Future growth could also generate associated infrastructure improvements, increasing Crawley's competitive connectivity advantages over other dominant commercial centres in the South East.

Conclusions

- 3.56 The following conclusions can be drawn from the preceding analysis:
- 1 Crawley is the largest workplace economy in the Northern West Sussex sub-region (it has 50% more jobs than either Horsham or Mid Sussex), expanding by 5.5% since 1997. B-class jobs represent just over a third of the total and have been relatively stable, with growth of office jobs offsetting industrial job losses.
 - 2 The Borough has a broad economic base, but the profile is particularly impacted (directly and indirectly) by the presence of Gatwick Airport, with the largest sectors including transport, administration and support, business services and retail. The presence of high value sectors means that average GVA per worker in Crawley is higher than other Sussex and South Coast authorities.

- 3 Crawley has a relatively significant base of larger corporate occupiers (mainly at Manor Royal), and new business formation rates and self-employment levels are below regional averages. However, over recent years the Borough's business base has expanded in line with the regional average.
- 4 The Borough's unemployment rate has historically closely mirrored the South East regional average, and currently stands at about 2.7%. The skills profile of the resident workforce is below average, and this is reflected in lower resident than workplace earnings (which are higher than the regional average) as higher paid jobs are taken by in-commuters. Crawley is a net importer of labour, with 46,300 in-commuters exceeding the 15,000 residents who work outside of the Borough.
- 5 Crawley contains about 1.2 million sq.m of commercial office, industrial and warehousing space, the largest concentration in the sub-region. About two-thirds comprises industrial and warehousing space which has reduced by 7% since 2000, whilst there has been a modest 4% increase in office space. The Manor Royal employment area dominates the supply position, although Crawley town centre and the Three Bridges corridor are also important locations. County Council monitoring data indicates that net B-class completions have averaged 25,400 sq.m per annum since 2002.
- 6 As the largest and most significant commercial centre within the sub-region, demand for employment space in Crawley remains strong for both industrial and office uses. Its locational strengths, including proximity to an international airport at Gatwick, the M23/motorway network and fast rail links to London and the South Coast combine to make Crawley an attractive business location to a wide range of occupiers and uses. The overwhelming view amongst local agents is that Crawley needs at least one new strategic employment site to accommodate the growth of indigenous firms, attract inward investment and enable the churn and re-configuration of existing sites to better meet the needs/demands of firms. This is particularly important if Crawley is to maintain its competitive position, particularly if sites of a strategic scale and nature were to come forward elsewhere in the wider West Sussex area over the plan period that can more effectively compete with the Borough for firms and investment.

4.0 Horsham Baseline Economic Context

4.1 This section provides a baseline assessment of the Horsham local economy. The analysis is structured in terms of:

- 1 Economic conditions and trends;
- 2 Current stock of employment space; and
- 3 Commercial property market conditions.

Overview

4.2 Horsham District is situated in the west of West Sussex and is bordered by Crawley to the northeast, Mid Sussex to the east; Mole Valley and Waverley to the north and Chichester to the west, while Arun and Adur as well as the South Downs National Park (SDNP) administrative area lie to the south. The District is largely rural in character with villages and small towns dispersed throughout the countryside. Horsham itself is the largest historic market town, and is situated in the north of the District close to the Crawley boundary. Large areas of Horsham are open countryside, ancient woodlands, designated AONB and SSSI, as well as having a proportion of area that falls within the South Downs National Park. The District does not benefit from direct motorway access, but has a well-connected highway network given its rural character, and is connected to the London – Portsmouth/Southampton railway.

Economic Conditions and Trends

4.3 Current economic conditions and trends in Horsham are summarised below, with comparisons made, where appropriate, with regional and national averages. Data is from published Office for National Statistics (ONS) sources via NOMIS unless indicated otherwise.

Employment

4.4 The overall population of Horsham, currently 131,300²⁵, grew by 7.5% between 2001 and 2011, lower than the South East (7.8%) average, but higher than the national (7.0%) average. The number of workforce jobs in the District was 60,100 in 2013²⁶, representing an increase of 7.7% from its 1997 level, behind growth in the wider South East region (13.5%) and national employment growth over this period (11.6%). In terms of the recession, Horsham underwent a contraction of approximately 1,400 workforce jobs in overall terms during the period 2007-2010, but this has since stabilised with net job gains registered since 2011.

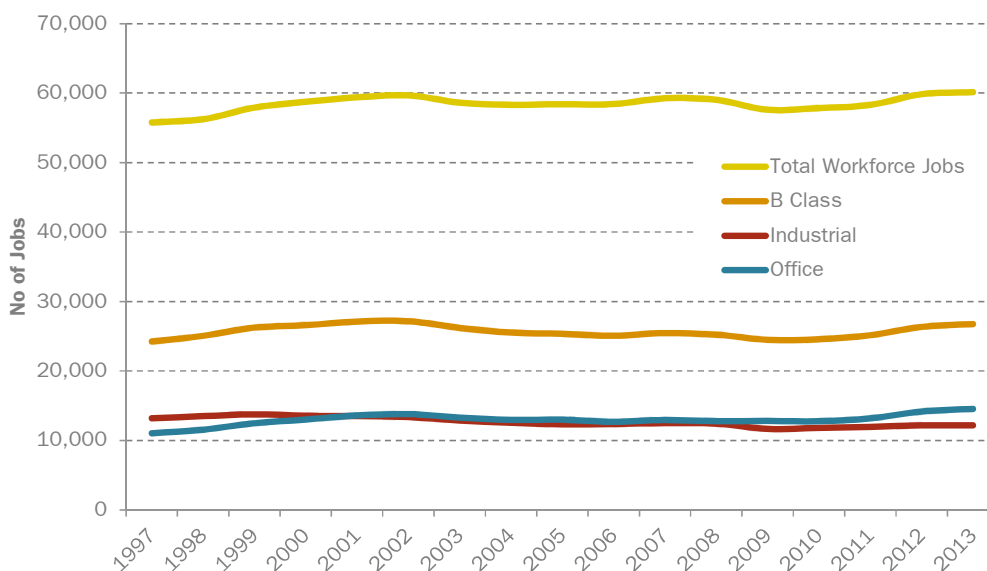
4.5 Over the last 16 years, B class jobs (i.e. offices, industrial and warehousing activities) have represented a fairly stable proportion of all jobs in the District,

²⁵ Census 2011 data

²⁶ Experian 2013

at between 42% and 46% of all jobs in Horsham. The number of B class jobs peaked at 27,170 in 2002 and have since declined slightly, standing at approximately 26,760 in 2013. During this period, office jobs have gradually represented an increasing contribution of all B class jobs (Figure 4.1).

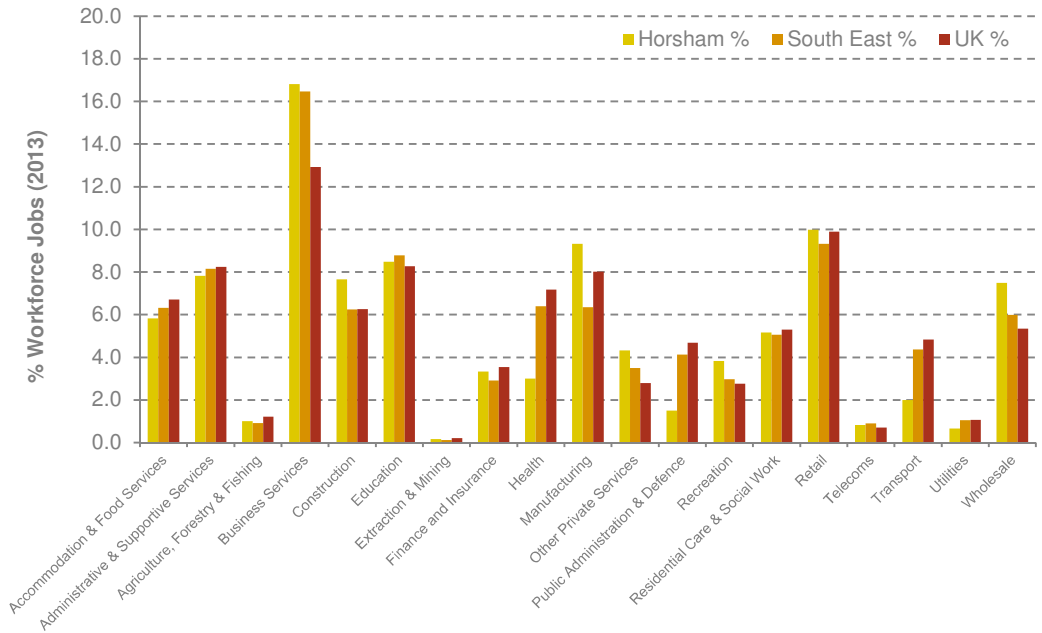
Figure 4.1 Total Workforce and B Class Jobs in Horsham, 1997-2013



Source: Experian 2013 / NLP analysis

- 4.6 In employment terms, the District's largest sectors in 2013 are business services (16.8%), retail (10.0%) and manufacturing (9.3%), with education (8.5%), administrative & support services (7.8%), construction (7.7%) and wholesale (7.5%) also important (Figure 4.2). This indicates a relatively balanced economy in employment terms.
- 4.7 Health (3.0%), public administration & defence (1.5%) and transport sectors (2.0%) are under-represented compared with the regional (South East) average. With the exception the recreation (3.8%) and private services sectors (4.3%), the District's employment profile is broadly consistent with the South East and national averages. Further analysis of Horsham's recent economic performance in relation to the key growth sectors identified by the Gatwick Diamond and Coast to Capital LEP is presented in Appendix 2.

Figure 4.2 Main Economic Sectors in Horsham by share of employees, 2013

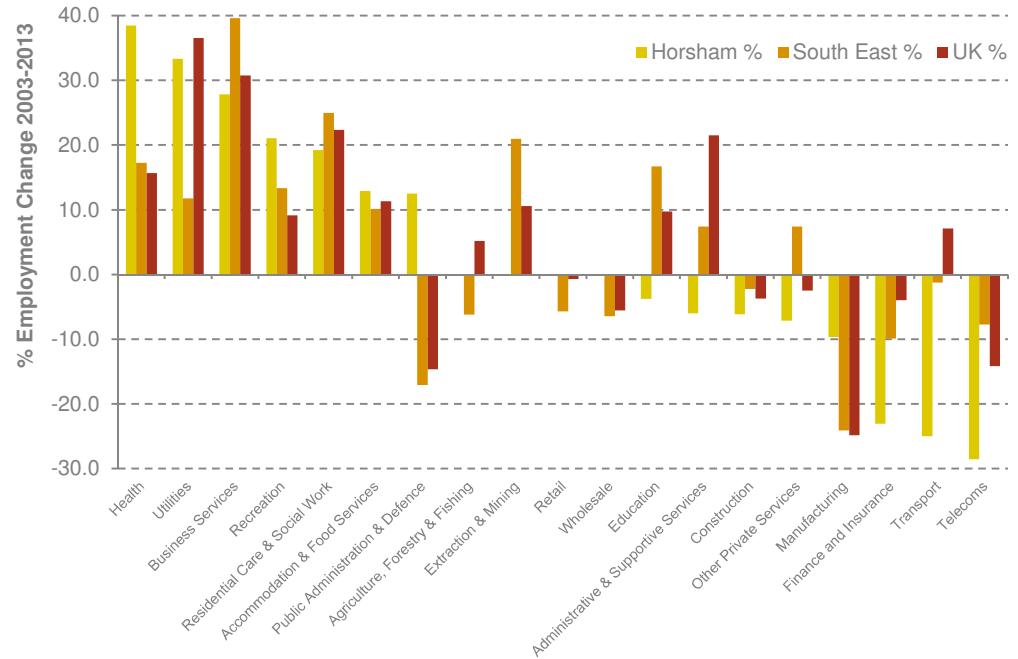


Source: Experian / NLP analysis

4.8

Over the last decade, the largest contributors to job growth in the District have been health, utilities, business services, recreation and residential care & social work, where the District performed above or at similar levels to regional and national growth rates (Figure 4.3). During the same period, the District saw significant job losses in telecoms, transport and finance and insurance sectors.

Figure 4.3 Employment Change in Horsham by Sector, 2003-2013



Source: Experian / NLP analysis

Productivity

- 4.9 The average GVA generated by workers in Horsham (£40,530) is marginally higher than other Sussex and South Coast local authorities such as Adur (£39,030), Arun (£37,120) and Brighton & Hove (£36,960), but falls below the South East (£42,170) and UK (£41,060) averages.

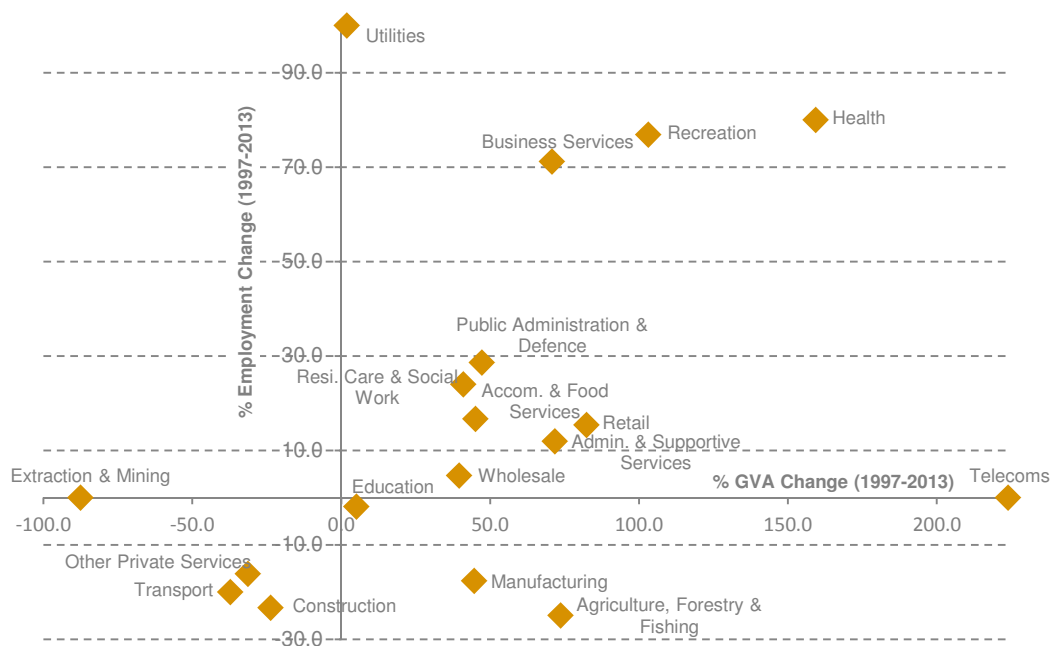
Table 4.1 Average GVA per Worker (Horsham)

Location	GVA Per Worker
Crawley	£46,380
Horsham	£40,530
Mid Sussex	£39,430
Adur	£39,030
Worthing	£41,530
Arun	£37,120
Chichester	£37,970
Brighton & Hove	£36,960
South East	£42,170
UK	£41,060

Source: Experian 2013 / NLP analysis

- 4.10 The District is however one of the better performing authorities in the sub-region with only Crawley (£46,380) and Worthing (£41,530) surpassing its GVA per worker level. The District's GVA performance is partly driven by a strong business services sector and a manufacturing sector that has continued to perform well in output terms despite the economic downturn and a declining manufacturing employment base.
- 4.11 Figure 4.4 presents employment and GVA growth over the last 16 years (1997 – 2013) by sector in Horsham. It shows that in terms of employment growth, utilities, health, recreation and business services have made the most significant contribution to the District's economy in recent years. Meanwhile, telecoms and health recorded the highest GVA/output growth over the past 16 years, with a number of other sectors also making a noteworthy contribution. At the same time, there has been employment decline in agriculture, forestry & fishing and manufacturing sectors, as well as simultaneous decline in employment and GVA/output in construction, transport, other private services and extraction & mining, reflecting their declining importance within the District's economy.

Figure 4.4 Employment and GVA Growth in Horsham (1997-2013)



Source: Experian 2013 / NLP analysis

Business demography

- 4.12 Looking at the size of businesses in Horsham, the District has a higher proportion of small firms with 1-9 employees (90.2%) than the regional (89.5%) and UK (88.7%) averages, and relatively fewer large firms. Between 2004 and 2010, the number of VAT registered firms in the District contracted by 0.1%, compared with growth of 6.2% in the South East region and 6.6% across the UK as a whole²⁷. With 71 new VAT registrations per 10,000 working-age population in 2010, the District's rate of new business formation in 2010 was higher than the South East regional (68) and UK (60) averages. However, Horsham's self-employment rate has declined in recent years, currently standing at 9.1% of the working-age population compared with 10.7% in the South East and 9.6% nationally in 2012²⁸.
- 4.13 Due in part to the rural nature of much of the District, many of Horsham's businesses (particularly SMEs) are home based. Recent research commissioned for Horsham District Council²⁹ identified that 120 new businesses started up in July 2013, which was 14 more than the previous month and 14 more than in July 2012. This start-up rate (13.2%) was higher than the regional (8.9%) and national (7.9%) equivalent, with the settlements of Billingshurst and Shipley accommodating the majority of these start-ups.
- 4.14 According to a report commissioned by West Sussex County Council³⁰, the number of jobs in the rural areas of West Sussex grew by 11% between 2003

²⁷ ONS Business Demography Statistics 2010

²⁸ ONS Annual Population Survey 2013

²⁹ BankSearch, Small business start-ups, Horsham July 2013

³⁰ Skills and Enterprise in Rural West Sussex, September 2010, Simpson Consulting Ltd

and 2008 at a period when employment was static in West Sussex as whole and declining in urban areas. The report notes that rural businesses show a propensity for growth but remain smaller overall and can be constrained by a lack of premises for expansion, as well as skills and infrastructure issues such as poor broadband and transport. Many of Horsham's major employers are located in rural areas of the District including Tesla Engineering and Kates Cakes.

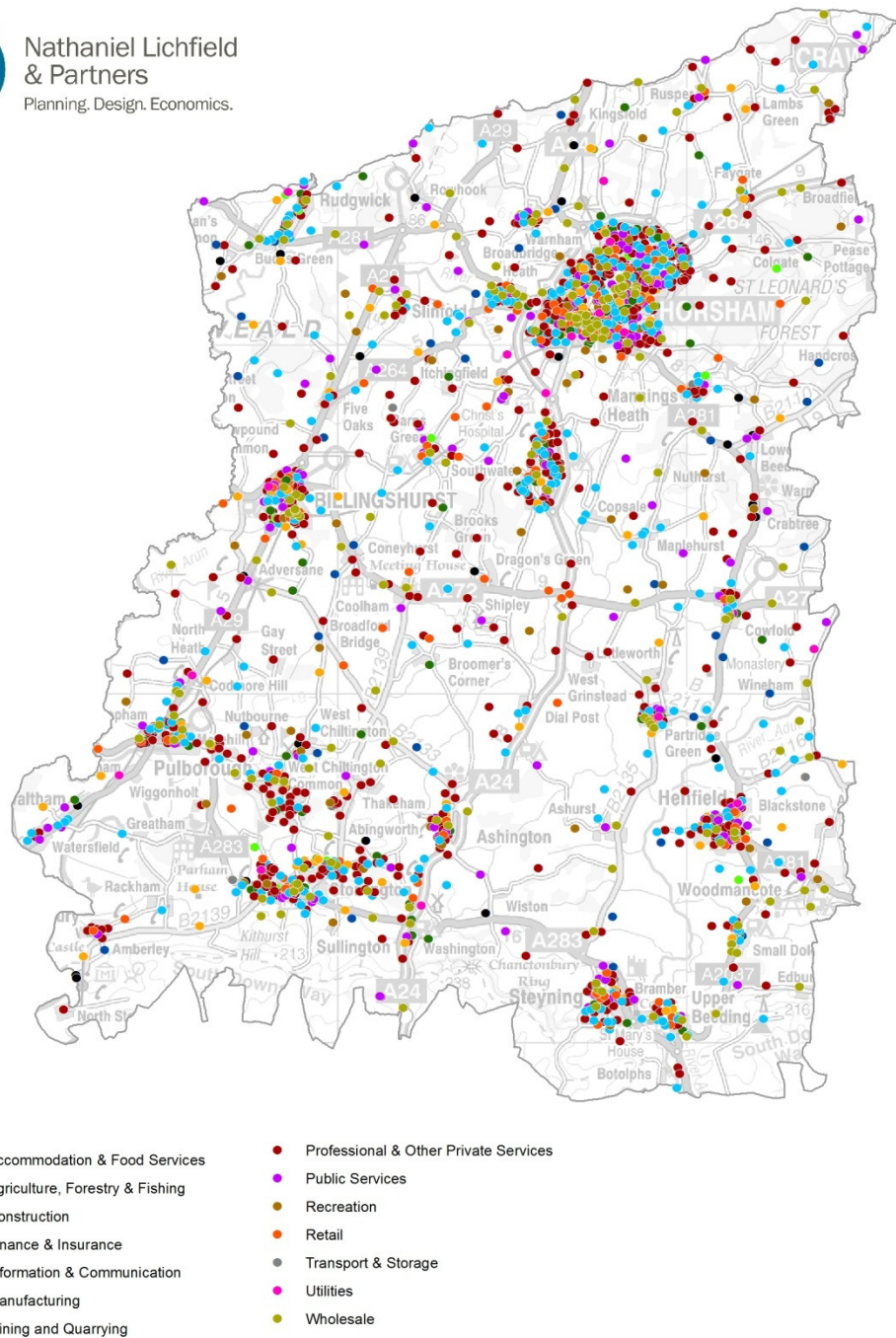
- 4.15 A key objective of the District's Economic Development Strategy³¹ is to enable existing home based businesses and SMEs to grow and develop through support and infrastructure, building on the District's existing strengths, networks, business support organisations and small business events such as Horsham Microbiz.
- 4.16 Drawing on Inter-Departmental Business Register (IDBR) data, Figure 4.5 below provides an overview of the spatial distribution of business clusters within Horsham. This indicates the presence of a wide range of business sectors but with a particular focus upon professional and public services and wholesaling activities. Beyond the main town of Horsham, business activity tends to be clustered around the smaller settlements of Billingshurst, Storrington, Pulborough and Southwater, characterised by a similar mix of business sectors to the District overall. Figure 4.5 also shows that business activity is dispersed right across the District, underlining the importance of the rural economy in supporting enterprise in Horsham.

³¹ Horsham Economic Development Strategy, November 2013

Figure 4.5 Profile of Business Sectors in Horsham



Nathaniel Lichfield & Partners
Planning. Design. Economics.



Source: IDBR / ONS / NLP analysis

Labour market

4.17 Horsham’s economic activity rate, the proportion of working age residents in or seeking employment, at 81.8% is higher than the South East (79.6%) rate and also higher than the UK (76.9%) figure³². These figures suggest the District is

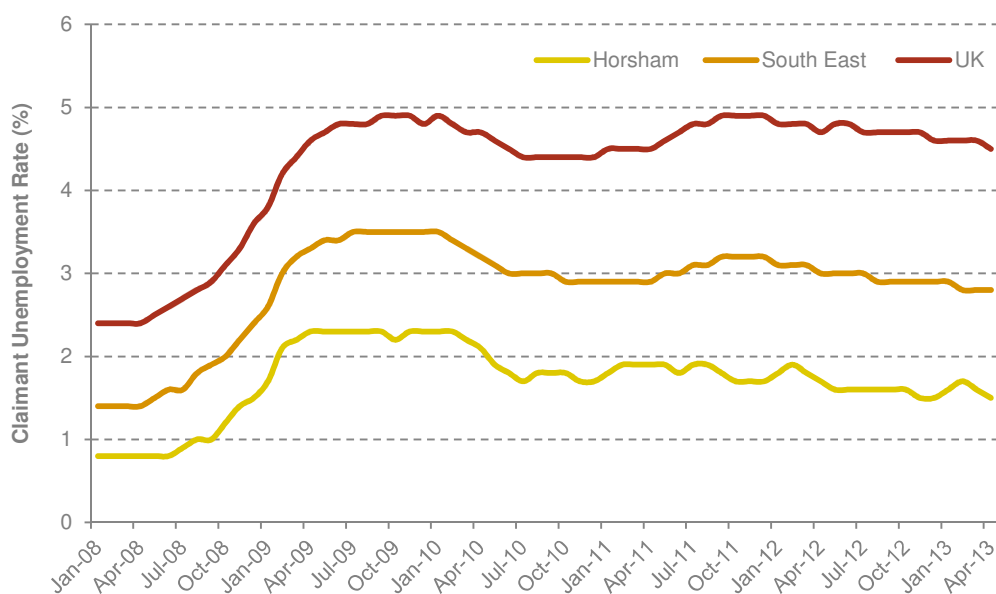
³² ONS Annual Population Survey 2013

performing well against regional and national trends, with limited scope to further expand local labour supply from existing residents.

4.18

Claimant unemployment has increased by approximately 87% in Horsham District since the start of the recession from 0.8% in early 2008 to 1.5% in April 2013. While the District's rate compares favourably with the national average (4.8%), it also remains below the South East region figure (2.8%), a pattern that has prevailed historically (Figure 4.6). On the wider Annual Population Survey Measure³³, the District's unemployment rate is higher at 4.5%, but continues to compare favourably against the national average (7.9%), and remains below the regional (5.9%) rate. This may reflect that a significant proportion of Horsham District residents commute to jobs outside of the District.

Figure 4.6 Claimant unemployment Jan 2008 to April 2013



Source: Nomis 2013

4.19

In April 2013 there were two claimant unemployed workers for every unfilled job centre vacancy in the District. This was below the ratio for the South East (2.6) and also lower than the equivalent ratio for Great Britain (3.9). The figures indicate a slightly less challenging labour market locally than elsewhere in terms of local residents finding suitable work.

4.20

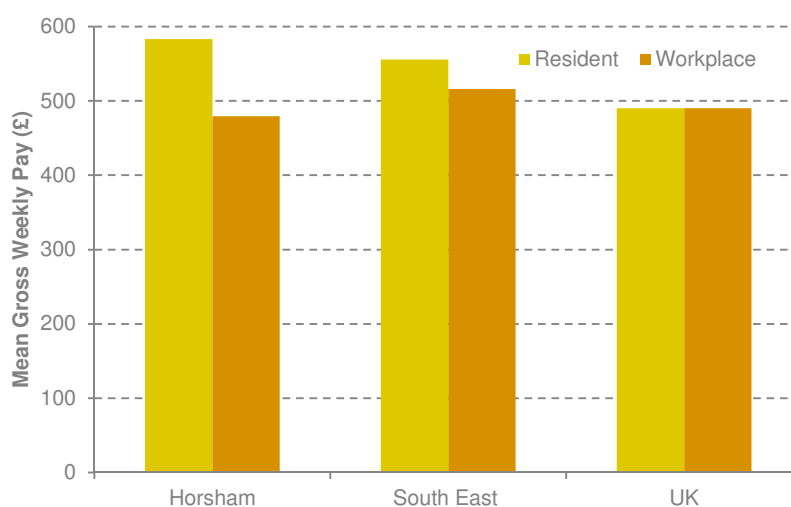
Horsham's resident workforce has a higher than average level of job skills (NVQ4 and above 41.8%) when compared to the South East region (36.8%) and Great Britain (34.4%) as a whole. The District also has a higher than average proportion of residents employed in higher skilled, higher earning occupations, when compared to the South East and Great Britain ratios. Many

³³ This measure records all those searching for work but who are currently unemployed regardless of whether they are claiming job-seekers allowance or not

of these highly skilled residents commute out of the District for work (explored in more detail below).

- 4.21 As Figure 4.7 illustrates, wages for those working within the District (workplace) are lower than those for people who live in the District (resident). This is likely to reflect the high levels of out-commuting by the District's residents to higher paid jobs in London and elsewhere within the South East. This reflects that workplace wages in Horsham (£480 per week) are low compared to the South East (£516 per week) and the UK (£490 per week) as a whole.

Figure 4.7 Mean Gross Weekly Earnings (Horsham)



Source: Annual Survey of Hours and Earnings 2013

- 4.22 Horsham has performed relatively well across a range of economic indicators over the past decade, and experiences very low levels of deprivation when compared to other areas in the country. The District is ranked as the 304th most deprived local authority area out of 326 in England³⁴, which places it within the top 10% least deprived areas. Horsham has some of the least deprived areas in West Sussex, these include Holbrook East, Roffey North, Trafalgar and Southwater.

Knowledge-based industries

- 4.23 Knowledge-based industries are those sectors of the economy where value-added is derived from the intensity and accumulation of knowledge, often fostered through innovation and increasing use of technology. Firms within this sector tend to grow faster and have greater future potential than other sectors and so are considered an important indicator of an economy's competitiveness and future growth prospects³⁵. Approximately 27.1% of Horsham's businesses were knowledge-based in 2008 – higher than the South East (25.6%) rate, and

³⁴ Indices of Multiple Deprivation 2010

³⁵ Based on definition adopted by the Organisation for Economic Co-operation and Development (OECD), includes high-technology manufacturing such as pharmaceuticals, computers and aerospace, and services such as telecommunications, financial intermediation, computing and research and development.

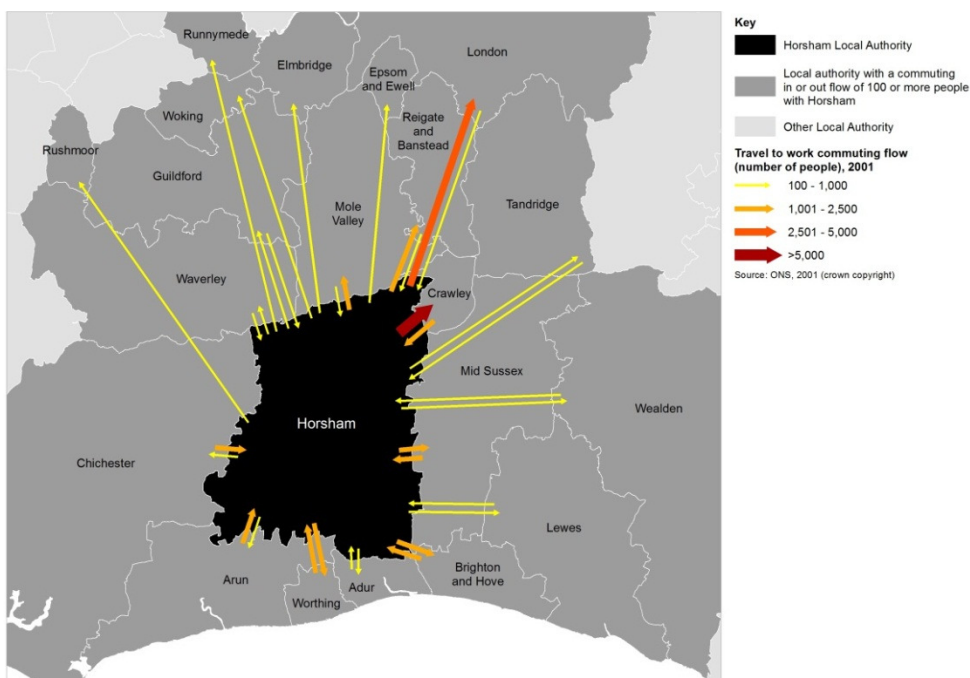
well above the Great Britain (21.8%) rate³⁶. These figures suggest that the District is well represented by the types of businesses that are more likely to generate future growth.

Functional economic area

4.24 Examining commuting flows can help in defining the functional economic market area of a particular local economy³⁷. In 2001, 41.6% of Horsham's residents worked outside of the District indicating a very high rate of out-commuting. In total, over 25,000 residents work elsewhere, predominately in the adjoining area of Crawley (25.6%), as well as smaller proportions to other areas such as Mid Sussex (6.7%), Mole Valley (6.1%) and Brighton & Hove (6%) (Figure 4.8). London also accounts for a significant proportion (18.2%) of all out-commuting from Horsham and although the capital is just beyond the District's immediate functional economic area, this significant out-flow means that the District maintains strong economic links with London. This underlines potential scope to retain some of these residents (many of which are highly skilled) within the District, particularly if higher value activity and knowledge based industries can be supported and sustained in Horsham.

4.25 At the same time, approximately 14,629 workers commuted into Horsham, predominately from the adjoining districts of Crawley, Worthing, Brighton & Hove, Mid Sussex, Arun and Chichester. On this basis, Horsham is a net exporter of labour, with a net out-flow in the order of 10,822 residents, some 17.7% of its resident workforce.

Figure 4.8 Horsham travel-to-work linkages, 2001



Source: Census 2001

³⁶ UK Competitiveness Index, 2010

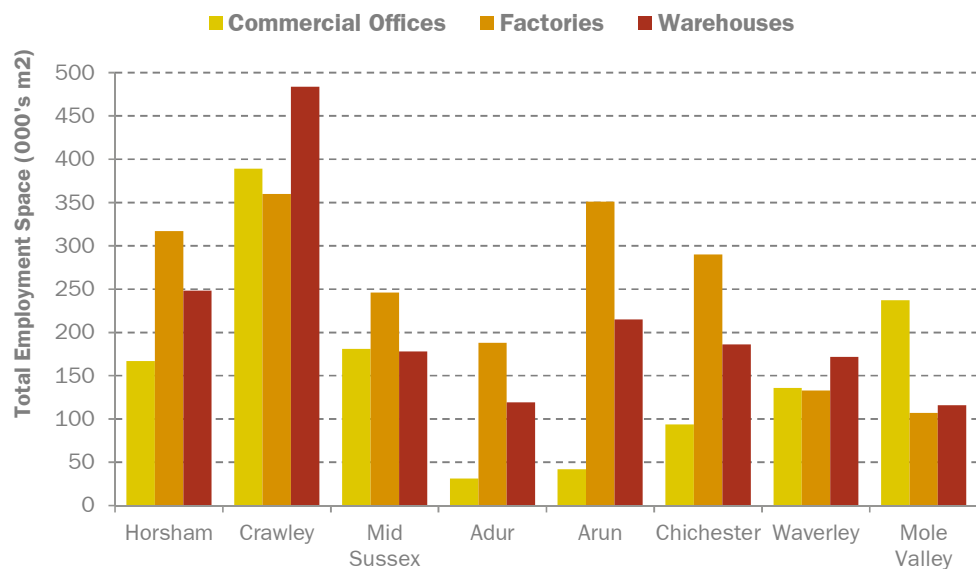
³⁷ Functional Economic Market Areas, An economic note, CLG 2010

Current Stock of Employment Space

4.26

In 2008, Horsham contained 732,000sqm of B class floorspace. A breakdown of this space by main uses, and a comparison with employment space levels in nearby districts, is shown in Figure 4.9. This indicates that the supply of employment space in Horsham is dominated by industrial uses (manufacturing and distribution/warehousing) which account for 43% and 34% of total stock respectively. Horsham's stock of factory and warehouse space is the second largest all eight adjoining Districts, after Crawley.

Figure 4.9 Employment floorspace by District ('000s sqm)



Source: VOA 2008 / NLP analysis

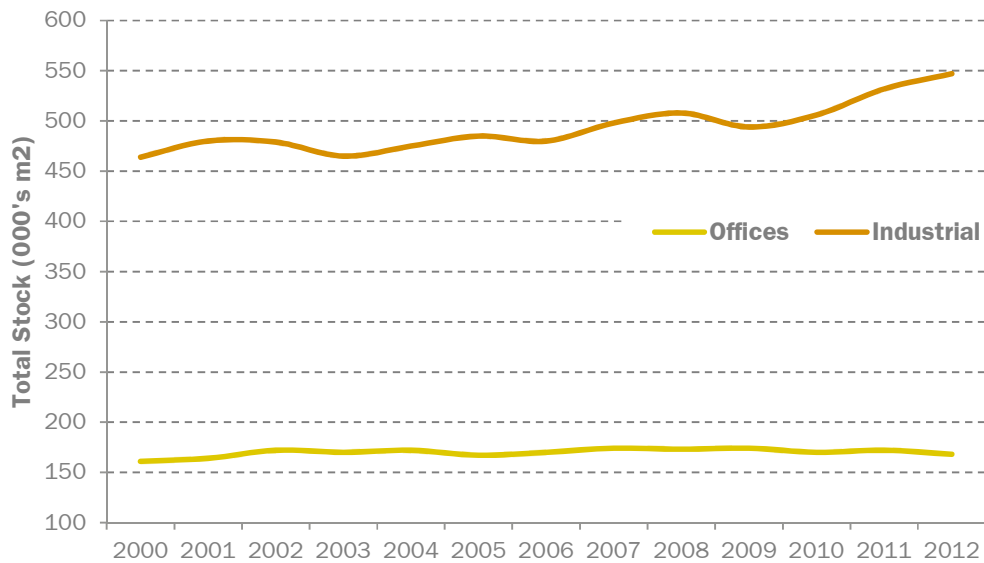
4.27

Just under a quarter (23%) of Horsham's total stock of employment space relates to commercial offices and represents the fourth largest concentration of all adjoining districts.

4.28

According to published VOA data (Figure 4.10), commercial office space in Horsham increased by just over 4% over the period 2000-2012 compared with 12% across the South East as a whole. Total industrial space increased by 18% over the same period, significantly outpacing growth of 2% across the wider South East.

Figure 4.10 Change in Employment Floorspace in Horsham, 2000-2012

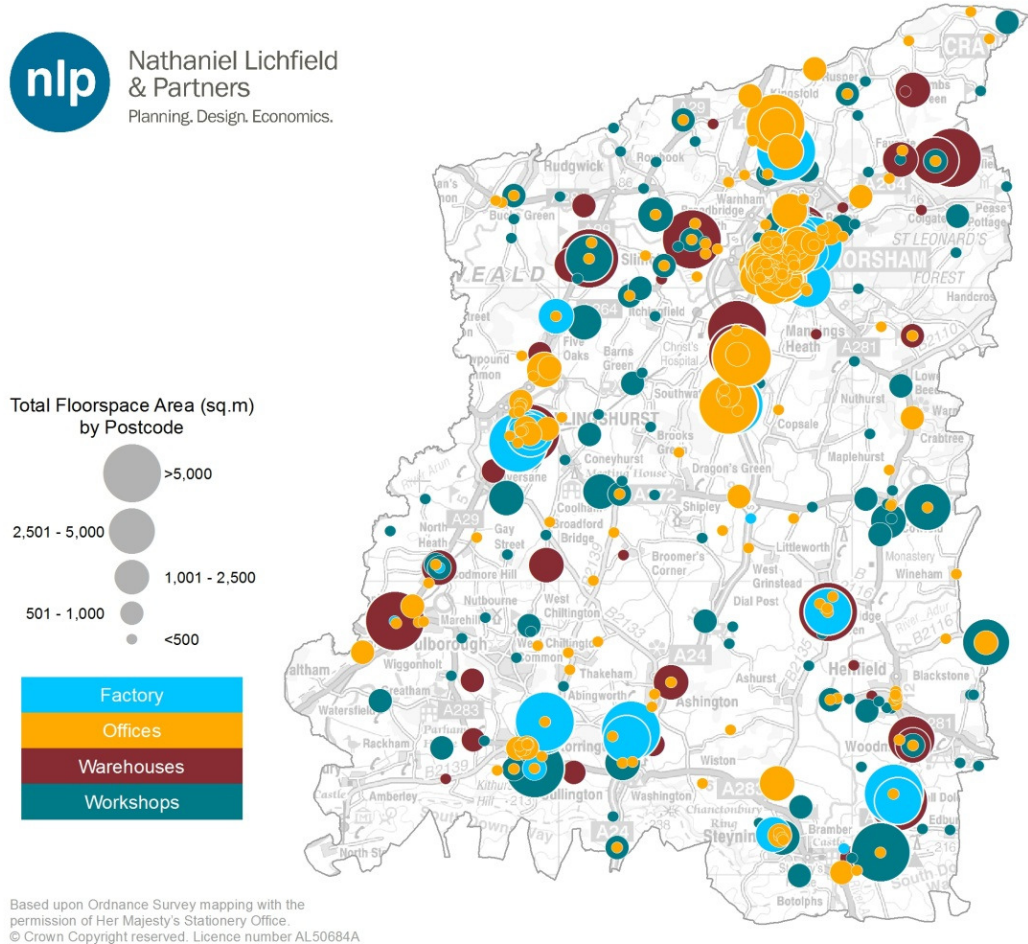


Source: VOA Employment Floorspace Statistics / NLP analysis

Spatial distribution

- 4.29 As shown in Figure 4.11, the majority of office space in District is located within the market town of Horsham (62%) as well as the village of Southwater (11%) to the south of the town. The remaining office space tends to be distributed across a number of individual sites in rural areas and smaller settlements such as Henfield, Upper Beeding and Small Dole.
- 4.30 In contrast, factory, warehouse and workshop space tends to be dispersed more evenly across the District, clustered around a number of smaller settlements such as Pulborough, Storrington and Small Dole. Horsham town accommodates just under 20% of factory and workshop space and 31% of warehousing space. Billingshurst and Southwater also represent key industrial locations in the District.

Figure 4.11 Spatial Distribution of Employment Floorspace in Horsham



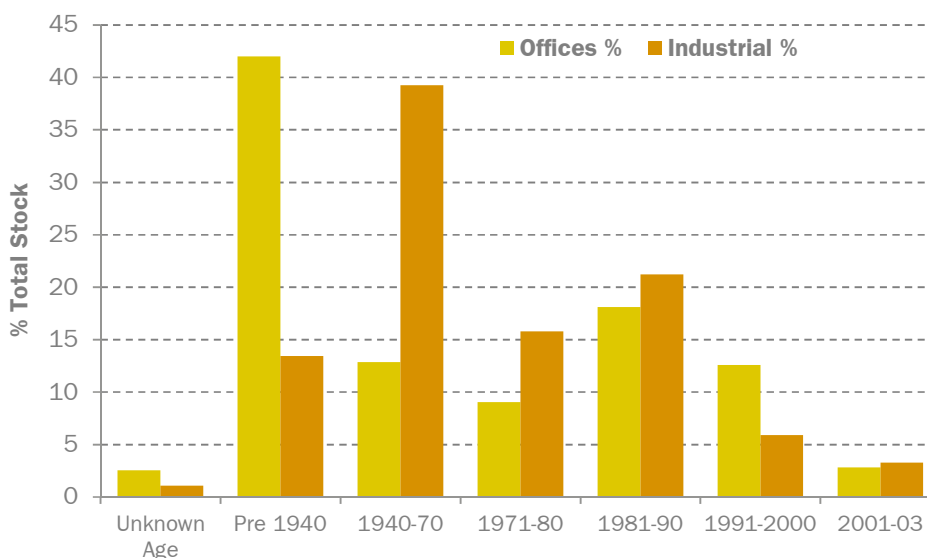
Source: VOA 2010 / NLP analysis

Age of premises

4.31

ONS data indicates that Horsham’s stock of industrial space is relatively old, with 69% built before 1980, although this proportion is only slightly higher than the South East regional average (66%). At around 9% of total stock, the proportion of post 1990 industrial premises in Horsham is slightly lower than across the region as a whole (10%). The District has recorded a reasonable level of industrial completions since 2003, adding approximately 110,300sqm of new industrial accommodation to the overall stock, equivalent to an increase of around 24%.

Figure 4.12 Age of Premises in Horsham



Source: ONS 2003

- 4.32 With regard to commercial offices, just over 33% of Horsham's stock was built since 1981, reflecting a similar proportion to the South East region as a whole (33%). However, as shown in Figure 4.12, 42% of all office stock was built before 1940, while limited new development has been recorded since 2003 (approximately 34,970sqm in net terms). This points to a fairly ageing stock of office space and lack of modern business premises in the District relative to what is recorded in other parts of the region. Much of this older business stock is no longer fit for purpose and doesn't meet the requirements of modern business occupiers, for example for the latest information technology, energy efficient buildings, air conditioning and disabled access.

Vacancy levels

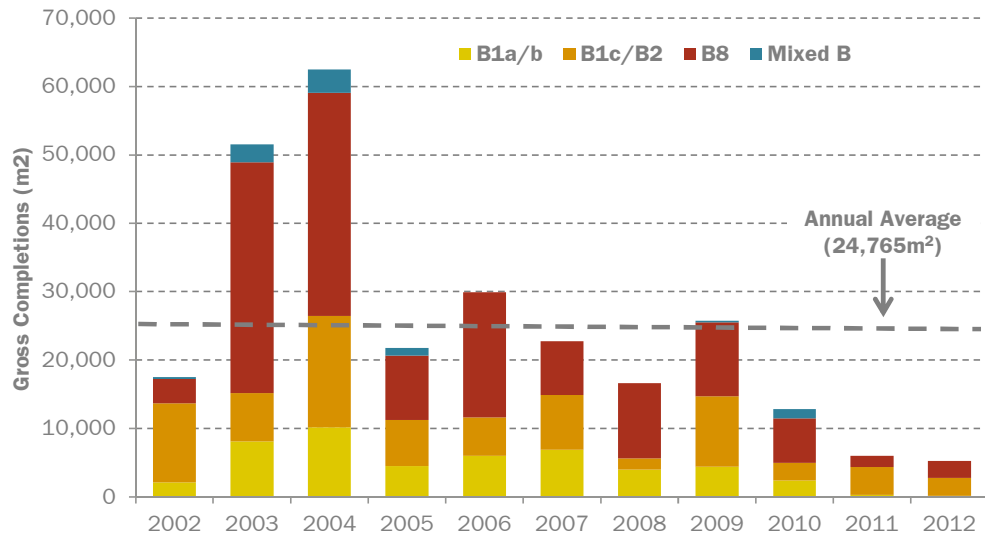
- 4.33 According to the latest commercial property market reports³⁸, approximately 7,900sqm of office space is currently available and being marketed across Horsham District, equivalent to a vacancy rate of around 8%. The equivalent figure for industrial space was 13,000sqm, or about 3% of the total stock.
- 4.34 These vacancy figures appear to be lower than typical availability rates (around 10%) for a normal market with a reasonable amount of space available for firms to relocate and expand, suggesting an overall shortfall of both office and industrial provision in quantitative terms across the District. It should be noted that this District-wide average does not reflect particular concentrations of vacant space, for example in and around Horsham town centre (in relation to office space). It should also be noted that there may be other employment space that is vacant within the District but that isn't necessarily available/being marketed to the wider market.

³⁸ Stiles Harold Williams, Crawley / Gatwick & Mid Sussex Office Focus Q3 2013 / Stiles Harold Williams, Crawley / Gatwick & Mid Sussex Industrial & Logistics Focus Q3 2013

Development trends

4.35 The gross amount of floorspace developed for employment uses in Horsham over the last 11 years is shown in Figure 4.13 below.

Figure 4.13 Gross Development Rates 2002-12



Source: Sussex County Council

4.36 This indicates that 24,765m² of gross B class space was completed per annum across the District between 2002 and 2012. Just over half (51% or 12,540m²) of new floorspace was developed for B8 distribution uses, 28% (6,950m²) for B1c and B2 factory/industrial uses, 18% (4,460m²) for B1a/b office uses and a further 3% (820m²) for mixed B uses.

4.37 The level of B class development was fairly even across the 11 year reporting period, with the exception of 2003 and 2004 which stood out as recording significant completions of new space³⁹. This amounted to 51,520m² and 62,470m² respectively, equivalent to more than twice the annual average gross development rate over the last 11 years. Overall, Figure 4.12 points to a general downward trend in the scale of new employment development within Horsham over recent years.

4.38 Across the period as a whole the net development rate was significantly lower, at just over 14,470m² p.a., reflecting losses of B-class space through redevelopment to other uses as detailed below.

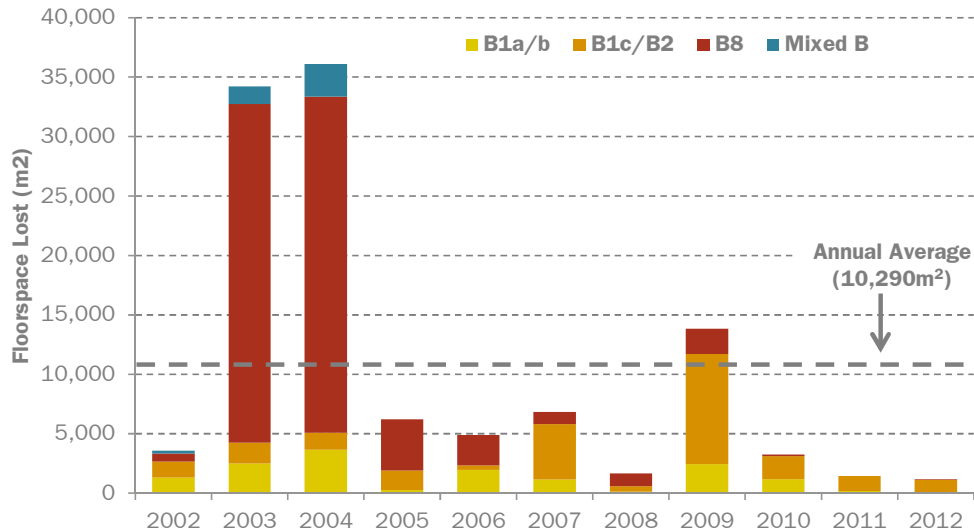
Losses of employment space

4.39 According to County Council monitoring data, past losses of employment space to other uses have generally mirrored gross development rates (outlined above). As illustrated by Figure 4.14, the years 2003 and 2004 stand out as

³⁹ A significant proportion of these completions relate to the redevelopment/temporary storage uses permitted at the Shoreham Cement Works site in Upper Beeding which is now located in the South Downs National Park Authority

recording significant losses of employment space⁴⁰ (principally B8 distribution space) of 34,210m² and 36,120m² respectively.

Figure 4.14 B Class Losses by year (2002-12)



Source: Sussex County Council

- 4.40 Loss of B class space has since been relatively low in comparison. Across the 11 year period 2002 to 2012, Horsham recorded an annual average loss of 10,290m², with most of this involving losses from B8 distribution uses (61% or 6,240m²), and to a lesser extent B1c/B2 factory space (22% or 2,300m²) and B1a/b office space (13% or 1,340m²). The most recent reporting year (2012) saw the lowest level of B class losses of all 11 years, at 1,180m².

Commercial Property Market Conditions

- 4.41 Horsham has a relatively localised and self-contained commercial property market with a predominately office character. The market largely services the District's SME business base across a range of sectors including financial and business services and technology, although there are a few examples of larger firms occupying larger scale premises (e.g. Royal & Sun Alliance Insurance Group Plc) developed during the 1980's. Although affected by the recession, commercial agents report demand for business space remaining steady, with recent signs that the market is starting to pick up again.
- 4.42 The character of Horsham's commercial property market is distinct from both Crawley and Mid Sussex, and the District is not currently in a strong position to compete with other centres within the sub region for business and investment. However, local agents believe the District could play a greater role in capturing these opportunities and driving growth within Northern West Sussex, building on key strengths such as strong quality of life factors, a highly skilled labour pool, attractive town centre offer (particularly in terms of retail and leisure) and

⁴⁰ Principally relating to the redevelopment/temporary storage uses permitted at the Shoreham Cement Works site in Upper Beeding which is now located in the South Downs National Park Authority

proximity to major infrastructure (such as Gatwick Airport, M23 and rail links to London and the South Coast).

Market geography

- 4.43 Horsham town represents the main focus for commercial activity and employment floorspace in the District, with a number of smaller sites dispersed across the rest of the District. It represents the District's key office centre, with office space concentrated around North Street, Chart Way, Albion Way and the station area. The town has historically been a successful business location, accommodating significant new office development during the late 1980's and early 1990's with key occupiers including financial services firm Sun Alliance. However, these larger companies have progressively scaled back their presence over the last 10-15 years and/or gradually moved out of the town, leaving behind large, often purpose built floorplates that no longer meet modern business needs.
- 4.44 West Sussex County Council recently took up around 100,000 sqft of office space at Parkside as part of consolidation activity, although local agents noted that deals on this scale are very rare; demand for office space tends to fall within the 2,000 – 6,000 sqft size bracket⁴¹. The gradual build-up of older, poorer quality vacant office stock has led to some oversupply of office space as a whole in Horsham in recent years, in turn resulting in falling property values (which currently stand at around £12-£13 per sqft for refurbished stock) and viability barriers to new and redevelopment in the town. Consequently, very little Grade A office space is available in Horsham, and is unlikely to come forward until rental/sales values improve.
- 4.45 Whilst there has been some loss of office space to other uses (most notably residential and retail) in recent years, this has generally involved the loss of older, obsolete stock. Local agents believe the recent introduction of Permitted Development (PD) rights will continue to stimulate this trend, that they considered could drive up values and encourage new sustainable development in the town. It will however mean that some occupiers may not be able to find the quality of accommodation they would like in the Horsham area compounded by the lack of speculative development of new product.⁴²
- 4.46 By comparison, Horsham is not perceived to be a particularly strong industrial location, and the market for manufacturing and distribution space is relatively small and localised. Industrial space tends to be concentrated within a small number of sites in Horsham town such as Foundry Lane, Parsonage Business Park and Nightingale Road, along with other industrial sites scattered across the District including Southwater Business Park (to the south of Horsham), a cluster of small sites in Billingshurst, Henfield/Small Dole and Partridge Green. Industrial stock typically commands rents of between £7-£8 per sqft.

⁴¹ Stiles Harold Williams, Crawley / Gatwick & Mid Sussex Office Focus Q3 2013

⁴² Stiles Harold Williams, Market Appraisal on the Current and Potential Future Demand for Business Space in the Horsham District, February 2014

- 4.47 Despite the relatively small scale of Horsham's industrial market, demand for space remains steady and generally comes from small local firms for premises of 5-6,000 sqft and under. Occupancy within existing sites is high, and very little new industrial stock has been developed in recent years. Local agents consequently report a shortage of industrial space across all types and sizes, and given that the District's industrial market is relatively tight, a lack of surplus space to enable churn, intensification and upgrading of existing older sites. In particular there is a requirement emerging from the specialist/high end manufacturing base within the District for larger and more modern accommodation, for example the recent expansion of space needs associated with AJ Walter Aviation and Tesla Engineering.
- 4.48 Over the medium to longer term, agents felt there was a need for at least one new employment site of a relatively large scale to accommodate continuing – albeit modest – demand for employment space in Horsham District and beyond. Occupier requirements and expectations have changed over recent years with businesses increasingly seeking a high quality environment with ample space, landscaping, good levels of parking and accessibility. If the District is to compete with existing high quality provision elsewhere, there is an opportunity to provide this type of space within Horsham. In particular, a potential new allocation North of Horsham could represent the most realistic prospect for new strategic employment development in the District (as part of wider residential-led development on site), with a focus on high quality office, R&D and industrial (B1c) space. The site benefits from proximity to Gatwick Airport and the M23 and if developed in accordance with market demand (i.e. for small to medium sized, high quality business space) could provide to some extent an alternative to Manor Royal in Crawley, particularly if a new railway station link could be secured to service a new business park development.

Conclusions

- 4.49 The following conclusions can be drawn from the preceding analysis:
- 1 Horsham is the smallest of the Northern West Sussex workplace economies with 60,100 jobs in 2013, expanding by 7.8% since 1997. B-class jobs represent just over 40% of the total, and have been relatively stable with growth of office jobs offsetting industrial job losses.
 - 2 The District's largest sectors of employment comprise business services, retail and manufacturing, although a number of smaller sectors such as health and utilities have registered strong growth in recent years. Average GVA per worker in Horsham is higher than most other Sussex and South Coast authorities, being lower than Crawley but higher than Mid Sussex.
 - 3 Horsham has a relatively high proportion of small businesses and above average new business formation rates although the number of VAT-registered businesses in the District has actually declined in recent years.
 - 4 Unemployment levels in Horsham have been low historically and below the regional average; this remains the case with the current

unemployment rate in the District of 1.5%. The skills profile of the resident workforce is above average, but the disparity between resident earnings (high) and workplace earnings (low) suggests out-commuting to higher paid jobs elsewhere. This is reflected in the fact that Horsham is a net exporter of labour, with 25,000 out-commuters exceeding the 14,600 workplace jobs filled by in-commuters.

- 5 Horsham contains about 730,000 sq.m of commercial office, industrial and warehousing space. Some 77% of the stock relates to industrial and warehousing uses, with the remaining 23% classified as offices; the District's total stock of both types of space has expanded since 2000. Horsham town centre and Southwater comprise the main office locations, whilst industrial space is more evenly distributed but with the largest concentrations in Horsham, Billingshurst and Southwater. County Council monitoring data indicates that net B-class completions have averaged about 14,500 sq.m per annum since 2002.
- 6 Horsham town centre represents the District's key office location, and has historically been successful in attracting significant large scale office development during the late 1980's and early 1990's. However, many of these larger occupiers have progressively scaled back their presence in recent years, leaving behind functionally obsolete office accommodation and an oversupply of office space as a whole. Business occupiers increasingly seek high quality office premises and environments (for example with good levels of parking and accessibility) which the District must continue to provide in order to capture future growth.
- 7 Demand for industrial space in Horsham remains steady despite the District's relatively small scale and localised market for manufacturing and distribution space. Local agents report a shortage of industrial space across all types and sizes, and a lack of surplus space to enable churn, intensification and upgrading of existing older sites. Overall, local agents consider that Horsham could play a more significant role in capturing these opportunities and driving growth within Northern West Sussex, supported by the allocation of at least one new employment site to accommodate continuing demand for modern employment space in the District.

5.0 Mid Sussex Baseline Economic Context

5.1 This section provides a baseline assessment of the Mid Sussex local economy. The analysis is structured in terms of:

- 1 Economic conditions and trends;
- 2 Current stock of employment space; and
- 3 Commercial property market conditions.

Overview

5.2 Mid Sussex District is situated in the east of West Sussex and borders Horsham to the west and Crawley to the northwest. The District borders Brighton & Hove and other South Coast authorities to the south, and East Sussex to the east. The District is very much rural in character with the three main towns of Burgess Hill, East Grinstead and Haywards Heath, surrounded by smaller villages and hamlets throughout the countryside. Approximately 50% of the District falls within the High Weald AONB, and it borders the South Downs National Park Authority. The majority of the District is well connected to the highway network and benefits from good railway linkages between London and the South Coast.

Economic Conditions and Trends

5.3 Current economic conditions and trends in Mid Sussex are summarised below, with comparisons made, where appropriate, with regional and national averages. Data is from published Office for National Statistics (ONS) sources via NOMIS unless indicated otherwise.

Employment

5.4 The overall population of Mid Sussex, currently 139,860⁴³, grew by 10.0% between 2001 and 2011, exceeding South East (7.8%) and national (7.0%) averages. This broadly matches the increase in working age population over this period at around 9%. The number of workforce jobs in the District was 63,900 in 2013⁴⁴, representing a contraction of 5.3% from its 1997 level, contrasting with growth in the wider South East region (13.5%) and national employment growth over this period (11.6%). In terms of the recession, Mid Sussex underwent a contraction of approximately 2,400 workforce jobs in overall terms during the period 2007-2010, but this has since stabilised with net job gains registered since 2011.

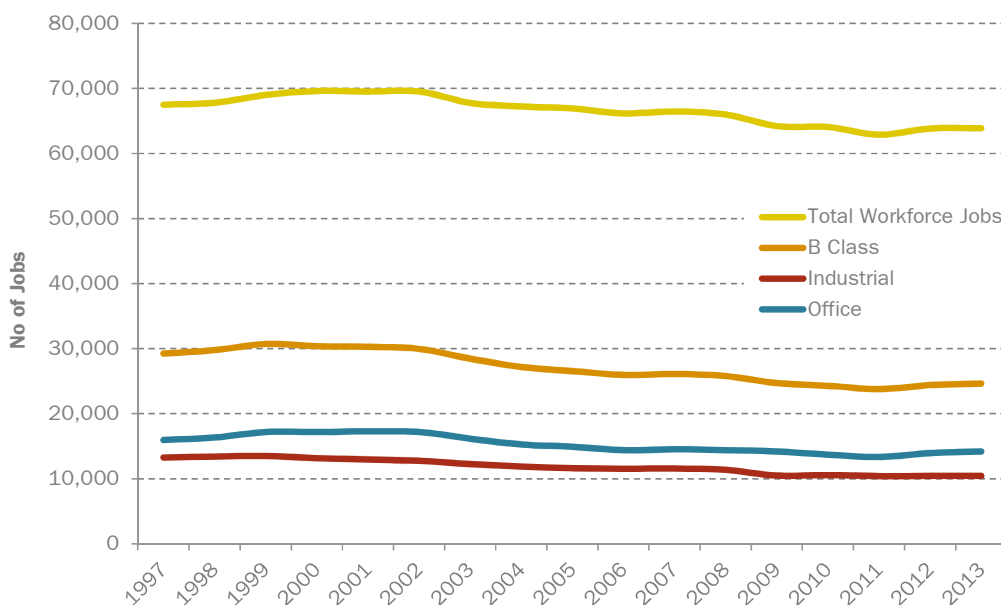
5.5 The proportion of B class jobs (i.e. offices, industrial and warehousing activities) in the District has remained relatively constant over the last 16 years, representing between 38% and 45% of all jobs in Mid Sussex (Figure 5.1). B

⁴³ Census 2011 data

⁴⁴ Experian 2013

class jobs peaked at 30,720 in 1999 and have since decreased by nearly 20%, standing at 24,660 in 2013.

Figure 5.1 Total Workforce and B Class Jobs in Mid Sussex, 1997-2013

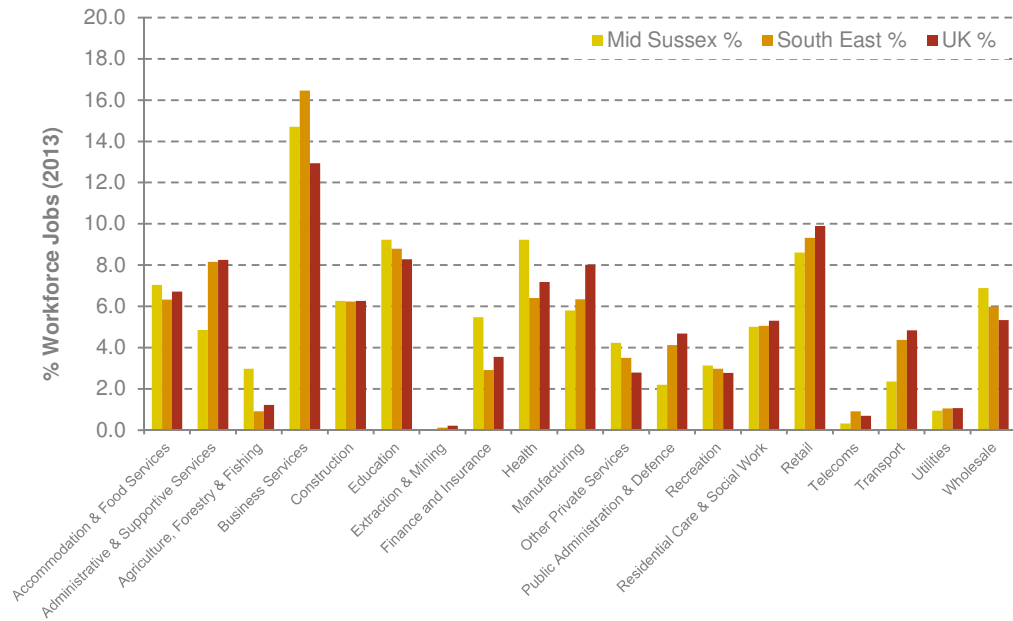


Source: Experian 2013 / NLP analysis

5.6 In employment terms, the District's largest sectors in 2013 are business services (14.7%), health (9.2%) and education (9.2%), with retail (8.6%), accommodation & food services (7.0%) and wholesale (6.9%) also important (Figure 5.2). Approximately 20% of the District's jobs are employed in the public sector, which is roughly equivalent to the regional and national average. A strong representation of the health and education sectors suggests that the District is more reliant on particular types of public sector employment than other locations in the South East, potentially leaving Mid Sussex vulnerable to on-going budget cuts and public sector savings. Notwithstanding this, the District has strengths in the private healthcare sector, with key employers including Nuffield. Another key strength of the District's economy is its tourism and visitor offer as recognised by the Mid Sussex Economic Development Strategy which aims to support the growth of businesses that contribute to the tourism economy.

5.7 Public administration & defence, transport and administrative & supportive services sectors are under-represented compared with the regional (South East) average. Agriculture, forestry & fishing employment (3.0%) is above the South East and national average which could be expected given the rural nature of the District, as are other private services (4.2%) and finance and insurance sectors (5.5%). Further analysis of Mid Sussex's recent economic performance in relation to the key growth sectors identified by the Gatwick Diamond and Coast to Capital LEP is presented in Appendix 2.

Figure 5.2 Main Economic Sectors in Mid Sussex by share of employees, 2013

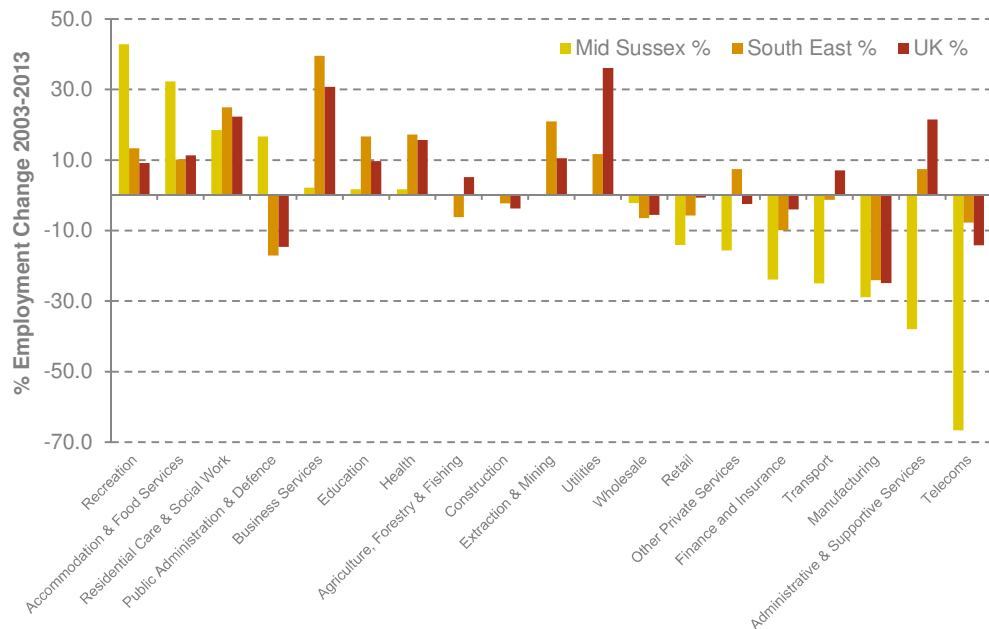


Source: Experian / NLP analysis

5.8

Over the last decade, the largest contributors to job growth in the District have been recreation, accommodation & food services, residential care & social work and public administration & defence, where the District outperformed regional and national growth rates in three of the four sectors (Figure 5.3).

Figure 5.3 Employment Change in Mid Sussex by Sector, 2003-2013



Source: Experian / NLP analysis

5.9

During the same period, the District saw major job losses in telecoms, as well as significant losses in administration & support services, manufacturing, transport and finance and insurance. This reflects the trend of consolidation amongst larger corporate occupiers (particularly those within back office

administrative, support and financial services sectors) that have traditionally had a strong presence in the District, as well as the gradual contraction and structural decline of the manufacturing sector.

Productivity

- 5.10 The average GVA generated by workers in Mid Sussex (£39,430) is marginally higher than other Sussex and South Coast centres such as Adur (£39,030), Arun (£37,120) and Brighton & Hove (£36,960), but falls below the South East (£42,170) and UK (£41,060) averages in a similar pattern to Horsham.

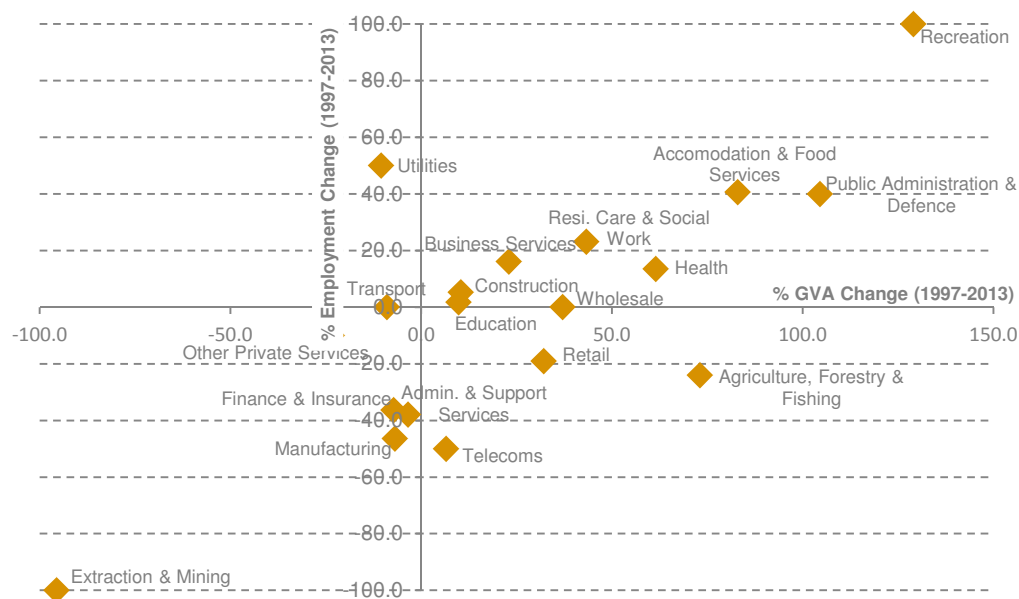
Table 5.1 Average GVA per Worker (Mid Sussex)

Location	GVA Per Worker
Crawley	£46,380
Horsham	£40,530
Mid Sussex	£39,430
Adur	£39,030
Worthing	£41,530
Arun	£37,120
Chichester	£37,970
Brighton & Hove	£36,960
South East	£42,170
UK	£41,060

Source: Experian 2013 / NLP analysis

- 5.11 The District is however one of the better performing authorities in the sub-region with only Crawley (£46,380), Horsham (£40,530) and Worthing (£41,530) surpassing its GVA level. The District's GVA performance is partly driven by strong growth in recreation, accommodation & food services sectors, coupled with an underlying stagnant high value business services sector.
- 5.12 Although overall employment declined over the last decade, GVA generated by the District's workers increased by just over £12 million, indicating gradual improvement in workforce productivity.
- 5.13 Figure 5.4 presents employment and GVA growth over the last 16 years (1997 – 2013) by sector in Mid Sussex. It shows that in terms of employment growth, recreation, utilities, accommodation & food services and public administration & defence have made the most significant contribution to the District's economy in recent years. With the exception of utilities that recorded negative GVA/output, the same sectors posted significant GVA/output growth over the past 16 years. Agriculture, forestry & fishing and health also contributed to high levels of GVA/output growth. At the same time, there has been employment decline in telecoms, agriculture, forestry & fishing and retail sectors, as well as simultaneous decline in employment and GVA/output in manufacturing, administration & supportive services and finance & insurance. These negative change sectors reflect their declining importance within the District's economy.

Figure 5.4 Employment and GVA Growth in Mid Sussex (1997-2013)



Source: Experian 2013 / NLP analysis

Business demography

- 5.14 Looking at the size of businesses in Mid Sussex, the District has a marginally higher proportion of small firms with 1-9 employees (89.6%) than the regional (89.5%) and UK (88.7%) averages, and relatively fewer large firms.
- 5.15 With 82 new VAT registrations per 10,000 working-age population in 2010, the District's rate of new business formation is much higher than the South East regional (68) and UK (60) averages. Mid Sussex has a higher than average rate of self-employment, with 11.1% of the working-age population falling within this category compared with 10.7% in the South East and 9.6% nationally in 2012⁴⁵. These indicators suggest a relatively high level of entrepreneurial activity in Mid Sussex.

Labour market

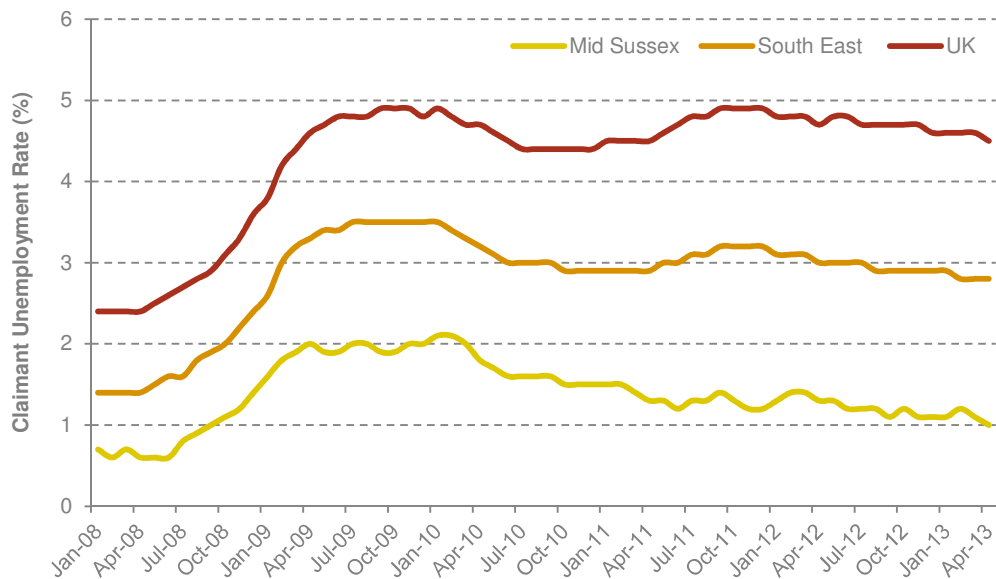
- 5.16 Mid Sussex's economic activity rate, the proportion of working age residents in or seeking employment, at 82.7% is higher than the South East (79.6%) rate and also higher than the UK (76.9%) figure⁴⁶. These figures suggest the District is performing well against regional and national trends, but has limited scope to further expand local labour supply from existing economically-active residents, notwithstanding the Government's proposed changes to increase the pension age over the coming years.
- 5.17 Claimant unemployment has increased by approximately 70% in Mid Sussex since the start of the recession in early 2008 (0.7%) to 1.0% in April 2013. The District's rate compares very favourably with the national average (4.8%), and

⁴⁵ ONS Annual Population Survey 2013

⁴⁶ ONS Annual Population Survey 2013

is also well below the South East region figure (2.8%), a pattern that has prevailed historically (Figure 5.5). On the wider Annual Population Survey Measure⁴⁷, the District's unemployment rate is higher at 3.6%, but continues to compare favourably against the national average (7.9%), and remains below the regional (5.9%) rate. This suggests that the local labour market is relatively resilient, with unemployment remaining low despite the District recording job losses in recent years (Figure 5.1). This may reflect that a significant proportion of Mid Sussex residents commute to jobs outside of the District.

Figure 5.5 Claimant unemployment Jan 2008 to April 2013



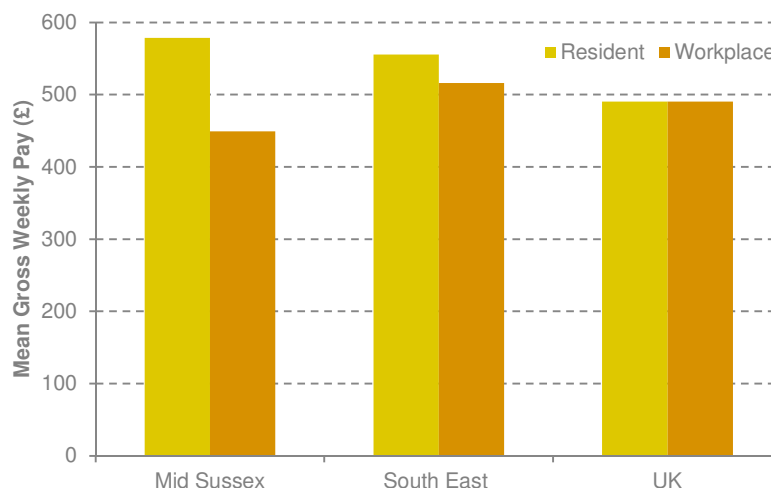
Source: Nomis 2013

- 5.18 In April 2013 there were 1.3 claimant unemployed workers for every unfilled job centre vacancy in the District. This is half the level for the South East (2.6) and a third of the equivalent ratio for Great Britain (3.9). The figures indicate a less challenging labour market locally than elsewhere, and promising prospects for most local residents to find suitable work.
- 5.19 Mid Sussex's resident workforce has a higher than average level of job skills (NVQ4 and above 39.1%) when compared to the South East region (36.8%) and Great Britain (34.4%) as a whole. The District has an average proportion of residents employed in higher skilled, higher earning occupations, when compared to the South East, but a higher proportion when compared to the Great Britain average.
- 5.20 As Figure 5.6 illustrates, wages for those working within the District (workplace) are much lower than those for people who live in the District (resident). This is likely to reflect the high levels of out-commuting by the District's residents to higher paid jobs in London and elsewhere within the

⁴⁷ This measure records all those searching for work but who are currently unemployed regardless of whether they are claiming job-seekers allowance or not

South East. The Figure also reflects that workplace wages in Mid Sussex (£450 per week) are low compared to the South East (£516 per week) and the UK (£490 per week) as a whole.

Figure 5.6 Mean Gross Weekly Earnings (Mid Sussex)



Source: Annual Survey of Hours and Earnings 2011

- 5.21 Mid Sussex has performed relatively well across a range of economic indicators over the past decade, and experiences very low levels of deprivation when compared to other areas in the country. The District is ranked as the 315th most deprived local authority area out of 326 in England⁴⁸, which places it well within the top 10% least deprived areas. Mid Sussex has some of the least deprived areas in West Sussex, these include East Grinstead Imberhome, East Grinstead Herontye, Haywards Heath Franklands and Crawley Down and Turners Hill.

Knowledge-based industries

- 5.22 Knowledge-based industries are those sectors of the economy where value-added is derived from the intensity and accumulation of knowledge, often fostered through innovation and increasing use of technology. Firms within this sector tend to grow faster and have greater future potential than other sectors and so are considered an important indicator of an economy's competitiveness and future growth prospects⁴⁹. Approximately 29.2% of Mid Sussex's businesses were knowledge-based in 2008 – higher than the South East (25.6%) rate, and well above the Great Britain (21.8%) rate⁵⁰. These figures suggest that the District is very well represented by the types of businesses that are more likely to generate future growth.

⁴⁸ Indices of Multiple Deprivation 2010

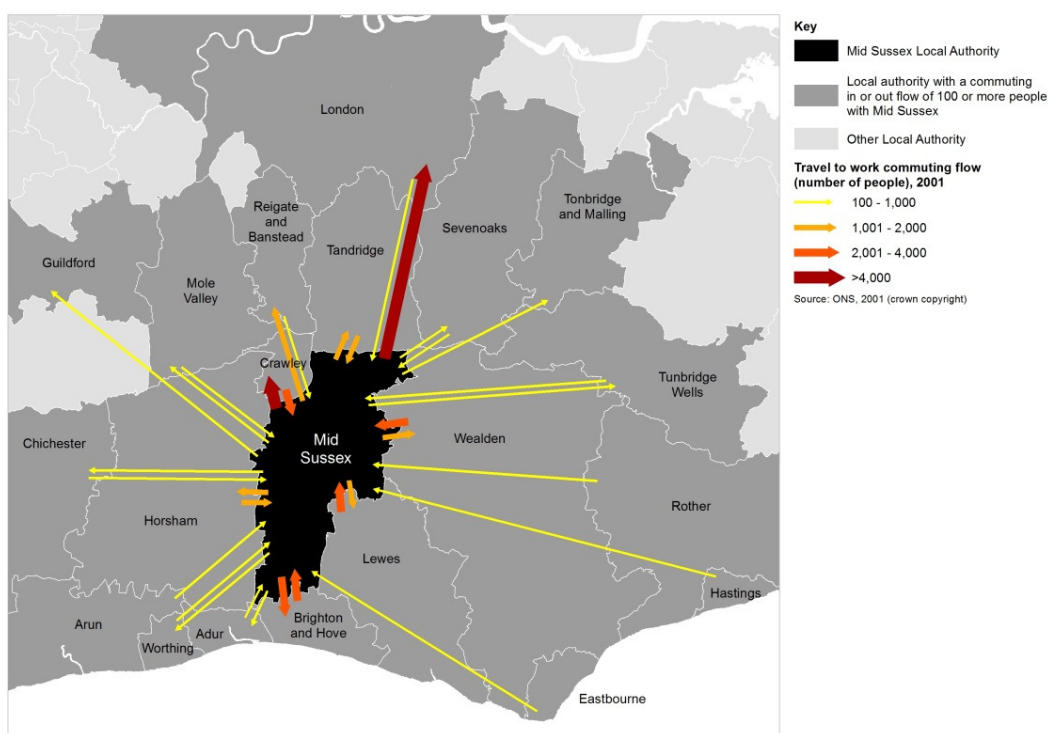
⁴⁹ Based on definition adopted by the Organisation for Economic Co-operation and Development (OECD), includes high-technology manufacturing such as pharmaceuticals, computers and aerospace, and services such as telecommunications, financial intermediation, computing and research and development.

⁵⁰ UK Competitiveness Index, 2010

Functional economic area

- 5.23 Examining commuting flows can help in defining the functional economic market area of a particular local economy⁵¹. In 2001, 45.8% of Mid Sussex's residents worked outside of the District indicating a very high rate of out-commuting. In total, over 29,000 residents work elsewhere, predominately in the adjoining area of Crawley (28%), as well as smaller proportions to other areas such as Brighton & Hove (9.3%), Reigate & Banstead (5.4%), Tandridge (5.3%) and Horsham (5.1%) (Figure 5.7). London also accounts for a significant proportion (25.2%) of all out-commuting from Mid Sussex and although the capital is just beyond the District's immediate functional economic area, this significant out-flow means that the District maintains strong economic links with London.
- 5.24 At the same time, approximately 18,950 workers commuted into Mid Sussex, predominately from the adjoining districts of Brighton & Hove, Wealden, Lewes and Crawley. The key sectors of employment amongst in-commuters include utilities and manufacturing, business services and wholesale and retail. On this basis, Mid Sussex is a net exporter of labour, with a net out-flow in the order of 10,724 residents equivalent to some 16.6% of its resident workforce.

Figure 5.7 Mid Sussex travel-to-work linkages, 2001



Source: Census 2001

⁵¹ Functional Economic Market Areas, An economic note, CLG 2010

Current Stock of Employment Space

5.25 Mid Sussex contained 605,000 sq.m of B class floorspace in 2008, broken down by main uses and compared with employment space levels in nearby districts as shown in Figure 5.8. Echoing the trend across the rest of the North West Sussex sub region, Mid Sussex's supply of employment space largely comprises industrial uses, with manufacturing and distribution/warehousing) accounting for 41% and 29% of total stock respectively. However, the combined supply of factory and warehousing space in Mid Sussex is the third smallest of all seven adjoining Districts (Figure 5.8).

Figure 5.8 Employment floorspace by District ('000s sqm)

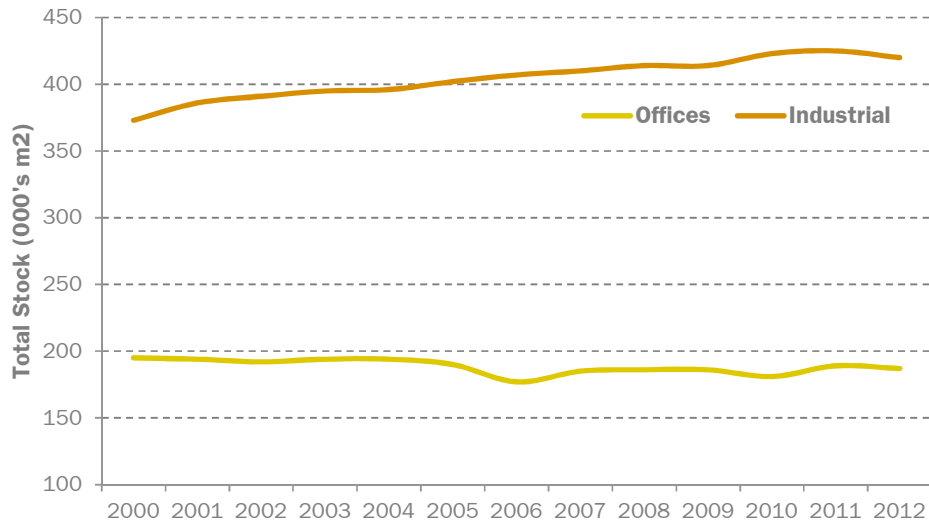


Source: VOA 2008 / NLP analysis

5.26 At 181,000 sq.m, the commercial office stock in Mid Sussex represents around 30% of all employment space. Of all adjoining Districts, Only Crawley and Brighton & Hove recorded more commercial office space than Mid Sussex in 2008.

5.27 Commercial office space in Mid Sussex decreased by 4% over the 12 year period 2000-2012 according to published VOA data (Figure 5.9), compared with an increase of 12% across the South East as a whole. By contrast, total industrial space grew by just under 13% over the same period, an increase more than six times as significant as the 2% recorded for the South East.

Figure 5.9 Change in Employment Floorspace in Mid Sussex, 2000-2012



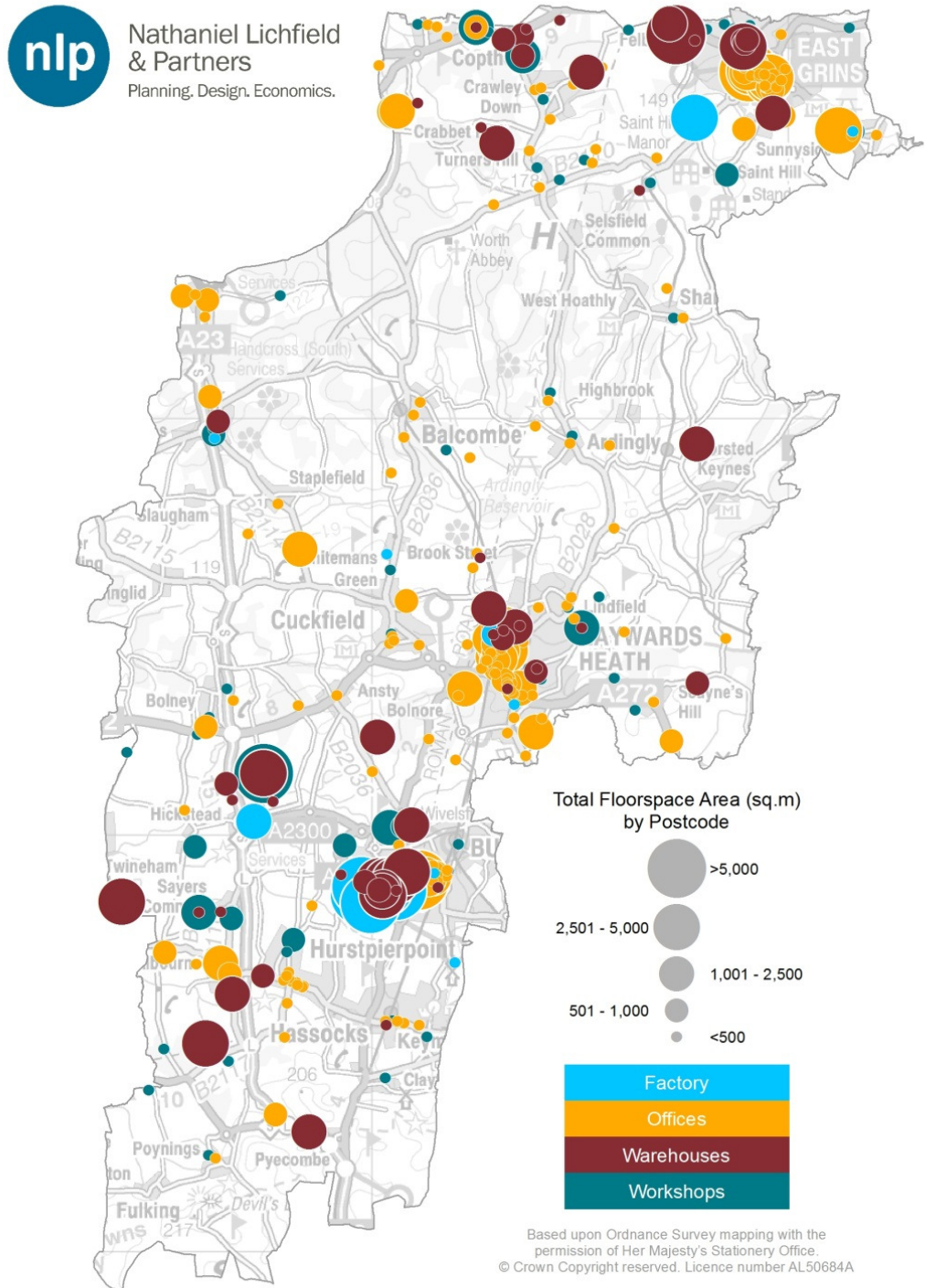
Source: VOA Employment Floorspace Statistics / NLP analysis

Spatial Distribution

5.28

Figure 5.10 shows the distribution of B class employment space across Mid Sussex using latest available VOA data. This indicates that the District's office stock is primarily concentrated within the towns of Haywards Heath (31%), Burgess Hill (25%) and East Grinstead (24%), with the remaining space scattered across smaller settlements and individual rural sites.

Figure 5.10 Spatial Distribution of Employment Floorspace in Mid Sussex



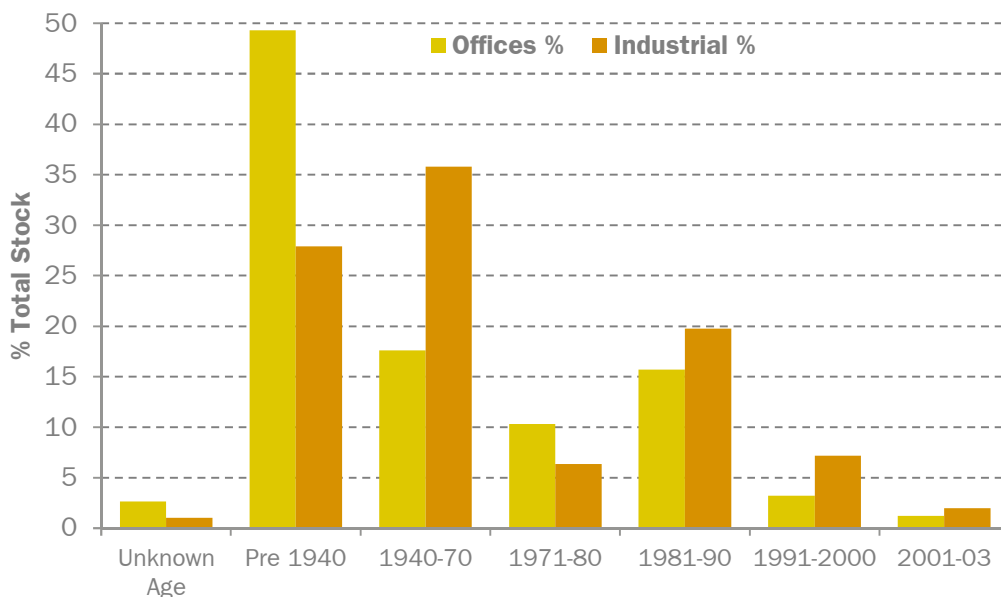
Source: VOA 2010 / NLP analysis

5.29 Industrial space tends to be clustered around the town of Burgess Hill (42%) and the adjoining A273 corridor. In the north of the District, East Grinstead also accommodates a sizeable stock of factory, workshop and warehousing space, equivalent to around 21% of all industrial stock in Mid Sussex.

Age of Premises

- 5.30 Mid Sussex's stock of commercial office space is relatively old, with 77% built before 1980 (and just under 50% built before 1940). These proportions are significantly higher than the wider South East equivalent of 65% and 40% respectively. Approximately 35,000sqm of new office space has been recorded in Mid Sussex since 2003, representing an increase of 18% to the District's total office stock.

Figure 5.11 Age of Premises in Mid Sussex



Source: ONS 2003

- 5.31 The picture is similar with regards to Mid Sussex's industrial space, with 70% of all stock built before 1980. This proportion is higher than the equivalent 66% across the region as a whole. The District has recorded modest gains of approximately 56,720sqm of new industrial space since 2003, adding around 14% to the total stock.
- 5.32 Overall, this data indicates a fairly ageing stock of employment space in Mid Sussex and lack of modern business premises in the District relative to what is recorded in other parts of the Northern West Sussex area and wider region.

Vacancy levels

- 5.33 Vacancy within Mid Sussex's office stock is slightly higher than typical market levels according to the latest commercial property market reports⁵², at around 12% of total stock. This points to an overall surplus of office provision across the District as a whole, in purely quantitative terms.
- 5.34 Industrial vacancy is generally lower but varied across the District, reported to be around 11% in East Grinstead and 8% across Burgess Hill and Haywards

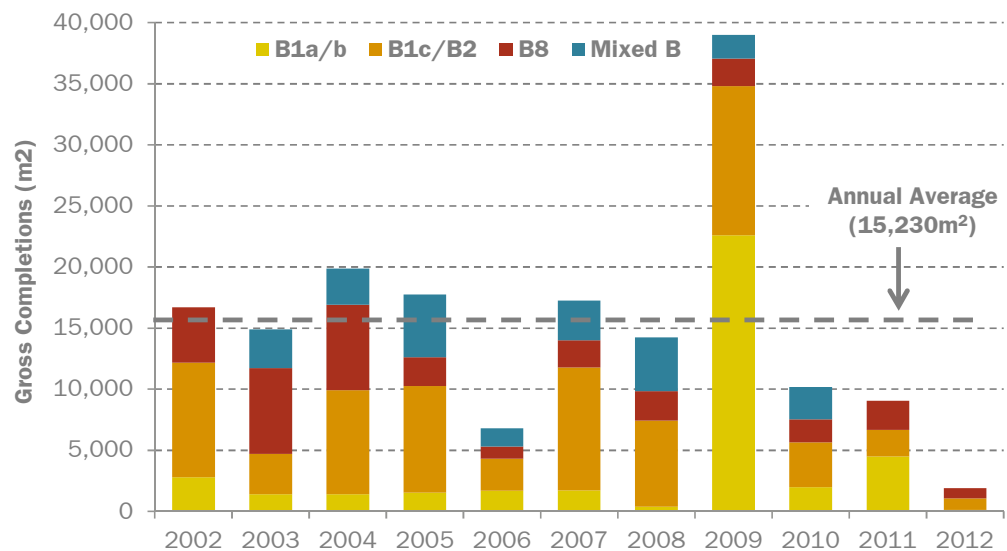
⁵² Stiles Harold Williams, Crawley / Gatwick & Mid Sussex Office Focus Q3 2013 / Stiles Harold Williams, Crawley / Gatwick & Mid Sussex Industrial & Logistics Focus Q3 2013

Heath. These figures compare with typical availability rates of around 10% for a normal market with a reasonable amount of space available for firms to relocate and expand. However, this does not necessarily imply that all available space is of an appropriate quality or type to meet specific business needs.

Development trends

- 5.35 The gross amount of floorspace developed for employment uses in Mid Sussex over the last 11 years is shown in Figure 5.12 below. This indicates that 15,230m² of gross B Class space was developed per annum across the District between 2002 and 2012. The majority (6,235m² or 41%) of new floorspace was developed for B1c and B2 factory/industrial uses, 24% or 3,645m² for office (B1a/b) uses, 20% (3,080m²) for B8 distribution uses and 15% (2,270m²) for mixed B uses.

Figure 5.12 Gross Development Rates 2002-12



Source: Sussex County Council

- 5.36 Development of new B class space in Mid Sussex has been relatively even over the last 11 years, with the exception of the year 2009 which saw gross development peak at 39,010m²⁵³ (more than double the annual average rate of development between 2002 and 2012), and the years 2006 and 2012 which both recorded relatively low gross completions of 6,800m² and 1,880m² respectively.
- 5.37 Across the period as a whole the net development rate was significantly lower, at just over 9,550m² p.a., reflecting losses of B-class space through redevelopment to other uses as detailed below.

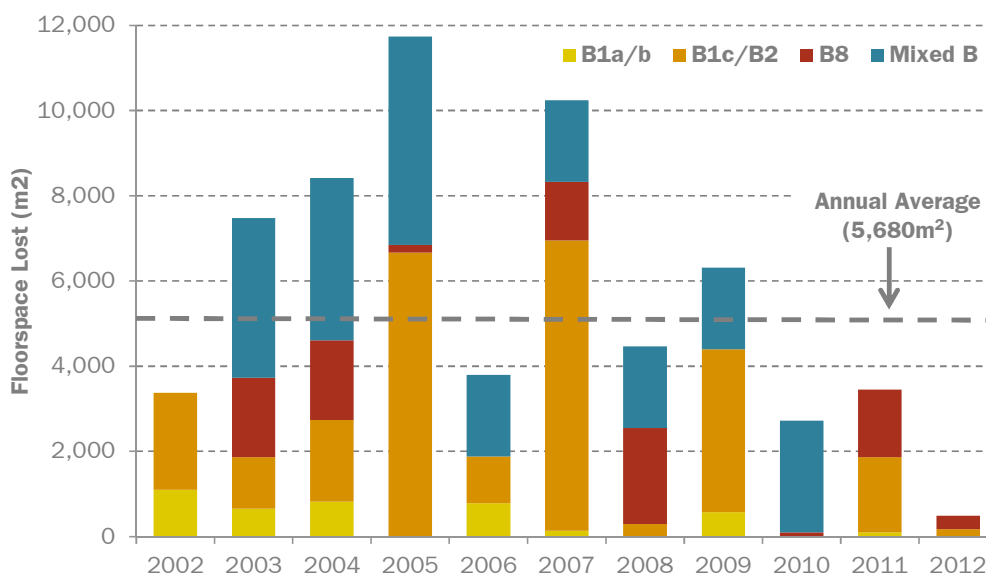
⁵³ Just under half of all gross completions in 2009 related to the Phase 3b development at Crown House, Birches Industrial Estate in East Grinstead (B1 office space)

Losses of employment space

5.38

Mid Sussex recorded an annual average loss of 5,680m² for the period 2002-2012, with most of this involving losses from B1c/B2 factory space (42%) and mixed B class space (36%) (Figure 5.13).

Figure 5.13 B Class Losses by year (2002-12)



Source: Sussex County Council

5.39

By comparison, losses of B1a/b office and B8 distribution space were relatively modest over the last 11 years, averaging 380m² and 870m² per annum respectively. Past losses of employment land to other uses have been very variable by year, with the years 2005 and 2007 standing out as recording significant losses of B1c/B2 industrial and mixed B class space.

Commercial Property Market Conditions

5.40

The District's three main towns of Haywards Heath, Burgess Hill and East Grinstead represent key commercial centres and accommodate the majority of Mid Sussex's employment space, each with a distinct commercial property market character. In general, the District has seen very little new employment development in recent years, resulting in an ageing stock and stream of occupier requirements that cannot be met. The profile of demand varies within the District, explored in more detail below.

Market Geography

5.41

Haywards Heath represents Mid Sussex's main office location, benefiting from a well-served mainline railway station, highly skilled local labour force and attractive town centre environment with a strong retail and leisure offer, which has been subject to recent improvements. The town has remained an important office destination since the 1980's when Haywards Heath attracted a number of large financial institutions who purpose-built office premises,

clustered around Perrymount Road. Demand has remained steady for good quality, modern office premises, and is likely to be driven in future by local, smaller scale occupiers across a mix of sectors, but mainly within business and financial services.

- 5.42 In terms of supply, much of the town's office space is relatively old and requires refurbishment. This is starting to have an impact on pushing up vacancy in and around the town centre, particularly around the Perrymount Road area. There has been a limited amount of modern space built in recent years, particularly top quality Grade A space. This has partly been caused by a lack of readily available land for new development, with local agents citing anecdotal evidence that requirements for premises and sites are being driven outside of the District.
- 5.43 **East Grinstead** is located to the far north east of the District and is characterised by a mixed commercial property market. In the past, the town benefitted from the land constraints associated with nearby centres such as Crawley, particularly before office development was permitted at Manor Royal. The town's commercial market grew up around a small number of large office occupiers, many of which have since relocated leaving behind significant swathes of office space for which demand cannot be replicated. Some of this space has since been lost to other (predominately residential) uses, with the remainder struggling to achieve asking rents of £10 sqft for refurbished, second hand office space, much of which remains vacant. East Grinstead is no longer regarded as a strong office location, characterised by limited levels of occupier demand and the town has seen little new development in recent years. The town suffers from relatively poor infrastructure and transport connections, particularly compared with elsewhere in the sub-region. A number of town centre office buildings have been converted to residential use in recent years.
- 5.44 In contrast, East Grinstead's industrial market is more buoyant, particularly for light industrial (B1c) and distribution (B8) uses, with the majority of stock accommodated within the three main industrial locations of Birches Industrial Estate, Charlwoods Road and Imberhorne Lane. Although demand is largely locally driven, the town does occasionally attract overspill occupiers from nearby centres such as Crawley. The Birches represents the most recent new industrial development in the town (completed in 2006/07), just over half of which is reported to have been taken-up to date, largely to higher quality uses. Local commercial agents note that, without intervention, future industrial development in East Grinstead is likely to become increasingly constrained by a lack of available land. Demand is typically driven by occupier requirements below 7,000 sqft where supply is currently very limited.
- 5.45 Located to the south of the District, **Burgess Hill** has an established and successful industrial market, largely concentrated across Victoria Business Park, Sheddingdean Business Park and Bolney Grange Business Park (outside of the settlement boundary). Demand remains steady from industrial occupiers for a range of premises sizes. Along with other centres in Mid

Sussex, Burgess Hill's industrial market is characterised by a diminishing supply of available land for development.

5.46 A planning application has been submitted to develop a new high quality business park on part of a strategic allocation to the north west of Burgess Hill (as set out in Policy DP8 of the Draft District Plan) which could provide pre let/sale opportunities for a mix of B class uses from 50,000 to 600,000sqft on a build to suit basis. Local agents indicate that interest is already being shown by potential occupiers, and believe that a new site of this scale is needed to accommodate demand arising both in the short term as well as over the longer plan period. As part of Mid Sussex's participation in the Greater Brighton City Deal bid, there is also a proposal to develop a hi-tech Science Park (referenced in Policy DP2 of the Draft District Plan) in a broad location to the west of Burgess Hill.

5.47 The office market in Burgess Hill is less well established due in part to poorer transport links compared with other locations in the sub region, a relatively poor quality town centre environment and wider regeneration issues. Nevertheless, the town accommodates a number of office sites including The Brow and Civic Way in the town centre and parts of the Victoria Business Park (such as the Woodlands Office Park). Vacancy within these office premises is relatively high, and local agents report receiving very few requirements for office space in Burgess Hill. In early 2014 American Express confirmed their intention to re-occupy Sussex House in Burgess Hill, a 15,500sq.m B1a office complex, having previously vacated the building in 2011.

Conclusions

5.48 The following conclusions can be drawn from the preceding analysis:

- 1 Mid Sussex contained 63,900 workplace jobs in 2013, and in contrast to job growth in the rest of the Northern West Sussex sub-region, registered a 5.3% decline in total jobs over the period since 1997. The rate of contraction accelerated during the recession, but it is important to note that the District had been losing jobs in overall terms since the early 2000s. B-class jobs peaked at just under 31,000 jobs in 1999, and have since declined by 20%
- 2 The District's largest sectors of employment comprise business services, health, education and retail. Most recent job growth has occurred in recreation, accommodation and food, public administration and residential care/social work. There have been significant proportionate job losses in telecoms, administration and support, manufacturing and finance and insurance sectors. Average GVA per worker in Mid Sussex is the lowest of the three Northern West Sussex sub-region authorities, and lower than the South East average.
- 3 Mid Sussex has a slightly higher proportion of small businesses than the regional average, and relatively few larger firms. Over recent years, the number of VAT-registered businesses in the District has declined,

notwithstanding that the business start-up rate in Mid Sussex is the highest of all three authorities in Northern West Sussex.

- 4 Unemployment levels in Mid Sussex have been low historically and below the regional average; this remains the case with the current unemployment rate of the District at 1.0%. The skills profile of the resident workforce is above average but, as with Horsham, the disparity between resident earnings (high) and workplace earnings (low) suggests out-commuting to higher paid jobs elsewhere. This reflects that Mid Sussex is a net exporter of labour, with 29,000 out-commuters exceeding the 19,000 workplace jobs filled by in-commuters.
- 5 Mid Sussex contains about 605,000 sq.m of commercial office, industrial and warehousing space, the smallest stock of the Northern West Sussex authorities. About two-thirds of the supply comprised industrial and warehousing space which has grown by 13% since 2000; by contrast the District's stock of commercial office space declined by 4% over the same period. County Council monitoring data indicates that net B-class completions have averaged 9,500 sq.m per annum since 2002.
- 6 Mid Sussex's commercial property market centres around the District's three main towns of Haywards Heath, Burgess Hill and East Grinstead, each with a distinct offer and character. Haywards Heath is the District's main office centre, due in part to its connectivity strengths, strong town centre offer and historic role as an important office destination since the 1980's. Demand for good quality, modern office premises remains steady, driven largely by local SMEs, although much of the town's office supply is relatively old and unattractive to current business occupiers. Anecdotal evidence already indicates that a lack of readily available land for new development is beginning to drive potential occupiers and investment out of the town. In industrial terms, Burgess Hill is the largest and most established market, boosted by steady demand from industrial occupiers for a range of premises sizes. Like other centres in the District, a diminishing supply of available land for development represents a key challenge facing the town's industrial market, particularly with regards to future economic prosperity. East Grinstead has a more mixed commercial property market but with particular strengths in industrial sectors. The town is no longer regarded as a strong office location and suffers from relatively poor infrastructure and transport connections, particularly compared with elsewhere in the sub-region.

6.0 Review of Employment Sites Portfolio

- 6.1 This section assesses the characteristics and quality of existing and allocated employment sites in Crawley, Horsham and Mid Sussex and their suitability to meet future employment development needs.
- 6.2 A total of 89 existing, allocated and a sample of other non-allocated employment sites were assessed amounting to about 1,058 ha in total area. These sites comprise the main employment areas and allocations, as identified by the respective local authority, as well as a sample of other sites but not include every employment site within the sub-region. Taking account of the PPG, possible new sites/broad locations that may have potential to accommodate future employment have been considered where these have been identified, and will be explored further as part of each local authority's plan production process.
- 6.3 Each site was inspected and its suitability for employment use assessed against the criteria listed below, which reflect those in the ODPM Guidance on Employment Land Reviews:
- a strategic road access and local road access;
 - b accessibility to public transport and services;
 - c adjoining uses that might constrain employment uses;
 - d site size, characteristics and potential development constraints; and
 - e attractiveness to the market, including vacancy and market activity.
- 6.4 Other factors were also noted including the site's suitability for specific uses, any barriers to the delivery of undeveloped sites for employment uses, as well as sustainability and sequential status where relevant. Site location plans are included at Appendix 4. Details of each assessed site, and how they rate against the assessment criteria, are contained in Appendix 5.
- 6.5 It should be noted, however, that this assessment process in itself does not necessarily provide a complete picture of a site's role within the local economy. For example, a site's importance to meeting particular business or sector needs can be important reasons for retaining a site even if it does not perform well against conventional site assessment criteria. A broader commentary is therefore provided on each site to supplement the formal scoring exercise.

Overview of Sites

- 6.6 An overview of sites is set out in Table 6.1, followed by a summary description and assessment of each site. The sites are broadly divided into existing and potential new employment sites. Some of these sites have an allocated status in either an existing or emerging Local Plan, and these are identified accordingly.

Table 6.1 Employment Sites by Type

Type of Site	Number of Sites	Total Site Area (ha)	% of Total Site Area
Crawley			
Existing Sites	15	371.4	80
Potential New Sites	3	94.1	20
<i>Crawley Sub Total</i>	18	465.5	100
Horsham			
Existing Sites	33	279.3	70
Potential New Sites	7	121.3	30
<i>Horsham Sub Total</i>	40	400.6	100
Mid Sussex			
Existing Sites	31	191.4	100
Potential New Sites	0 *	0	0
<i>Mid Sussex Sub Total</i>	31	191.4	100
Total (Northern West Sussex)	89	1,057.5	100

Source: NLP analysis

Note: Site areas measured by NLP from GIS site boundaries supplied by Crawley, Horsham and Mid Sussex Councils

* No potential new employment sites were identified for assessment, but some new employment land allocations are proposed in the Mid Sussex draft District Plan

Crawley

Existing employment sites

6.7 **Land between London Road and Gatwick Road (S5)** is a large central tranche (83.9 ha) of the overarching allocated Manor Royal employment area. The site has relatively good strategic highway access and forms a more regulated / structured pattern of built form when compared to other neighbouring areas. The area comprises a range of employment uses, some modern accommodation and higher end occupiers such as Thales as well as smaller estates with mixed B1/2/8 uses. The area comprises a number of sites with prominent road frontages and some vacant plots suitable for intensification, one of which benefits from outline planning permission for a mixed-use employment park of up to 350,000sq.ft. Overall, the site is a prominent section of the Manor Royal area, seems to be performing relatively well and is in a strategic location. There is opportunity for further intensification of vacant plots and/or redevelopment of the limited lower quality and older stock.

6.8 **Fleming Way (S18)** is part of the main allocated employment area in the Borough and is situated between Crawley and Gatwick Airport. The site lies directly to the north of the Core Business Area (S5) and spans from London Road in the west to Gatwick Road in the east. The site has a good stock of larger units, some modern facilities and generally low vacancy, whilst is occupied by a mix of B1/2/8 operators. The site has good strategic access and benefits from a number of vacant plots to the north that may be suitable for

redevelopment. A watercourse runs north-south through the site but there appear to be no other barriers to intensification of the existing employment use. Overall, this site is part of the Boroughs main employment area and is a good location for its existing uses and for future intensification.

- 6.9 **Gatwick Road (South)** (S4) is a medium size site (15.7 ha), partly allocated as employment land and partly within Manor Royal Buffer Zone, but makes up the southeast tranche of the overarching Manor Royal area. The site is well connected to the local and strategic highway network via Gatwick Road and comprises a number of small estates on its eastern side (within the Buffer Zone) and one large triangular-shaped vacant site to the west (former Thales site which falls within the employment allocation). The area comprises a mix of reasonable quality light industrial units and some modern office accommodation to the east. The former Thales site offers a good opportunity for intensification of employment use. Overall, the eastern section of the site provides average light employment and office provision broadly in line with its policy allocation, whilst the vacant allocated employment site to the west is suitable for redevelopment.
- 6.10 **Gatwick Road (North)** (S19) is an allocated employment area immediately northeast of the main Manor Royal and Core Business areas. The site is strategically well positioned and comprises a range of employment uses set within individual estates. The existing employment stock is mixed, with some lower quality and dated units, whilst there are a small number of vacant units including the G23 offices adjacent to Gatwick Road. The area comprises a small linear alignment of retail/service uses set adjacent to Gatwick Road which act as a parade for the overarching employment area. Overall, this is an average employment area but is positioned well within the main employment part of the Borough with good highway access. Intensification of employment use and/or upgrading of existing facilities are an option to improve its overall quality, much in the same way City Place has successfully done to the north (see below).
- 6.11 **City Place** (S19a) has been split from the Northern Industrial Zone given its separate access and noticeable difference in terms of quality of employment accommodation and nature of operators. The site is positioned just south of Gatwick Airport to the northeast of the main Manor Royal employment area. The self-contained site is allocated employment land and has been recently redeveloped to provide high quality modern office accommodation (City Place) alongside the refurbished Beehive building (the original Gatwick Airport terminal) as well as associated parking, landscaping and public realm improvements. The site is arguably the highest quality office stock in the Borough and is occupied by major corporate operators such as Nestle and the Civil Aviation Authority. The site has a good strategic location and remains open to further intensification of vacant plots within the northern and eastern sections of the site.
- 6.12 **County Oak** (S18a) has been separated from its previous allocation within Manor Royal given the dominant retail uses on the site. The site is located

west of the main Manor Royal area but is allocated within the overarching employment area. Strategic access is good but the local highway layout is constrained. The site comprises a fairly modern retail park adjacent to London Road, petrol filling station, refuse/recycling centre and mix of lower grade employment uses to the rear of the site. Part of the site to the north of the retail park is subject to extant planning permission for a foodstore, whilst there are some vacant units at the western end of the site. Overall, this is a weak employment area due to its prominent retail use and vacant former employment buildings. There is scope for redevelopment and/or intensification of employment uses to the rear of the site but the existing vacancies and predominant retail use suggests the market is not seeking representation here. Overall, the employment allocation of this site is questionable, as is its future employment value if a foodstore also comes forward in this location.

- 6.13 **Lowfield Heath** (S15) is a self-contained unallocated employment area north of Manor Royal, immediately adjoining the southern perimeter of Gatwick Airport. The site of a former village, the area is a mix of light industrial uses and some non-B Class uses (hotel). The existing employment stock is broadly in good condition but sits within a secondary location with a poor internal highway layout, lack of turning space and is restricted by on-street parking. The site seemed to be performing well and had limited vacancy. There is limited scope for intensification unless full-scale redevelopment was brought forward, whilst heritage (church) and flood risk to the east of the site would be key considerations from a planning perspective. Overall, the site performs a good secondary employment role in a location near the main Manor Royal employment area, but is limited in its future role in contributing to the growth of employment provision.
- 6.14 **Crawley Town Centre** (S32) is the Boroughs main retail, leisure and office location. The centre comprises a small historic high street within a conservation area, a fairly sized primary shopping area with some residential units, whilst the main leisure and office locations are situated further to the north. The centre's existing office accommodation is mixed in terms of quality, with an array of stock largely vacant and dated. Vacant office accommodation was situated near the railway station, to the north along London Road and parts of The Boulevard. The centre has average strategic connectivity and its railway station is segregated from the main centre, whilst there was evidence of high levels of traffic within its internal, arterial and external gyratory highway systems. There is some scope for redevelopment and/or refurbishment of existing office stock, potentially for alternative uses if the market dictates, but overall given the high vacancy rate, the strength of the centre as a prime employment location is questionable. There is however evidence of investment in the centre in the form of Land Securities High Street project on the former Sussex House site, as well as the Council's continued intention to implement its town centre north regeneration scheme.
- 6.15 **Three Bridges Corridor / Stephenson Way** (S27) is a large (19.1 ha) employment site situated south of Haslett Avenue East (A2220) and Three Bridges railway station. The site comprises a mix of light industrial, office, trade

and automotive uses and is considered to be the Borough's second main out-of-town employment zone after Manor Royal. The employment stock within the site is average quality and is served by the Stephenson Way estate road. There was some evidence of vacancy but overall the site seemed to be busy and with very low vacancy levels evident. There is one plot currently available for development but limited scope for further intensification of uses, whilst the site as a whole is subject to flood risk. Overall, this is a well-connected employment location with a mix of employment uses and has some scope to be improved by way of new development or refurbishment of existing stock.

- 6.16 **Three Bridges Corridor / Spindle Way (S28)** is the second and smaller (7.3 ha) tranche of the Three Bridges Corridor and is situated closer to the town centre adjacent to Haslett Avenue East (A2220). The site is very similar to Stephenson Way in terms of layout and type of employment uses, although there is recent evidence of new development and less vacant units indicating a slightly stronger site from the markets perspective. There are no vacant plots but intensification of uses may be possible by way of refurbishment/upgrading of existing stock. Overall this site performs a similar role to that of the larger Three Bridges Corridor site at Stephenson Way and is a good established employment location with easy access to the town centre and arterial routes to the outlying strategic highway network.
- 6.17 **Three Bridges Road (S26)** is a cluster of mixed office, retail and service uses situated along a main arterial route into Crawley. The site is not allocated but comprises a number of self-contained office buildings and a health centre set back from the main road via individual estate roads. More traditional retail, professional and service uses lie adjacent to the highway in a typical parade formation. The site is a relatively good location in terms of access to local and strategic highway networks and the nearby Three Bridges railway station, but is a secondary employment location and has limited opportunity for intensification. There was some evidence of vacancy across the site and flood risk is an issue in this location.
- 6.18 **Hazelwick Avenue (S9)** is an unallocated but established office location north of Three Bridges, situated adjacent to the railway line. This small linear site (6.3 ha) comprises fairly modern office units with associated car parking and landscaping. The existing units are occupied by large corporate firms such as EDF, Network Rail and UK Power Networks. The site benefits from good strategic and local access, particularly given its location near Three Bridges railway station, but is physically constrained and fully intensified. Gatwick Stream runs through the site which presents a flood risk issue. Overall, the site is a good quality office location but there is no scope for further intensification of uses.
- 6.19 **Maidenbower Business Park (S16)** is situated to the southeast of the Borough adjacent to the M23. The 6.3ha site is unallocated but is almost fully built out with light industrial, storage and office uses as well as a modern car dealership. The final plot is situated in a prominent location at the entrance to the site and is currently being brought forward for development. The site

benefits from very good strategic access via the M23, a simple estate road layout with ample parking and landscaped areas. To the north of the site lies a Site of Nature Conservation Importance, an Archaeologically Sensitive Area and a small area of flood risk. Overall, the site is one of the better employment sites in the Borough but has limited scope for further intensification subject to the final plot being completed.

- 6.20 **Broadfield Business Park** (S2) is located adjacent (west) of Brighton Road (A23), to the south of Crawley town centre. This is a relatively small and compact unallocated employment site (1.4 ha) comprising good quality modern office accommodation typified by 3/4 storey brick buildings with associated car parking provision. The site is self-contained and therefore generally compatible with adjoining uses, although Crawley F.C. is situated immediately to the north and Broadfield House to the south which is a designated Historic Gardens. The existing office accommodation is subject to limited vacancy and is considered a good office location despite its edge of the urban area location. The site is subject to substantial flood risk as a result of a watercourse running perpendicular through the site. Overall, this is a good quality employment site but has limited potential for future intensification.
- 6.21 **Tilgate Forest Business Centre** (S30) is an unallocated but established employment site south of Crawley's main urban area adjacent to the A23. This small self-contained site is fully developed and comprises a cluster of good quality office accommodation set within an estate layout. The site has ample car parking and landscaped areas, and includes some large corporate occupiers such as KPMG. The site benefits from a good strategic location for access to the M23, but can only be locally accessed from the southbound section of A23 therefore remains isolated from Crawley's urban area. The site showed some evidence of vacancy but overall is considered a good employment site for office and R&D occupiers. It should be noted that the site varies considerably in terms of topography and is surrounded by mature woodland which may restrict any potential option for expansion.

Potential new employment sites

- 6.22 Three potential development sites have also been assessed totalling 94.1 ha, although in reality the potential to develop any of these sites hinges critically on the future expansion plans for Gatwick Airport and the future status of safeguarded land. The assessment of these sites also reflects that they have limited or no existing infrastructure/servicing, which it is assumed would be addressed if these sites were promoted for future development.
- 6.23 **Land at Jersey Farm** (S13) appears the most natural extension to the overarching Manor Royal employment zone with an existing access at County Oak Way, although the northern part of the site falls within safeguarded land. **Southways** (S25) also falls within the safeguarded land, benefiting from an extant planning permission granted prior to the identification of safeguarding. It is detached from the existing employment area.

6.24 **Gatwick Green** (S7) is located east of the airport and is separated from the main employment area of Manor Royal by countryside, but is well positioned relative to the strategic road network. The site has been promoted to the council through the Core Strategy (2008) and Local Plan process. The promoted site falls within the safeguarded area, and its development potential is subject to the airport expansion plans. The site also represents a countryside site with no existing access provision.

6.25 The above is by no means a comprehensive list of sites, though represents potential opportunities that have either been promoted to the Council or benefit from existing consents. It is possible that other sites may potentially be suitable for additional employment land over the Local Plan period, though this will be subject to a formal decision on the status of safeguarded land, and addressing any other development constraints.

Conclusions

6.26 Overall, the assessments of existing sites indicate that the Borough contains a reasonable range of employment sites of differing quality and type, totalling about 371 ha. The majority of sites assessed were predominantly within B1a, B2 and B8 uses with some smaller B1b uses also evident.

6.27 The assessment process has identified two high scoring good quality sites accounting for 6.3% of total supply, 13 (93.7% of supply) average quality sites and no sites of poorer quality. A summary of site scorings is provided in Table 6.2. It should be noted that the broad 'good', 'average' and 'poor' groupings are purely indicative to provide an estimation of the quality of supply of sites.

Table 6.2 Summary of Site Assessments (Existing Sites, Crawley)

Site Name	Status	Size (ha)	Potential Uses	Score (/ 30)	Rank
Maidenbower Business Park	Unallocated	6.3	B1a, B1c	25	Good
City Place	Employment Area	17.2	B1a, B1b, B8	25	
Fleming Way	Employment Area	48.1	B1a, B1b, B1c, B2, B8	23	Average
Three Bridges Corridor / Spindle Way	Three Bridges Corridor	7.3	B1a, B1c, B8	23	
Tilgate Forest Business Centre	Unallocated	3.5	B1a, B1b, B8	23	
Broadfield Business Park	Unallocated	1.4	B1a	22	
Land between London Road and Gatwick Road	Employment Area	83.9	B1a, B1b, B1c, B2, B8	22	
Hazelwick Avenue	Unallocated	6.3	B1a, B1b	22	

Site Name	Status	Size (ha)	Potential Uses	Score (/ 30)	Rank
County Oak	Employment Area	23.3	B1b, B1c, B2, B8	22	
Gatwick Road (North)	Employment Area	50.2	B1a, B1c, B2, B8	22	
Three Bridges Corridor / Stephenson Way	Three Bridges Corridor	19.1	B1a, B1c, B8	21	
Gatwick Road (South)	Part Employment Area / Part Manor Royal Buffer Zone	15.8	B1a, B1b, B1c, B2, B8	20	
Crawley Town Centre	Main Shopping Area, Strategic Housing Development Opportunity Sites, Additional Mixed Use Development Opportunity Sites and Conservation Area	67.0	B1a, B1c	20	
Lowfield Heath	Unallocated	18.3	B1a, B1b, B1c, B8	19	
Three Bridges Business Retail	Unallocated	3.7	B1a	19	
Total		371.4			

Source: NLP analysis

- 6.28 In addition, three potential development sites have also been assessed as shown in Table 6.3. In total, these sites amount to 94.1 ha, although in reality the potential to develop any of these sites depends upon the future expansion plans for Gatwick Airport and the future status of safeguarded land. Accordingly these sites are not currently available for development but this position may change in the future.
- 6.29 Land at Jersey Farm appears to be the most natural extension to the overarching Manor Royal employment zone via an existing access at County Oak Way, whilst Southways is detached from the existing employment area. Gatwick Green is located east of the airport, away from the Crawley labour supply, but is strategically well positioned. The site has development potential, but is currently subject to airport safeguarding constraints and it is a countryside site with no existing access provision.

Table 6.3 Summary of Site Assessments (Potential Sites, Crawley)

Site Name	Status	Size (ha)	Potential Uses	Score (/ 30)	Rank
Land at Jersey Farm	Land within safeguarding zone/Outside built up area boundary	15.7	B1a, B1b, B1c, B2, B8	18	Average
Southways		14.2	B1a, B1b, B1c, B8	18	
Gatwick Green		64.2	B1a, B1b, B1c, B2, B8	17	Poor
Total		94.1			

Source: NLP analysis

* Note: site areas are indicative only and do not necessarily equate to net developable areas

Horsham

Existing employment sites

- 6.30 **Horsham Town Centre (S19)** comprises a mix of retail, employment, leisure and residential uses within a medieval settlement pattern. The existing office accommodation comprises some stand-alone buildings and accommodation above retail units, however there is a relatively high level of vacancy (albeit some is undergoing change to other uses). Strategic access is average, but the centre benefits from good local access to the surrounding urban area and shopping centre. New employment development is constrained by the centre's established layout, lack of available sites and volume of heritage assets. The centre itself comprises a large foodstore and limited modern employment stock. Overall, there appears to be limited scope for redevelopment / intensification in the short term.
- 6.31 **Bishopric/Albion Way (S18)** is a split site either side of Albion Way, immediately southwest of Horsham town centre. The site comprises a mix of retail, office, car sales, leisure and religious uses. There are some vacant office/retail units, otherwise it is considered a secondary and diluted employment area. The site is also included within the Horsham Town Plan SPD. The western parcel of the site is allocated for housing / mixed-use development, and planning permission was recently granted on the Lifestyle Ford part of the site for a new retail development. The site has average strategic access due to its urban location, but good local access to the nearby town centre services and labour supply. Overall, this is not a prime employment site and is unlikely to provide a future employment use given the housing / mixed-use allocation and recent retail permission for part of the site.
- 6.32 **North Street Office Corridor (S17)** is Horsham town centre's main location for office provision and runs south from the railway station towards the primary shopping area. The site is also included within the Horsham Town Plan SPD. The site comprises County and District Council offices, the RSA offices (St. Marks Court) and a number of other medium-sized office buildings such as Comewell House and Sussex House some of which are older accommodation. Strategic access is limited due to the urban location, but local access to labour

and services is good, whilst public transport via bus and train is available nearby. Overall, this is a good urban employment location for B1a use in particular, situated near the town centre and railway station. Some vacant space was being marketed at the time of the assessment, and it is likely that some of the older stock will need to be renewed in the future.

- 6.33 **Nightingale Industrial Estate** (S14) is a linear site adjacent to railway line within the Horsham urban area. The site has poor strategic access and very constrained local access, with noted difficulty for HGV turning and parking. Part of the site is allocated for protection of employment uses, and part is safeguarded for a railhead aggregate facility (although it is understood that this has now been omitted from the West Sussex Waste Local Plan). The site is also included within the Horsham Town Plan SPD. Existing uses comprise storage and distribution, a brewery and light industrial units with some vacancy in the lower quality dated stock. Overall, this is an average employment site but is constrained geographically and is hindered by poor local access provision. There is limited scope for expansion but redevelopment could be considered an option in the medium to long term which could retain some employment uses.
- 6.34 **Novartis** (S12) is a medium sized (7.46 ha) unallocated urban site within Horsham. Novartis has reduced its operation at Horsham considerably over the past two years with a significantly reduced labour force, and announced in early 2014 that operations would cease completely in mid-2014. The site has an average strategic location but good access to local labour and services in Horsham. The existing buildings on site are bespoke to the current occupier, and therefore it is likely that some redevelopment will be required once existing operations close if the site is to continue to accommodate employment uses.
- 6.35 **Foundry Lane** (S16) is an established employment area situated northeast of Horsham town centre. The site is allocated for protection of employment use and comprises Horsham Trade Park and a mix of other uses including offices, light industrial, trade counters and bulky retail (e.g. Topps Tiles). Part of the site is also safeguarded for a railhead aggregate facility (although it is understood that this has now been omitted from the West Sussex Waste Local Plan). There is a range of stock, generally of average quality. The site is served by individual access roads and parking perpendicular to a central spine road. The site has some vacant space, but generally appears to be an important source of lower cost space. The site is considered to have good local access and average strategic access via B2195. Overall, this is a relatively healthy employment site with the exception of the vacant B1a uses, but there is limited scope to intensify uses given the physical constraints of an urban site.
- 6.36 **Parsonage Farm** (S13) is a rectangular shaped, self-contained site comprising a mix of uses including light industrial and manufacturing within a good quality 1980s/90s business park. The remainder of the site comprises plant hire and construction supplies, considered to be lower grade. Part of the site is allocated for housing / mixed-use development, but the existing business park falls outside this allocation. The site is considered to have average strategic

access given its urban location, but benefits from good local access to labour and services. There was no evidence of vacancy within the existing business park, thus prospects for intensification of employment use and/or mix of alternative uses is considered good. Overall, this is a healthy employment site with scope for expansion, either as part of the mixed-use allocation or an extension to the business park.

- 6.37 **Blatchford Road / Redkiln Close** (S16a) has been separated from the Foundry Lane site given its geographical division and focus on smaller units, light industrial and some storage/energy network provider operators. The site comprises a range of stock, generally of average quality, but is served by dedicated access roads and parking with a central estate spine road. The site benefits from good local access to labour and services within Horsham and some strategic access to the outlying highway network via the B2195. The site was subject to limited vacancy but has limited scope to intensify uses. Overall this is a good urban employment site and should be retained as such, but, there is limited scope for expansion or intensification.
- 6.38 **North Heath Estate** (S15) is a small self-contained business park within a predominately residential area, north of Horsham town centre. The site benefits from average strategic access via A264 which can be accessed to the north, but also has good local access to labour and service provision. The internal layout of the site provides suitable turning and ample parking. There are a range of B class uses including office, light industrial and manufacturing. The stock is generally good quality, dating from 1970s/80s with no vacancy. Overall, this is a good employment site neatly arranged with a residential area. The existing quantum of floorspace cannot be expanded due to physical constraints, but it fulfils a local role and was fully occupied indicating a strong market position.
- 6.39 **Faygate Business Centre** (S10) is a medium sized (13.4 ha) unallocated site situated east of Horsham, adjacent to the A264, near the Crawley administrative boundary. The site comprises an existing trade counter, quasi retail and light industrial uses. The site benefits from direct access via a new highway layout and roundabout on the A264 and has a suitable internal layout. The site is in a good strategic location within a short distance of both Horsham and Crawley. There was some low level vacancy evident but overall there is scope to intensify uses on the few vacant plots. However, the site is in a countryside location.
- 6.40 **Broadlands Business Park / Langhurst House** (S35) comprises a number of distinct sites accessed via Langhurst Wood Road: Fisher Clinical, Broadlands Business Campus and Langhurst House. Fisher Clinical is a single-user site occupied by a pharmaceutical company, and Langhurst House is a Home Office facility not in private commercial use. Broadlands Business Campus comprises two high quality office buildings in a landscaped setting with additional plots available for development / intensification. However, the site is reported to have had high vacancy levels and demand for any additional development may be limited by the levels of commercial/market interest. This

is generally a remote, low profile rural location with limited access to services and poor road access with the closest strategic road access being the A264 to the south. These factors affect the overall scoring of the site against the criteria, and therefore the site ranks as poor overall.

- 6.41 **Warnham & Wealden Brickworks** (S36) is situated north of Horsham and remains partly operational, alongside a new waste facility (Biffa) in line with its employment allocation. The other existing stock is vacant, dated and of low quality. There are a number of vacant plots available for redevelopment but commercial interest is likely to be important given the isolated rural location. The site has limited strategic and local access and its topography is variable. There may be scope for intensification in the short to medium term in line with its site allocation. It is understood that part of the site has recently been acquired by Britannia Crest with proposals to develop for B2/B8 and waste management uses.
- 6.42 **Lawson Hunt Industrial Park** (S5) is a self-contained light industrial estate situated to the west of Broadbridge Heath. The site is served by a dedicated local access and gated entrance with car parking provision beyond. The site is allocated for protection of employment use and was fairly busy at the time of visit, although some limited vacancy was evident. The existing stock is considered good quality. There are no undeveloped plots or immediate areas for expansion adjacent to the site. Overall, this is a relatively good employment site serving a local/district catchment but its secondary location and lack of space for expansion hinders its future potential.
- 6.43 **Oakhurst Business Park** (S29) is a relatively large (13.03 ha) self-contained site within Southwater, immediately adjacent to the A24. The site is allocated for protection of employment uses and comprises modern, high specification accommodation across a range of B Class uses, anchored by the 10,000 sq m RSPCA Headquarters and including commercial operators such as Volvo. The site has good internal access, parking provision and turning space with direct access to the A24. There was no evidence of vacant units, but further recent investment in new employment space apparent. There are prospects for further intensification and development of vacant allocated land in the short to medium term.
- 6.44 **Southwater Business Park** (S28) is a self-contained unallocated employment site within Southwater, south of Horsham. The site comprises a mix of B1a, B1b and B8 uses with some notable commercial occupiers (IBM and Sony). The existing stock is generally good quality with suitable access and parking provision. The site has strategic access via the A24 (north) and is close to local services and labour supply, although the nature of the current operators mean it is likely that employees travel from a wider catchment. There was no evidence of vacant units at the time of the assessment. The site is surrounded by a country park (south) and predominately residential area to the north. There appears to be some potential for intensification of employment uses in the medium term, most immediately on the one small vacant plot.

- 6.45 **Windacres Farm (S25)** is an existing farm site within Rudgwick village, north of Horsham. The site has an established employment use (metalworks) with some vacant plots available for intensification. Part of the site is allocated for housing / mixed use. The site is however remote with limited strategic connectivity and local labour and service access is also limited. The site is unlikely to support large scale employment use in the future but there remains scope for development in the short to medium term for smaller employment units and/or alternative uses to serve local need.
- 6.46 **Rudgwick Brickworks (S24)** is a relatively large countryside site west of Rudgwick and north of Horsham, outside of the built-up area. The site is remote with limited strategic connectivity. The site has an established historic employment use and some ancillary office provision. The existing layout and internal access is good with suitable parking provision. The largest tranche of land to the rear may be considered suitable for redevelopment subject to ground conditions, but given isolated location the commercial interest is unknown. The site has limited access to services and the local labour market, thus is unlikely to support large scale employment uses in the future. It is understood that the site has recently been acquired by new owners and now accommodates a microbrewery and some food production activities.
- 6.47 **Flint Group / Spring Copse Business Park (S26)** comprises two parts which are accessed separately: Spring Copse Business Park is self-contained and comprises light industrial and office units situated adjacent to the A29, south of Slinfold. The site has a good internal layout and parking provision, but limited strategic and local access to services. The former Flint Group site is situated further to the east and is accessed via Maydwell Avenue, closer to Slinfold. The site has recently been acquired by AJW Aviation which is in the process of developing new purpose built office and storage facilities. There is a large area of land between the two main parts of the site that could offer potential for future development/expansion, but it is outside of the defined built-up area.
- 6.48 **Daux Road Industrial Estate / Myrtle Lane (S1)** is a split mixed office, manufacturing and light industrial employment protection allocation in Billingham / Parbrook, the Daux Road element situated adjacent to the railway line. The surrounding area is predominately residential in character, particularly to the south, with the site bounded by the railway to the north. The existing employment stock is mixed quality but benefits from a dedicated access and some parking provision. The 4.73 ha site has a constrained physical layout given its location adjacent to the railway and therefore has a limited area for expansion. There was some limited evidence of vacancy on site. Daux Road poses an element of flood risk at its south/southeast boundary. Myrtle Lane is a separate small unallocated site and comprises some light industrial and automotive uses with one vacant plot and some noted vacancy. Stock is again mixed in terms of quality. There is limited scope for intensification of Daux Road, but Myrtle Lane has potential for development of vacant plots or upgrade of stock.

- 6.49 **Huffwood & Eagle Trading Estate** (S2) is situated within Billingshurst, north of the railway line. This small (1.16 ha) site comprises two individual trading estates with dedicated access roads, typified by generally low quality stock and high vacancy rates. There is limited space to expand/redevelop either site, whilst the existing poor internal access/servicing arrangements further reduce its scope for intensification. The site is surrounded by residential uses. Huffwood is allocated for employment use protection but the Eagle Estate element of the site is not included within the employment allocation. Overall this is a very limited employment site serving a local catchment with little or no scope for intensification.
- 6.50 **Gilmans Industrial Estate** (S3) is a self-contained light industrial / storage & distribution estate to the south of Billingshurst and Parbrook. The 3.26 ha site is served by a dedicated access and benefits from on-site parking and turning space. The site is situated outside the main residential area and is surrounded by countryside to the south and east. The site is allocated for employment use protection and is subject to some limited vacancy. The existing employment stock, typified by light warehouse units is considered average quality. The site was fairly busy at the time of visit but has no undeveloped plots or immediate areas for expansion without encroaching onto countryside. Overall this is an average quality employment site that is fulfilling its local and district-wide role.
- 6.51 **Rosier Commercial Centre** (S4) is a self-contained mixed employment area surrounding Rosier Farm, east of Billingshurst. The site benefits from a dedicated access, suitable turning and servicing space but has limited public transport connectivity and is inaccessible on foot. There remains further available space for intensification but existing vacancy indicates caution from the market, whilst the site is outside the urban area and not allocated for employment use. The existing stock on site was mixed in terms of quality, with some renovated agricultural buildings evidenced. Existing uses include car sales/servicing, salvage and agricultural support services. Overall a pleasant rural employment site that has diversified from traditional farming employment operations. There is further scope to intensify use but geographic location and lack of strategic access likely to mean it will meet only local need.
- 6.52 **Broomers Hill Park** (S22) is a self-contained unallocated employment area, situated in a countryside location, adjacent to the A29 and north of Pulborough. The site benefits from good strategic access given its rural geographic location, and has a suitable internal road layout with dedicated access and parking. The site topography is variable and there are no further plots available for development. There was limited evidence of vacancy and the existing stock was good quality overall with some evidence of recent investment and recent permissions for new B1/B8 units. Overall, this is an isolated employment site serving a local catchment but appears to be functioning reasonably and has been subject to recent market interest.
- 6.53 **Pulborough Station Approach** (S21) is an established employment estate adjacent to Pulborough Station. The site is allocated for protection of employment uses and benefits from good strategic and local access via A

roads, the railway station and location within a settlement. The existing stock is of mixed quality, whilst uses comprise mixed light industrial, trade (Travis Perkins), automotive and quasi retail. There was some evidence of vacancy whilst there are limited vacant plots for development but intensification and/or upgrade of older stock remains an option in the short to medium term.

- 6.54 **Gertson Business Park** (S33) is a small (1.79 ha) self-contained unallocated employment site south of Storrington within the South Downs AONB. The existing stock is generally low quality and dated, typified by small light industrial / manufacturing warehouse units. There was some evidence of vacancy and some vacant plots. The site has limited strategic access and single-lane access to the local village via a country road. There may be scope for employment use intensification in the medium term subject to commercial interest, otherwise alternative uses could be considered suitable e.g. residential.
- 6.55 **Chantry Lane** (S32) is a relatively isolated, unallocated employment site south of Storrington. The site comprises generally poor quality warehouse / manufacturing stock, some of which is dated and is subject to high vacancy with some vacant plots. The site has limited strategic access but good access to the local village services nearby. There may be scope for redevelopment in the medium term subject to commercial interest, otherwise alternative uses could be considered suitable e.g. residential.
- 6.56 **Water Lane** (S30) is a medium sized (7.27 ha) self-contained site within Storrington. The site is allocated of protection of employment use and comprises mixed quality stock and a range of B class uses, typified by light industrial and ancillary offices, some of which are dated. Strategic access to the site is limited but there is good access to local labour and service provision. There were no vacant plots apparent and little/no vacancy. Given the site has been developed up to its boundary, there is limited prospects for further intensification in the medium term. Planning consent was obtained early in 2013 for a new 2,000 sq m unit for Tesla Engineering (one of the main existing occupiers) on land immediately adjoining the site.
- 6.57 **Wiston Business Park** (S31) is a small self-contained unallocated employment site adjacent to the A24. The site has a dedicated access road and comprises generally good quality warehouse / manufacturing stock set above the A24. Existing uses include light manufacturing, storage and distribution. The site has good strategic access but is isolated from local labour and service supply. There are no vacant plots and limited vacancy was noted at the time of visit, with one occupier (Kate's Cakes) accounting for a number of the units. Limited prospects for further intensification in medium term due to absence of an employment allocation, its location outside of the urban area and existing physical and topographical constraints.
- 6.58 **Washington Quarry** (S37) is situated off The Hollow, east of Storrington and the A24. The quarry is no longer operational. Potential ground conditions / variable topography would need to be overcome to facilitate employment development. There may be scope for redevelopment in the medium to long

term subject to planning policy and archaeological interest designations on the site. Strategic access to the site is good but there is limited local services/labour supply in this rural location. Overall, a longstanding vacant site with historic employment use that appears unlikely to provide new B Class facilities in the short to medium term.

- 6.59 **Huffwood & Star Road Industrial Estate** (S20) is an established employment site, situated in a fairly isolated countryside location south of Partridge Green. The existing employment stock comprises a range of older office/industrial units and some newer light industrial/manufacturing units. Some evidence of vacancy and one undeveloped plot was noted and the existing occupiers are generally of lower grade. Overall, the geographic location of site limits its potential and market attractiveness due to limited strategic access to the surrounding highway network, services and local labour market. The employment use in this location should be retained based on its employment protection allocation, but market signals may indicate that alternative uses would be more suitable in the long term.
- 6.60 **Oakdene Industrial Estate** (S9) is an unallocated, self-contained employment site comprising a mix of dated and low quality units, with some vacancy evident. The site benefits from a dedicated estate access road which links to the A272, but is isolated from a strategic perspective and is constrained by its existing internal layout. Existing light industrial, automotive and ancillary agricultural uses were evident. There appears to be some scope for intensification / redevelopment in the medium to long term, but overall this is again a localised employment centre in a rural location, thus has limited future potential.
- 6.61 **Mackley Industrial Estate** (S27) is a self-contained employment site within Small Dole village and is allocated for employment protection. The site comprises a mix of uses and range of stock, some older warehouse / light industrial units accompanied by average quality office units. There is good internal access, layout and parking provision. The site is situated off the A2037, thus benefits from strategic links to the south coast. However, there is limited local labour and service supply given the rural location. The site was subject to some vacancy at the time of visit. Noted that the site is surrounded by countryside, ancient woodland and an area of nature conservation. There appear to be limited prospects for intensification of use in the medium term.
- 6.62 **Henfield Business Park** (S11) is a self-contained, non-allocated employment estate south of Henfield. The site is in an isolated location but benefits from fairly modern facilities with scope to further intensify/develop vacant plots at the rear of site. The site is in a rural setting and surrounded by countryside. Overall, the site provides good employment facilities to meet the needs of a local catchment and has further scope for intensification in the short to medium term, subject to meeting planning policy requirements relating to development outside of the built-up area.

Potential new employment sites

- 6.63 **Land North of Horsham (S38)** is agricultural land situated northeast of Horsham adjacent to the A264. The 15.57 ha site has good strategic access to Horsham and Crawley (east), although local access may require upgrading, note that a railway line crosses the access road to the site. There are local labour and services nearby, otherwise the site is well located in strategic terms for new employment uses. The site is included within the emerging Horsham District Planning Framework and is being promoted by Liberty Property Trust who are proposing a major mixed use scheme including 2,500 residential units.
- 6.64 **Land at Newhouse Farm, North East of Horsham (S40)** is agricultural land situated east of Horsham adjacent to the A24. The site benefits from good strategic access to Horsham and Crawley, although local access may require upgrading to facilitate highway connectivity (currently country lanes). Local labour and services are located nearby, otherwise this 9.2 ha site is well located for new employment uses subject to planning policy and AONB issues. Existing employment uses are evident at the adjacent Newhouse Farm (small, relatively modern business park diversified from traditional farm uses). Scope for development in the medium to long term.
- 6.65 **West of Horsham (S7)** is a small triangular-shaped countryside site adjacent to the A24, west of Horsham. This site is owned by West Sussex County Council and benefits from a strategic allocation for mixed-use / housing. There is no existing strategic or local access to the site and there is a small area of flood risk to the south of site. Market attractiveness is unknown, but the site would be suitable for smaller office, R&D and storage/distribution uses if access to the highway network could be facilitated. Otherwise, smaller scale employment use could be brought forward as part of a wider mixed-use development in line with allocation. Further employment uses may be provided in this area as part of the redevelopment of the Broadbridge Heath Quadrant.
- 6.66 **Land at Lower Broadbridge Farm, Broadbridge Heath (S41)** is agricultural land situated west of Horsham adjacent to the A281. The 11.86 ha site has average strategic access to Horsham and the surrounding area but no existing local access. Local labour and services are situated nearby in Broadbridge Heath and Horsham. The site is outside of the built-up area and its geographic location is not considered ideal for highway connectivity but there may be scope for employment development in the medium to long term.
- 6.67 **Nowhurst Business Park (S6)** is a medium sized (17.94 ha) vacant site that it is understood was historically identified for employment development by the private sector but has not come forward to date. The site is situated outside of the urban area, west of Horsham and Broadbridge Heath with limited strategic access. The site is unallocated and situated in a rural location but does benefit from a dedicated local highway access and nearby labour supply. The site has the potential for a mix of employment uses, potentially large format, subject to planning policy relating to development outside the built-up area. The site comprises an existing salvage yard operation to the south and open grassland with variable topography on the remainder. The market attractiveness of the

site for employment use is considered limited given its poor geographical / strategic location, but there may be scope for development in the medium to long term subject to market interest.

6.68 **Land at Hop Oast, Southwater** (S39) is agricultural land situated south of Horsham adjacent to the A24. The 5.61 ha site benefits from good strategic access to Horsham and Southwater, although local access may require upgrading to facilitate highway connectivity, perhaps as an extension to neighbouring land uses. Local labour and services are located nearby, otherwise the site is well located for new employment uses subject to planning policy (outside of built-up area). Existing PFS, recycling centre and park & ride uses situated immediately east of the site served by highway junction. Overall, potentially a good employment site with scope for development in the medium term.

6.69 **Brinsbury Centre / Chichester College** (S23) is a large (59.03 ha) countryside site partly occupied by Chichester College's Brinsbury Campus. The site is identified in the 2009 Brinsbury Centre of Rural Excellence Supplementary Planning Document (SPD) to enable the College to develop its facilities in order to ensure the campus's viability for rural land-based education. Growth of the College in accordance with this principle, which could include businesses operating in collaboration with the College, would increase opportunities for education and training. The site is remote but well connected via the A29, and comprises an established educational use with ancillary office and agricultural uses. The existing layout and internal access is good with suitable parking provision. A large tranche of land either side of the A29 is vacant and potentially suitable for development subject to planning policy (outside urban area) and market interest. There is limited access to services and local labour market, thus the site is unlikely to support large scale employment uses in the short to medium term, but offers potential for smaller-scale business operations connected with the College.

Conclusions

6.70 Overall, the assessments of existing sites indicate that Horsham District contains a wide range of employment sites, most of which are considered average quality but vary greatly in type given the rural nature of the District. The existing employment land totals about 280 ha. The majority of sites assessed were predominantly within B1c, B2 and B8 uses with some B1a uses also evident in the urban areas.

6.71 The assessment process has identified no high scoring good quality sites, 19 (53.6% of supply) average quality sites and 14 sites of poorer quality (46.4% of supply). A summary of site scorings is provided in Table 6.4. It should be noted that the broad 'good', 'average' and 'poor' groupings are purely indicative to provide an estimation of the quality of supply of sites. The highest scoring sites were generally situated at Southwater (two sites) and the established employment areas northeast of Horsham town centre, as well as Faygate

Business Centre which benefits from good strategic access to both Horsham and Crawley.

Table 6.4 Summary Site Assessments (Existing Sites, Horsham)

Site Name	Status	Size (ha)	Potential Uses	Score (/ 30)	Rank
Southwater Business Park	Unallocated	4.8	B1a, B1b, B8	23	Average
Oakhurst Business Park	Employment Protection Zone	13.0	B1a, B1b, B8	23	
Faygate Business Centre	Areas outside built-up area boundary; Strategic Gap	13.4	B1a, B1b, B1c, B2	22	
Novartis	Unallocated	7.5	B1a, B1b, B1c	22	
North Heath Estate	Unallocated	1.9	B1a, B1b, B1c	22	
Blatchford Road / Redkiln Close	Employment Protection Zone	8.0	B1a, B1c, D2, B8	22	
Station Approach, Pulborough	Employment Protection Zone	1.5	B1b, B1c, B2, B8	22	
Wiston Business Park	Areas outside built-up area boundary	3.1	B1c, B2, B8	22	
Gilmans Industrial Estate	Employment Protection Zone	3.3	B1c, B2, B8	21	
Lawson Hunt Industrial Park	Employment Protection Zone	2.8	B1a, B1b, B1c	21	
Foundry Lane	Employment Protection Zone (part); Safeguarded Site (part)	11.4	B1a, B1c, D2, B8	21	
North Street Office Corridor	Unallocated	8.1	B1a, B1b	21	
Parsonage Farm	Sites for housing development / mixed use (part)	9.3	B1a, B1b, B1c, B2, B8	20	
Bishopric/Albion Way	Sites for housing development / mixed use (part)	6.5	B1a, B1b	20	
Horsham Town Centre	Town Centre, Primary Shopping Area, Site of Archaeological Importance	18.8	B1a	20	
Broomers Hill Park	Areas outside built-up area boundary	1.4	B1a, B1b, B1c	20	
Flint Group / Spring Copse Business Park	Areas outside built-up area boundary	19.5	B1a, B1b, B1c, B2, B8	20	

Site Name	Status	Size (ha)	Potential Uses	Score (/ 30)	Rank
Rosier Commercial Centre	Areas outside built-up area boundary	8.0	B1a, B1b, B1c, B2, B8	19	
Water Lane	Employment Protection Zone	7.3	B1a, B1c, B2, B8	18	
Daux Road Industrial Estate / Myrtle Lane	Employment Protection Zone (part)	4.7	B1a, B1c, B2	17	Poor
Oakdene Industrial Estate	Areas outside built-up area boundary	3.0	B1c, B2, B8	17	
Henfield Business Park	Areas outside built-up area boundary	3.3	B1b, B1c, B2, B8	17	
Nightingdale Industrial Estate	Employment Area (part); Safeguarded Site (part)	4.3	B1c, B2, B8	17	
Star Road Industrial Estate	Employment Protection Zone	10.3	B1a, B1b, B1c, B2, B8	17	
Windacres Farm	Sites for housing development / mixed use	6.6	B1a, B1c, B2	17	
Mackley Industrial Estate	Employment Protection Zone	7.0	B1a, B1b, B1c, B2, B8	17	
Broadlands Business Park / Langhurst House	Areas outside built-up area boundary.	32.3	B1a, B1b, B1c	17	
Chantry Lane	Areas outside built-up area boundary	6.9	B1c, B2	16	
Warnham & Wealden Brickworks	Sites for Employment Use.	24.5	B1c, B2, B8	16	
Huffwood & Eagle Trading Estate	Employment Protection Zone (part)	1.2	B1a, B1c, B2	15	
Rudgwick Brickworks	Areas outside built-up area boundary	17.0	B1c, B2	15	
Washington Quarry	Areas outside built-up area boundary. Sites of Archaeological Importance (part).	6.9	B1c, B2, B8	15	
Gertson Business Park	Areas outside built-up area boundary. AONB	1.8	B1c, B2	13	
Total		279.3			

Source: NLP analysis

6.72 In addition, seven potential development sites have also been assessed as shown in Table 6.5. In total these sites amount to 121.3 ha, although in reality the net developable land area would be less than is implied by the site totals. These sites have been considered on the basis of their potential purely for employment uses; their ability to come forward and future status will ultimately be dependent upon the outcome of the Local Plan process.

6.73 The highest scoring site is North Horsham which benefits from a very good strategic location, but most of the other sites score as reasonably high average sites, with the exception of Nowhurst Business Park and West of Horsham which are primarily hindered by their geographic and strategic location.

Table 6.5 Summary of Site Assessments (Potential, Horsham)

Site Name	Status	Size (ha)	Potential Uses	Score (/ 30)	Rank
Land North of Horsham	Areas outside built-up area boundary.	15.6	B1a, B1b, B1c, B8	21	Average
Land at Hop Oast, Southwater	Areas outside built-up area boundary; Strategic Gap	5.6	B1a, B1b, B1c, B8	20	
Land at Lower Broadbridge Farm, Broadbridge Heath	Areas outside built-up area boundary	11.9	B1a, B1b, B1c, B2, B8	20	
Land at Newhouse Farm, North East of Horsham	Areas outside built-up area boundary; AONB.	9.2	B1a, B1b, B1c, B8	19	
Brinsbury Centre / Chichester College	Areas outside built-up area boundary	59.0	B1a, B1b, B1c, B2, B8	18	
Nowhurst Business Park	Areas outside built-up area boundary	17.9	B1a, B1b, B1c, B2, B8	17	Poor
West of Horsham	Sites for housing development / mixed use	2.1	B1a, B1b, B1c, B8	16	
Total		121.3			

Source: NLP analysis

* Note: site areas are indicative only and do not necessarily equate to net developable areas

Mid Sussex

Existing employment sites

6.74 **Rowfant Business Centre (S28)** is a large (15.8 ha) former brickworks site in a rural location, east of Crawley. The site is self-contained, but very isolated given its lack of strategic connections. The site currently comprises small business units, light industry with ancillary offices and a timber/building

merchants. The existing stock dates from the late 1980s, is generally good quality and benefits from a dedicated access and parking provision. There are large available plots for expansion but existing vacancy, variable topography and lack of strategic access hinders the development prospects of the site. There is scope for intensification in the medium term subject to market interest. The 2004 Local Plan although identifies the site within a countryside protection area but policy RA2 (relating specifically to Rowfant Business Centre) is saved as part of the draft District Plan.

- 6.75 **Borers Yard, Cophorne** (S1) is a small (0.87 ha) self-contained light industrial business site within Cophorne settlement. The site is constrained by residential uses to the west and east, with open countryside located to the north. The site has average strategic and local access, but a dedicated estate access and parking provision. There was no evidence of vacancy on the site. Current uses include a wine merchants, offices and automotive activity. There is limited scope for expansion or intensification of the site given its physical constraints, having been fully built out since being allocated as a business development area in the 2004 Local Plan. It is noted that the business development allocation for this site has been withdrawn in the draft District Plan.
- 6.76 **Brighton Road, Pease Pottage** (S42) is a medium sized site (5.7 ha) situated south of Crawley adjacent to A23/M23. The site currently comprises a vehicle salvage yard. The site benefits from very good strategic access and good local connections to Crawley, but is separated from the urban area. The site is located within a specific policy area which restricts further expansion of breakers yard (2004 Local Plan). It is noted that this specific policy has been removed in the draft District Plan. The site is also within an area of countryside protection and the High Weald AONB. There is scope for intensification of employment use and/or comprehensive redevelopment in the medium term.
- 6.77 **Horsted Keynes Industrial Park** (S17) is an established, self-contained rural employment site situated west of Horsted Keynes. The site is isolated and has poor strategic road access. The existing stock is dated and of low quality stock with some evidence of vacancy. The existing uses comprise light industry, construction and ancillary agriculture. The site is identified with the 2004 Local Plan as within a specific policy area restricting expansion of the site unless local need is demonstrated, although this policy is not being carried forward in the draft District Plan. There appear to be limited prospects for intensification in the medium term, but whilst the site provides a local employment offer it should be retained for employment use.
- 6.78 **Felbridge Centre, East Grinstead** (S16) is a small self-contained extension to the Birches Industrial Estate and benefits from a shared access via Imberhorne Lane. The site comprises large warehouse units, considered to be fairly modern good quality stock but subject to some evidence of vacancy. The site has a mix of occupiers, some engineering and distribution/storage firms and a Caravan Club office. The site benefits from a good strategic location in the north of the District and is also near local labour and services in East

Grinstead. There is limited scope for intensification of the site in the medium term given its physical constraints and some existing vacancy.

- 6.79 **Birches Industrial Estate, East Grinstead** (S9) is a large (13.2) established business park west of East Grinstead, part of which falls within a 'business development area', and part within the built up area. The site benefits from good strategic links via the A22/A264 and is located near local labour and services provision. The current business development allocation has been built-out. The existing stock is generally in good condition, with a number of modern units recently completed. The draft District Plan removes the business development area designation but retains the entire site within built up area. Overall this is a good employment site serving a local and regional catchment, particularly given its strategic location in the north of the District.
- 6.80 **Independent Business Park, East Grinstead** (S19) is a small (1.7 ha) self-contained business park adjacent to Birches Industrial Estate, near Imberhorne Way and the Felbridge Centre. The site benefits from a dedicated access via Imberhorne Lane. The site comprises a mix of stock, generally of average quality but some of which is dated. The existing uses on the site comprise light industrial, manufacturing and some small scale offices. There was limited evidence of vacancy at the time of visit and the park was fairly busy. The site benefits from a good strategic location in the north of the District and is also within close proximity to nearby labour and services provision. There is limited scope for intensification on the site in the medium term given its physical constraints and lack of vacant plots, but upgrade of facilities is possible. Overall, this is a fairly good quality employment site.
- 6.81 **Imberhorne Way, East Grinstead** (S18) is a small (1.9 ha) self-contained cluster of employment uses accessed via a dedicated spine road. The site is situated in close proximity to Birches Industrial Estate, Felbridge Centre and Independent Business Park. The site has a constrained layout with notable on-street parking and limited areas for expansion. Generally, the stock is of a low quality, whilst current uses comprise some light manufacturing, small offices, distribution and gym uses. The site has good strategic connections given its location in the north of the District but has limited scope for redevelopment given its physical constraints. Full scale redevelopment could be considered an option in the medium to long term to provide a more efficient layout and higher quality modern accommodation, otherwise upgrading of current space would increase attractiveness to the market. The urban location means that B1a/c uses are likely to be most appropriate.
- 6.82 **Charlwoods Industrial Estate, East Grinstead** (S14) is a medium sized (5.8 ha) linear arrangement of large employment units, situated within the East Grinstead urban area. The existing stock is generally 1970s/80s and of mixed quality. The current uses comprise light industry, manufacturing, trade supplies and automotive services. The site is considered to have average strategic access given its urban location, but is nearby to labour and services. There was some level of vacancy but the estate is reported to be popular with local business due to the freehold nature of the premises. This has encouraged

redevelopment of a number of units (most recently unit 6), and overall it provides an average employment offer.

- 6.83 **Park Road / Maypole Road Office Cluster (S45)** is a small cluster of dated, low quality office units to the north of East Grinstead town centre. The site is considered to have average strategic links given its urban location but good access to local services and labour. Two buildings (Premier House and Garland House) have planning permission for residential redevelopment which will significantly reduce the size of the overall site. There may be scope to upgrade some of the remaining buildings in the short term to increase their market attractiveness (historic vacancy noted), otherwise redevelopment for non-intrusive employment uses or alternative uses such as residential may be possible in the medium term (taking account of surrounding residential uses). Overall this is an average urban employment site suited to B1a uses, but clearly with limited market appeal therefore alternative uses such as residential may be more suited longer term in line with recent neighbouring developments and planning permissions.
- 6.84 **London Road Office Corridor / Wood Street, East Grinstead (S35)** is a cluster of large, multiple storey office buildings north of the town centre. Generally, the stock is considered to be good quality but suffers from relatively high vacancy, especially along London Road. The site has average strategic links given its urban location but benefits from good access to local services and labour provision. There is limited scope for redevelopment of the site but intensification and/or upgrade of facilities is possible in the short to medium term, particularly with a view to reducing vacancy rates. A number of applications for prior approvals for conversion of office buildings to residential (St James House, Greenstede House, Sussex House) in this location have been received. Overall this is a reasonable employment site, but it is clear that levels of market interest are currently low as evidenced by the levels of vacancy.
- 6.85 **Railway Approach, East Grinstead (S26)** is a small (1.1 ha) linear site on the edge of the town centre shopping area, adjacent to East Grinstead railway station. The site is physical constrained by the highway network layout. This area represents the gateway and main thoroughfare from East Grinstead station to the town centre and has previously formed part of the town centre masterplan. Existing uses on the site comprise a large timber yard and a mix of terraced retail, office and residential uses. The site has average strategic access given its urban location but benefits from good local labour and services provision. Comprehensive redevelopment of the eastern section of the site may be considered in the medium term to facilitate better use of land, e.g. mixed use scheme comprising employment, retail and residential uses. Overall, the site is well located near to the town centre and railway station but is physically constrained. Its existing uses and built form are poor quality, thereby reducing its potential employment value.
- 6.86 **East Grinstead Town Centre / Cantelupe Road (S36)** is a large site comprising the main cluster of town centre office buildings along Cantelupe

Road, situated immediately east of the main shopping streets. There are also a number of smaller self-contained first floor offices located above retail units on London Road. Generally, the existing stock is considered good quality with some limited vacancy noted at the time of the assessment. The overall town centre area has average strategic links but good access to local services and labour provision. There is some scope for redevelopment in the medium to long term, but intensification and/or upgrade of facilities is more likely in the short term. The Council has received prior approval applications for premises in this area (e.g. Phoenix House). Overall, this is a relatively good employment area but where some future loss of office space may be likely to occur.

- 6.87 **High Grove, Imberhorne Lane, East Grinstead (S2)** is a relatively small (2.3 ha) site situated southwest of East Grinstead, occupied by a market garden and County Council waste facility. The site has average strategic and local access, but benefits from a dedicated access road with some limited on-site parking provision. The site has variable topography and is situated in a countryside location. The site is designated as a business development area in the 2004 Local Plan, but note this has been removed in the draft District Plan. There remains scope for intensification of uses on the site in the short to medium term.
- 6.88 **Land North of Ivy Dene Lane, Ashurstwood (S5)** is a small (1.1 ha) self-contained employment area north of Ashurstwood. The site is a designated business development area in a countryside location, within the High Weald AONB. The site has poor strategic and local access via a single lane country road only. The site is considered constrained, and has a lack of parking and turning space. The existing stock is dated and low quality but has a high level of occupancy, including automotive and ancillary agricultural activities. There is some scope for development of vacant plots to the front and rear of the site, but given physical constraints, existing and future employment uses are likely to serve a local catchment only.
- 6.89 **Burrell Road Industrial Estate, Haywards Heath (S13)** is an established employment area situated in a linear arrangement along Burrell Road, within the Haywards Heath urban area. The sites current uses comprise offices, light industrial, services, automotive provision and an adjacent foodstore and health facilities. The site comprises mixed quality stock, some of which is dated and experiencing some vacancy. The site has average strategic access given its urban location but has good local labour and service provision. There is limited scope for intensification given the physical constraints of the site, particularly surrounding residential units, but upgrading of stock could be considered to improve market attractiveness. Overall, the site provides fairly good employment provision.
- 6.90 **Bridge Road Industrial Estate, Haywards Heath (S12)** is a medium sized (6.4 ha) established employment area within the Haywards Heath urban area. The sites current uses comprise light industrial, trade counters, automotive and ancillary office with some evidence of recent investment. The existing stock is generally in average condition with some vacant units. The site has average

strategic access given its urban location but good local labour and service provision. Overall there is limited scope for intensification given the physical constraints of the site, particularly in relation to surrounding residential units, but it provides a fairly good employment offer and would benefit from gradual renewal. Part of the site is currently subject to a planning application for c.900 sq.m of managed business space which will provide a mix of office and workshop/studio starter units.

- 6.91 **Perrymount Road, Haywards Heath** (S25) is a large (12.5 ha) office cluster to the south of Haywards Heath railway station, within the built up area. The northern part of the site is allocated for redevelopment to provide a new railway station as part of a mixed-use scheme including substantial residential uses with some ancillary office, leisure and retail. Planning permission was granted in 2013 for new retail and leisure space with improvements to the station. The remaining part of the site comprises a number of large car parks as well as some existing 4+ storey office buildings fronting Perrymount Road, some of which are older buildings which have been refurbished and others are relatively modern. A significant proportion of the stock was vacant and being marketed at the time of the assessment. The site is surrounded by other main town centre uses and residential units. The site has limited strategic access given its urban location, but benefits from good local access to labour, services and railway connections. There is some scope to intensify employment use on the site as part of a potential station redevelopment scheme, otherwise the high vacancy rate is a concern as to the market interest in the area for B1a uses.
- 6.92 **Western Road Industrial Estate, Haywards Heath** (S33) is a very small (0.8 ha), constrained employment site within the urban area and surrounded by residential uses. The existing stock is mixed, some of which is dated but others more modern (car garage). The site is currently occupied by a national trade counter, car garage and church hall. The site has average strategic access given its urban location, but good local access to labour and services provision. There is no scope for expansion given the physical constraints of the site, but possible scope for comprehensive redevelopment for employment uses, otherwise alternative uses are more likely in the long term e.g. residential.
- 6.93 **Lindfield Business Park** (S23) is a very small (0.4 ha) self-contained business park east of Haywards Heath. The site has limited strategic access but benefits from some access to local labour and service provision. The existing stock is relatively modern and good quality with a constrained but suitable internal layout and parking provision. Existing uses on the site comprise quasi retail, light manufacturing, furniture sales, offices and a veterinary surgery. There was limited vacancy noted on the site and no further vacant plots, thus the site has limited scope for intensification in the short to medium term. Overall, this site comprises some employment and alternative uses serving a localised catchment and should be retained as such.
- 6.94 **Ricebridge Works, Hickstead** (S27) is a fairly small (1.9 ha) self-contained site adjacent to the A23, west of Burgess Hill. The site is in a rural location isolated from local labour and services but benefits from a good strategic road

access. The site is currently in use as a small business estate comprising manufacturing, light industry, storage and ancillary office uses. The existing stock is of mixed quality, some of which are dated warehouse units but others are higher quality 1990s units. There is some scope for intensification of uses on the site but some evidence of vacancy was noted and there are little or no available plots.

- 6.95 **Backlands Farm, Hickstead** (S8) is a small (0.9 ha) self-contained site west of Burgess Hill. This site is in a strategic location in close proximity to the A23, but is isolated from local labour and services and is outside the built up area. The site is currently in use as plant/vehicle hire with an ancillary retail operation. There is limited scope for redevelopment of the site in the medium term given its size, but overall it seems healthy and is performing a basic employment role in the local and sub-regional area.
- 6.96 **Bolney Grange Business Park, Bolney** (S10) is a medium sized (9.6 ha) established business area west of Burgess Hill, part of which falls within a business development area, and part within the countryside protection area. The site benefits from good strategic links via the A23 but is isolated from local labour and services provision. The existing uses on the site comprise mixed manufacturing, light industry and automotive with some vacancy in the older stock. Generally, the stock is of large footprint and average quality, but has a dedicated access, parking and turning space. There is scope for intensification within the business development area and new development within the remainder of the site is feasible.
- 6.97 **Winterpick Business Park, Sawyers Common** (S34) is a small, rural, isolated site close to the District boundary (west). The sites existing uses comprise light industrial and storage/removal operations. The existing employment stock is mixed quality, some of which is dated. The site benefits from a dedicated local access and some parking provision but has a poor strategic location with limited access to the surrounding highway network. There is some scope to expand employment uses on the limited vacant plots subject to market interest, but overall this is a poor employment site in an isolated location of countryside development restraint.
- 6.98 **Kings Business Centre, Sawyers Common** (S21) is a small (0.8 ha) self-contained business park west of Sawyers Common and the A23. The site benefits from relatively good strategic access given its rural location, but has limited local labour and service provision. The existing stock is mixed but generally considered to be good quality. The current uses on the site comprise light manufacturing, storage and some ancillary offices. Limited vacancy was noted, but given the site falls within an area of countryside protection and its existing physical constraints, there is limited scope for intensification in the short to medium term.
- 6.99 **Former Sewage Treatment Works, Burgess Hill** (S3) is a large (12.1 ha) site situated immediately north of Burgess Hill within the built up area boundary. The site is largely vacant with some gypsy accommodation evident to the north and a recycling facility to the east of the site served by the same access. The

site benefits from a dedicated access and good strategic links to the north of the District and the south coast. The site also has good local access to labour and services, but may have potential flood risk and land contamination issues to overcome. The site is currently subject to a planning application for 325 dwellings with resolution to grant planning permission, and it is noted that the existing business development allocation is proposed to be deleted in the draft District Plan.

- 6.100 **Sheddington Industrial Estate** (S29) is a 3.2 ha established, self-contained industrial estate north of Burgess Hill within the built up boundary. The estate is largely occupied, comprises generally average quality stock with evidence of office, light industry, storage and distribution uses. The site benefits from a dedicated access and good strategic links to north of the District and the south coast, whilst is situated to also benefit from good local access to labour and services. There is limited potential for intensification of the site in the short to medium term given lack of vacant plots, otherwise this is a good, healthy employment site. Upgrade of facilities may be the only short term development option.
- 6.101 **Church Road Walk / Burgess Hill Town Centre** (S15) is the primary retail destination in the south of the District and comprises some small office provision above terraced retail units, as well as some larger individual office buildings. The existing stock is generally low quality with some evidence of vacancy. Strategic access to the centre is average, but it benefits from good local access within a busy urban area and shopping centre. New employment development within the centre is constrained by its layout and built form, lack of available sites and primary focus on retail provision. Overall the centre is a weak employment location but has scope for redevelopment / intensification as a part of a comprehensive redevelopment.
- 6.102 **The Brow, Burgess Hill** (S30) is an office site on the edge of the town centre comprising Sussex House, a large multi-storey building currently vacant but which is planned to be refurbished and re-occupied by American Express in 2015. The sites surrounding area comprise residential, healthcare and civic uses, adjacent to the town centre shopping area. The site has average strategic links given its urban location, but benefits from good local access to services and labour provision.
- 6.103 Victoria Business Park, Burgess Hill is one of the largest employment sites in the study area. **Victoria Business Park West** (S31) comprises a range of large B Class units, some of which are occupied by commercial operators such as Royal Mail, Porsche, Nova Direct and Roche. The site comprises good quality stock, some of which is modern and overall the site experiences limited vacancy. There was some evidence of recent investment in the area, as well as some ancillary leisure development (hotel / restaurant). The final developable plots are currently under construction. The site benefits from a good strategic location with access to the north of the District and south coast, as well as nearby access to local labour and services. There is limited scope for further new development given the existing scale of employment uses, but

there remains a continued opportunity for intensification and upgrade of facilities in the medium term. Overall, this is one of best employment sites in the District.

- 6.104 **Victoria Business Park East** (S32) comprises the eastern element of the large overarching employment area and comprises a range of large B Class units, some smaller manufacturing / light industrial units and smaller office units. The existing stock is generally lower quality when compared to Victoria Business Park West, and is more dated with some vacancy noted to the south and northwest of the site. There remains one large developable plot situated to the northwest of the site. The site benefits from a good strategic location and nearby access to local labour and services. There is some scope for further new employment development on the vacant plot, but generally opportunities for upgrade / refurbishment of stock should be sought to increase market attractiveness. Overall, in tandem with the western employment area, this is one of the stronger employment sites in the District.

Potential new employment sites

- 6.105 Although not specifically assessed as part of this study, future new employment land supply in Mid Sussex is proposed through a new strategic employment site to the north west of Burgess Hill, which is identified as a new allocation in the draft District Plan. Related to this, an application for a 15ha, 50,000m² business park to the south of the A2300 at Burgess Hill known as 'The Hub' is currently pending. This comprises predominately B2 manufacturing and B8 warehousing development, supported by B1b and B1c light industrial activity.

Conclusions

- 6.106 Overall, the assessments of existing sites indicate that the District contains a good range of employment sites of differing quality, size and type, totalling about 191 ha. The sites assessed were fairly mixed in terms of existing use class, predominantly within B1a in the three main urban areas, B2 and B8 uses in more strategic locations such as northwest of East Grinstead and Victoria Business Park, Burgess Hill, with some smaller mixed uses also evident on isolated rural sites.
- 6.107 The assessment process has identified four high scoring good quality sites accounting for 37% of total existing supply, 20 (50.8% of supply) average quality sites and six sites of poorer quality (12.4% of supply). A summary of site scorings is provided in Table 6.6. It should be noted that the broad 'good', 'average' and 'poor' groupings are purely indicative to provide an estimation of the quality of supply of sites.

Table 6.6 Summary of Site Assessments (Existing, Mid Sussex)

Site Name	Status	Size (ha)	Potential Uses	Score (/ 30)	Rank
Victoria Business Park West	Built Up Area	21.3	B1a, B1b, B1c, B2, B8	26	Good
Victoria Business Park East	Built Up Area	32.8	B1a, B1b, B1c, B2, B8	25	
Birches Industrial Estate	Business Development (part), Built Up Area	13.2	B1a, B1b, B8	24	
Sheddington	Built Up Area	3.2	B1c, B2, B8	24	
Railway Approach, East Grinstead	Town Centre Shopping Boundary (part), Built Up Area	1.1	B1a, B1c, B8	23	Average
Felbridge Centre,	Built Up Area	2.0	B1a, B1b, B8	22	
Independent Business Park,	Built Up Area	1.7	B1a, B1b, B1c, B8	22	
Perrymount Road, Haywards Heath	Built Up Area; Specific Policy Area	12.5	B1a	22	
Former Sewage	Business	1.9	B1a, B1c, B8	21	
Bridge Road	Built Up Area	6.4	B1a, B1c, B2	21	
Burrell Road	Built Up Area	3.4	B1a, B1c, B2	21	
Church Road Walk	Town Centre Shopping Boundary, Built Up Area	8.0	B1a, B8	21	
Imberhorne Way,	Built Up Area	1.9	B1a, B1c, B8	21	
Brighton Road, Pease Pottage	Specific Policy Area; AONB; Countryside Area of Development Restraint	5.7	B1b, B1c, B2, B8	21	
London Road Office Corridor /	Built Up Area	4.1	B1a	21	
Bolney Grange Business Park	Business Development (part); Countryside Area of Development Restraint (part)	9.6	B1b, B1c, B2, B8	20	
The Brow	Built Up Area	1.6	B1a	20	
Park Road/Maypole	Built Up Area	1.0	B1a, B1c	20	
Borers Yard	Business Development	0.9	B1a, B1b, B1c	19	
Charlwoods	Built Up Area	5.8	B1a, B1b, B1c,	19	

Site Name	Status	Size (ha)	Potential Uses	Score (/ 30)	Rank
East Grinstead Town Centre / Cantelupe Road	Primary Shopping Area; Built Up Area	13.8	B1a	19	Good
High Grove, Imberhorne Lane	Business Development	2.3	B1c, B2, B8	18	
Backlands Farm, Hickstead	Countryside Area of Development Restraint	0.9	B1c, B2, B8	18	
Kings Business Centre, Sawyers Common	Countryside Area of Development Restraint	0.8	B1a, B1b, B1c, B8	18	
Ricebridge Works, Hickstead	Countryside Area of Development Restraint	1.9	B1b, B1c, B2, B8	18	
Lindfield	Built Up Area	0.4	B1a, B1c, B8	17	Poor
Western Road Industrial Estate,	Built Up Area	0.8	B1a, B1c	17	
Rowfant Business Centre	Countryside Area of Development Restraint; Strategic Gap; Specific Policy Area	15.8	B1a, B1b, B1c, B2	15	
Winterpick Business Park, Sawyers Common	Countryside Area of Development Restraint	2.5	B1c, B2, B8	15	
Land North of Ivy Dene Lane,	Business Development	1.1	B1c, B2	14	
Horsted Keynes Industrial Park	Specific Policy Area; AONB	3.2	B1c, B2	12	
Total		191.4			

Source: NLP analysis

Overall Conclusions

- 6.108 Overall, the assessments of existing sites across the three authority areas indicate that there is a wide variety of employment sites of differing quality, size and type, totalling approximately 1,058 ha. As noted above, the broad 'good', 'average' and 'poor' groupings are purely indicative to provide an estimation of the quality of supply of sites across the sub-region.
- 6.109 Given the diverse nature of the authorities, the sites assessed were mixed in terms of existing uses, predominantly offices (B1a) in the main town centre areas of Crawley, Horsham, East Grinstead, Haywards Heath and less so Burgess Hill, whilst larger format B2/B8 uses are evident across the Manor

Royal employment area in Crawley, overarching Victoria Business Park in Burgess Hill and a large number of established business parks and estates throughout the sub-region. As a generality, the rural locations within Horsham and Mid Sussex in particular comprise smaller mixed use employment sites, a large proportion of which are focused on local needs.

6.110

In addition, 10 potential development sites have also been assessed based on locations identified by each local authority and indicative site areas. In total, these sites amount to about 215 ha, although in reality the potential land area may be substantially lower, particularly given that the three Crawley sites are impacted by current safeguarding restrictions associated with potential future expansion of Gatwick Airport, and the seven Horsham sites are predominately in countryside locations. No potential new sites were specifically identified for assessment in Mid Sussex, although the draft District Plan does propose new employment land allocations which are considered later in the report.

7.0 Future Economic Growth Needs

7.1 This section considers future economic growth needs in Northern West Sussex drawing on a number of scenarios for each individual local authority. These scenarios are used to inform the analysis of the potential economic growth drivers within each authority and the employment land and planning policy implications that flow from these.

Approach

7.2 The NPPF requires local authorities to, “*set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth*” (para 21). In evidence base terms, this should be underpinned by, “*a clear understanding of business needs within the economic markets operating in and across their area*” (para 160).

7.3 In this context, a number of potential future economic scenarios have been developed through this study to provide a framework for considering future economic growth needs in Northern West Sussex. These scenarios draw on May 2013 Experian quarterly economic modelling based on national and regional projections profiled to take account of past trend growth and representation of economic sectors at a local level. The scenarios are as follows:

- 1 **Baseline scenario:** based on the May 2013 model run of the Experian UK Regional Planning Service (RPS) which provides local area forecasts covering 38 industrial sectors and providing detailed employment and GVA estimates to 2031. This reflects a range of standard assumptions about the way in which the national and regional economy is expected to perform, incorporating short and long term drivers.
- 2 **Alternative scenarios:** A number of alternative scenarios have been considered which take account of planned investment or intelligence about future sector/site potential as the basis for modelling an uplift factor applied to the growth rates for individual sectors by 2031. These factors have been identified by each local authority and provide an indication of additional growth potential over and above the baseline scenario. The assumptions adopted vary for each authority and are set out in more detail later in this section. The resulting employment and spatial requirements associated with alternative scenarios are presented in cumulative terms alongside the baseline.

7.4 The outputs of each scenario are expressed in terms of total employment (including self-employment). Detailed results for each local authority are presented at Appendix 6 and 7, with a supporting technical note on assumptions included at Appendix 8.

7.5 Each alternative scenario is considered separately in terms of presenting a level of growth that could be generated over and above the baseline. Where

two alternative scenarios have been developed, the associated employment growth effects are presented as mutually exclusive.

- 7.6 It should be emphasised that such forecasts tend to be most reliable at national and regional scales and consequently less so at the local economy level, but they are widely recognised as a valuable input and can indicate the broad scale and direction of economic growth in different sectors to help assess future employment space requirements.
- 7.7 The forecasts of job growth by sector used here reflect recent trends and are based on projections at regional level, and how economic sectors in each local economy have fared relative to the region's growth in the past. These forecasts also reflect the current post-recession economic climate, and the significant uncertainty surrounding future economic prospects.
- 7.8 Population projections form one of a number of inputs to the production of economic forecasts, both in terms of future changes in working-age population (which directly impacts on demand for jobs) and total population (which generates demand for consumption activities e.g. local goods and services). Experian have made use of the 2010-based Sub National Population Projections (which provide projections to 2035) as an input to the May 2013 release. It is important to note that population projections are frequently revised, as are assumptions around future working age population, economic activity rates and national changes to the pension age. In addition the forecasts take no account of future planned housing growth in any particular location. The forecasts also assume that existing patterns of commuting remain unchanged. These factors mean that future updates to this study will need to take account of latest Sub National Population Projections and the 2011 Census origin-destination commuting data when released.
- 7.9 More broadly, it is important to emphasise that forecasting approaches of this type have some limitations, particularly at a time of uncertainty in the wider economy. However, to be robust, the economic growth potential and likely demand for employment space in the sub-region needs to be tested under different scenarios to reflect a range of potential economic conditions that could arise in the future. Thus while the baseline scenario effectively provides an indication of the 'base case' position drawing on macro-economic forecasts, the alternative scenarios provide an illustration of the growth potential of the economy under different circumstances rather than a prescriptive requirement.
- 7.10 The alternative scenarios (i.e. numbers two and three) to varying degrees incorporate a supply based approach that assesses the potential uplift to economic growth that could be achieved if a certain number and type of sites were brought forward over the respective local authority plan periods. This approach differs from the baseline scenario (number one) which is purely driven by employment demand.
- 7.11 It should also be noted that the assessment is not purely quantitative, and that there may also be qualitative factors that influence the future scale of economic

growth and/or the future employment space requirements that need to be planned for.

Crawley

1. Baseline scenario

7.12 Forecasts of job growth for Crawley for the period up to 2031 were obtained from Experian. The May 2013 quarterly release has been used for all three authorities across the study area. Table 7.1 presents the fastest growing sectors alongside those sectors expected to see a decline in employment.

Table 7.1 Fastest growing and declining sectors in Crawley 2011-2031

Sector	% Change 2011-2031	Additional Jobs 2011-2031
Admin and support services	37	5,270
Transport	20	4,460
Professional services	49	2,740
Hotels and catering	18	1,090
Finance and insurance	27	1,020
Education	26	980
Wholesale	14	650
Recreation	-23	-330
Public admin and defence	-23	-480
Manufacturing	-21	-1,180

Source: Experian / NLP analysis, 2013 - total jobs including self-employed

B Class; Part B Class; Non B Class

7.13 The overall employment change in Crawley resulting from these forecasts is shown in Table 7.2 along with expected job growth in the main B class sectors. This includes an allowance for jobs in other non B class sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities (see Appendix 7). For Crawley, this allowance has been specifically adjusted to reflect how some airport-related activities make use of B class space.

Table 7.2 Forecast Employment Change in Crawley 2011-2031

	No. of Jobs		Change
	2011	2031	2011-2031
Manufacturing (B1c/B2)*	7,620	6,650	-970
Distribution (B8)**	7,610	9,085	1,475
Offices (B1a/b)***	15,830	21,200	5,370
Total B-class Jobs	31,060	36,940	5,880
Jobs in All Sectors	89,490	105,930	16,440

Source: Experian / NLP analysis, 2013 - total jobs including self-employed

Totals rounded

* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes publishing and a proportion of government offices

- 7.14 These figures indicate significant overall net job gains (5,880 jobs) in the B-use classes in Crawley over the period to 2031, with strong growth in office-based activities and moderate gains in distribution jobs offset by a moderate decline in manufacturing employment. This is within the context of overall job growth of just over 16,400 jobs forecast for the Borough over the period (820 jobs per year), which outside the B Class sectors will mainly be in the transport, hospitality and support services sectors (Table 7.1). Total GVA growth associated with the Experian baseline employment forecast is equivalent to approximately 3.1% per year (between 2011 and 2031).
- 7.15 This forecast net increase of 5,880 B Class jobs over a 20-year period (to 2031) which underpins this estimate of future employment space needs, is equivalent to an average of 294 additional jobs each year. This is slightly higher than the job growth achieved in Crawley over the period 1997-2013 when Experian data indicates that B class jobs in the Borough increased by approximately 264 jobs per annum. In B class terms, the above employment space forecasts are not inconsistent with past trends of B class job growth within Crawley, but imply greater levels of growth within non B class sectors of the Borough's economy.

2. Alternative higher growth scenario

- 7.16 An alternative higher growth scenario has been developed which specifically factors in key policy priorities and regeneration opportunities for the Borough. Discussions were held with Council officers to identify a number of sectors (outlined in Table 7.3) which are considered to have the potential to outperform the level of employment growth implied by the baseline scenario. This higher growth scenario also explores the potential for enhanced higher-value economic growth within a number of key growth sectors identified by the Gatwick Diamond⁵⁴ and Coast to Capital LEP⁵⁵.

⁵⁴ Gatwick Diamond Local Strategic Statement, July 2011

⁵⁵ Coast to Capital Local Enterprise Partnership, Our Strategy for Growth, July 2012

Table 7.3 Identified Sectors

Sector	Rationale for change
Retail	<ul style="list-style-type: none"> • Currently fourth largest sector in employment terms (2011) • Opportunities for further employment growth through proposals for retail-led regeneration of Crawley Town Centre • Higher growth scenario assumes employment growth within the retail sector will be 10% higher than the baseline scenario – this comprises c.500 jobs estimated to be created by Town Centre North proposals, as well as indirect/related jobs
Recreation & Leisure	<ul style="list-style-type: none"> • Crawley has an established role as a sub-regional leisure destination • Recreation sector has experienced strong job growth in recent years (90% between 1997 -2011) • The baseline scenario identifies job losses of 23% between 2011-31; the higher growth scenario reverses this decline and assumes growth will match South East average of 12.7%
Gatwick Diamond/LEP Growth Sectors	<ul style="list-style-type: none"> • The level of employment growth identified in the baseline scenario has been enhanced in the following Gatwick Diamond and LEP high value sectors: chemicals, machinery and equipment, computer and electronic products, transport equipment, telecoms, finance, insurance and pensions and business services • Where baseline growth implied by the baseline is negative, these job losses have been cancelled out to equal zero growth • Where baseline employment growth is positive, the growth rate has been increased by 10%

7.17

As shown in Table 7.4, these sector specific adjustments equate to an additional 3,690 jobs (185 jobs per year) above the baseline scenario by 2031 (total of 109,620 by 2031), representing an increase of 22% over and above the level of employment growth implied by the baseline scenario. 2,430 (66%) of these additional jobs relate to B class sectors.

Table 7.4 Forecast Employment Change in Crawley 2011-2031 (Higher Growth Alternative Scenario)

	No. of Jobs		Change
	2011	2031	2011-2031
Manufacturing (B1c/B2)*	7,620	7,750	130
Distribution (B8)**	7,610	9,085	1,475
Offices (B1a/b)***	15,830	22,540	6,710
Total B-class Jobs	31,060	39,370	8,310
Jobs in All Sectors	89,490	109,620	20,130

Source: Experian / NLP analysis, 2013 - total jobs including self-employed

Totals rounded

* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes publishing and a proportion of government offices

7.18

It is worth noting that under this alternative higher growth scenario, the manufacturing sector in Crawley is forecast to record positive levels of job growth (130 jobs over the 20 year period 2011 to 2031), compared with job losses of 970 under the baseline scenario. This reflects that a number of the Gatwick Diamond and LEP growth sectors (which are subject to enhanced

levels of job growth under this scenario) are higher value manufacturing sectors (chemicals, machinery, electronic and transport equipment manufacturing).

3. Alternative potential site capacity scenario

- 7.19 A second alternative scenario has also been considered which explores the employment and spatial implications associated with a number of potential employment sites coming forward for development over the plan period. This scenario provides a purely theoretical assessment of the economic implications that could arise if two strategic employment sites (location not defined) were to be brought forward in Crawley. This does not take account of potential market demand, delivery or planning policy factors.
- 7.20 For modelling purposes, it has assumed that each strategic employment site is of a significant scale (circa 30-40 hectares) and accommodates up to 3,000 jobs across over broadly 100,000m² of commercial floorspace. In light of Crawley's existing business base and patterns of market demand, it has been assumed that the focus of any such development would be high quality business park premises, alongside some ancillary hospitality, recreational and educational activities.
- 7.21 In employment terms, this potential site capacity scenario would provide the basis for an additional 6,000 jobs over and above the baseline position by 2031 (Table 7.5), accelerating the level of job growth implied by the baseline scenario by a further 36% or 300 jobs per year. The majority (4,570 or 76%) of these additional jobs fall within B class sectors, specifically those occupying office (B1a/b) space, whilst no change is assumed to the levels of manufacturing and distribution employment growth indicated by the baseline scenario.

Table 7.5 Forecast Employment Change in Crawley 2011-2031 (Potential Site Capacity Alternative Scenario)

	No. of Jobs		Change
	2011	2031	2011-2031
Manufacturing (B1c/B2)*	7,620	6,650	-970
Distribution (B8)**	7,610	9,085	1,475
Offices (B1a/b)***	15,830	25,775	9,945
Total B-class Jobs	31,060	41,510	10,450
Jobs in All Sectors	89,490	111,930	22,440

Source: Experian / NLP analysis, 2013 - total jobs including self-employed

Totals rounded

* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes publishing and a proportion of government offices

Future employment space requirements

- 7.22 The B-class element of these job forecasts have been converted to future employment space requirements by applying the latest published density figures for employment space which take account of recent trends in occupancy for the different B class uses. An allowance of 10% is added to all floorspace requirements to reflect a normal level of market vacancy in employment space.
- 7.23 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to give some flexibility of provision, a safety margin allowance has also been added to take account of factors such as delays in some sites coming forward for development. Finally, an allowance is also made for some replacement of losses of existing employment space that may be developed for other, non B Class uses, whereby converting the net requirement for employment space into a gross requirement (the amount of employment space or land to be allocated). A full description of the methodology and assumptions used to estimate future employment space requirements in Crawley is contained within Appendix 8.
- 7.24 Under the baseline scenario, this results in a significant net B-class requirement of 387,540 m² or 77.2ha by 2031, split relatively evenly between office (B1a/b) and industrial (B1c/B2/B8) space in terms of floorspace.
- 7.25 This requirement increases to 435,300 m² or 87.6ha under the alternative higher growth scenario, with industrial uses accounting for just over half of this floorspace. In floorspace terms, the alternative potential site capacity scenario results in a similar requirement for B class space to 2031 (440,330m²) but a higher requirement in land take terms (110.1ha), reflecting the lower density nature of business park sites that have been modelled into this scenario.

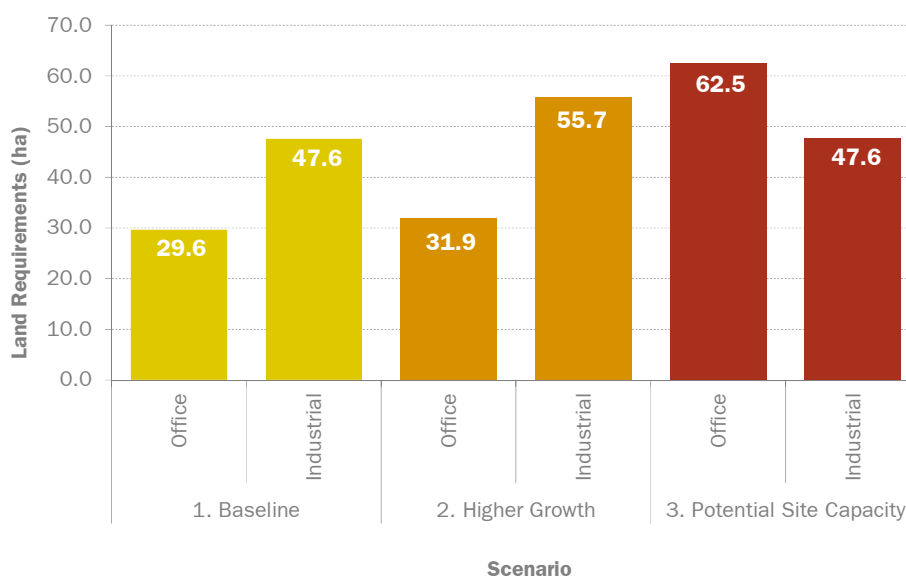
Table 7.6 Gross Floorspace Requirement by Scenario to 2031 (m²)

Use	1. Baseline		2. Higher Growth		3. Potential Site Capacity	
	Floorspace (m ²)	Land (ha)	Floorspace (m ²)	Land (ha)	Floorspace (m ²)	Land (ha)
Offices (B1a/b)	197,200	29.6	212,620	31.9	250,000	62.5
Industrial (B1c/B2/B8)	190,330	47.6	222,680	55.7	190,330	47.6
All B uses	387,540	77.2	435,300	87.6	440,330	110.1

Source: NLP analysis * totals rounded

Note: The requirement for 110.1ha under the potential site capacity alternative scenario has been modelled based on the estimated net deliverable area of the potential strategic sites rather than the full or gross site area (assumed to be up to 40ha per site). It does not take account of other non-B commercial uses on site (such as hospitality and recreational activities)

Figure 7.1 Gross Land Requirement by Scenario (ha)



Source: NLP analysis

Horsham

1. Baseline scenario

7.26

Employment forecasts for Horsham District were obtained from Experian for the period up to 2031, based on the May 2013 quarterly release to ensure consistency across all three authorities in the study area. The fastest growing and declining sectors are presented in Table 7.7.

Table 7.7 Fastest growing and declining sectors in Horsham 2011-2031

Sector	% Change 2011-2031	Additional Jobs 2011-2031
Professional services	47	2,650
Education	24	1,240
Admin and support services	27	1,190
Residential care and social work	21	670
Other private services	29	670
Hotels and catering	19	640
Construction	10	490
Real estate	39	470
Public admin and defence	-22	-200
Manufacturing	-22	-1,220

Source: Experian / NLP analysis, 2013 - total jobs including self-employed

B Class; Part B Class; Non B Class

7.27

The overall employment change in Horsham resulting from these forecasts is presented in Table 7.8 along with expected job growth in the main B class sectors. This includes an allowance for jobs in other non B class sectors that typically utilise industrial or office space, such as some construction uses,

vehicle repair, courier services, road transport and cargo handling and some public administration activities (see Appendix 7).

Table 7.8 Forecast Employment Change in Horsham 2011-2031

	No. of Jobs		Change
	2011	2031	2011-2031
Manufacturing (B1c/B2)*	7,640	6,680	-960
Distribution (B8)**	4,330	4,740	410
Offices (B1a/b)***	13,180	17,350	4,170
Total B-class Jobs	25,150	28,770	3,620
Jobs in All Sectors	57,800	66,690	8,890

Source: Experian / NLP analysis, 2013 - total jobs including self-employed

Totals rounded

* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes publishing and a proportion of government offices

7.28 These figures indicate significant overall net job gains (3,620 jobs) in the B-use classes in Horsham over the period to 2031, with strong growth in office-based activities and minor gains in distribution jobs offset by a moderate decline in manufacturing employment. This is within the context of overall job growth of just under 8,900 jobs predicted for the District over the period (equivalent to 445 jobs per year), which outside the B Class sectors will mainly be in the education, hospitality and social care sectors (Table 7.7). Total GVA growth associated with the Experian baseline employment forecast is equivalent to approximately 2.5% per year (between 2011 and 2031).

7.29 This forecast net increase of 3,620 B class jobs over a 20-year period (to 2031) which underpins this estimate of future employment space needs, is equivalent to an average of 181 additional jobs respectively each year. This is slightly higher than the job growth achieved in Horsham over the period 1997-2013 when Experian data indicates that B class jobs in the District increased by approximately 157 jobs per annum. On the basis of past performance, the above employment space forecasts could be regarded as a more optimistic estimate.

2. Alternative higher growth scenario

7.30 Using a similar approach to that adopted in Crawley, an alternative higher growth scenario has been developed for Horsham which models the employment implications associated with:

- 1 Supporting the expansion of the visitor and business tourism economy (as identified by the District's Economic Strategy⁵⁶);
- 2 Additional housing development (based on a housing target which implies an annual level of new housing development that is 50% higher than the District has achieved in recent years); and

⁵⁶ Horsham District Council, Economic Development Strategy, November 2013

3 The development of a number of employment sites that the Council is currently exploring through consultation on the emerging Horsham District Planning Framework, significantly advanced through the planning system.

7.31 Discussions were held with Council officers to identify a series of sectors (outlined in Table 7.9) considered to have the potential to outperform the level of employment growth implied by the baseline scenario in achieving the above. This higher growth scenario also explores the potential for enhanced higher-value economic growth within a number of key growth sectors identified by the Gatwick Diamond and Coast to Capital LEP (as per the approach adopted for both Crawley and Mid Sussex).

Table 7.9 Identified Sectors

Sector	Rationale for change
Accommodation & Food Services	<ul style="list-style-type: none"> Sixth largest sector in employment terms (2011) The visitor economy is identified as a key economic driver for the District by Horsham's Economic Development Strategy Higher growth scenario assumes employment growth within the accommodation & food services sector will be 10% higher than the baseline scenario
Recreation	<ul style="list-style-type: none"> The visitor economy is identified as a key economic driver for the District by Horsham's Economic Development Strategy Recreation sector has experienced strong job growth in recent years (79% between 1997 -2011), although the baseline forecasts significantly lower levels of growth over the next 20 years (15.7%) Higher growth scenario assumes a higher rate of job growth than that implied by the baseline scenario, equivalent to half the rate achieved over last 14 years (i.e. 39.7%)
Construction	<ul style="list-style-type: none"> The District's emerging housing target (11,500 new homes to 2031) implies a level of new housing delivery approximately 50% higher than Horsham has achieved over the last 11 years; the higher growth scenario assumes that employment growth within the construction, retail and real estate sectors is 10% higher than the baseline as demand is generated from this additional housing growth
Retail	
Real Estate	
Business Services & High Value Manufacturing	<ul style="list-style-type: none"> The higher growth scenario models the employment and spatial implications associated with a number of strategic sites identified through the forthcoming Local Plan coming forward over the plan period. In total this could amount to circa 30 acres/12.5ha of land and 28,000sqm of employment space, with a focus on high quality business (B1a/b) and manufacturing (B2) employment
Gatwick Diamond/LEP Growth Sectors	<ul style="list-style-type: none"> The level of employment growth identified in the baseline scenario has been enhanced in the following Gatwick Diamond and LEP high value sectors: chemicals, machinery and equipment, computer and electronic products, transport equipment, telecoms, finance, insurance and pensions and business services Where baseline growth implied by the baseline is negative, these job losses have been cancelled out to equal zero growth Where baseline employment growth is positive, the growth rate has been increased by 10%

7.32 As shown in Table 7.10, these sector specific adjustments equate to an additional 3,830 jobs above the baseline scenario by 2031 (total of 70,520 by 2031), representing an increase of 43% or 192 jobs per year over and above

the level of employment growth implied by the baseline scenario. 2,820 (74%) of these additional jobs relate to B class sectors; mainly office (B1a/b) based sectors and to a lesser extent manufacturing.

Table 7.10 Forecast Employment Change in Horsham 2011-2031 (Higher Growth Alternative Scenario)

	No. of Jobs		Change
	2011	2031	2011-2031
Manufacturing (B1c/B2)*	7,640	7,410	-230
Distribution (B8)**	4,330	4,740	410
Offices (B1a/b)***	13,180	19,440	6,260
Total B-class Jobs	25,150	31,590	6,440
Jobs in All Sectors	57,800	70,520	12,720

Source: Experian / NLP analysis, 2013 - total jobs including self-employed

Totals rounded

* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes publishing and a proportion of government offices

3. Alternative potential site capacity scenario

- 7.33 A second alternative scenario has also been considered which explores the employment and spatial implications associated with a number of potential employment sites coming forward for development over the plan period. As per the approach taken for Crawley, this scenario provides a purely theoretical assessment of potential future economic capacity within the District, and tests the economic implications that could arise from the development of up to three employment sites not currently allocated or identified in the Council's preferred strategy, but that are being considered for promotion by developers. This does not take account of potential market demand, delivery or planning policy factors.
- 7.34 Together, it has been assumed that these potential employment sites comprise an area of circa 50 acres/18ha and could accommodate nearly 84,000m² of employment space. Whilst the precise nature and use of these sites remains undefined at this stage, it has been assumed that they will accommodate a mix of B1a/b office and B1c light industrial activity, as well as ancillary retail and leisure provision.
- 7.35 Table 7.11 presents the employment implications associated with the alternative potential site capacity scenario, indicating an additional 6,245 jobs over and above the baseline position by 2031, accelerating the level of job growth implied by the baseline scenario by a further 70% or 312 jobs per year. The majority (4,980 or 80%) of these additional jobs fall within B class sectors, particularly office (B1a/b) based sectors which, under the potential site capacity scenario, would see employment growth more than double the level of growth implied by the baseline scenario.

Table 7.11 Forecast Employment Change in Horsham 2011-2031 (Potential Site Capacity Alternative Scenario)

	No. of Jobs		Change
	2011	2031	2011-2031
Manufacturing (B1c/B2)*	7,640	7,020	-620
Distribution (B8)**	4,330	4,740	410
Offices (B1a/b)***	13,180	21,990	8,810
Total B-class Jobs	25,150	33,750	8,600
Jobs in All Sectors	57,800	72,935	15,135

Source: Experian / NLP analysis, 2013 - total jobs including self-employed

Totals rounded

* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes publishing and a proportion of government offices

Future employment space requirements

- 7.36 B-class job forecasts have been converted to future employment space requirements by applying the latest published density figures for employment space which take account of recent trends in occupancy for the different B class uses. An allowance of 10% is added to all floorspace requirements to reflect a normal level of market vacancy in employment space.
- 7.37 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to give some flexibility of provision, a safety margin allowance has also been added to take account of factors such as delays in some sites coming forward for development. Finally, an allowance is also made for some replacement of losses of existing employment space that may be developed for other, non B Class uses, whereby converting the net requirement for employment space into a gross requirement (the amount of employment space or land to be allocated). A full description of the methodology and assumptions used to estimate future employment space requirements in Horsham is contained within Appendix 8.
- 7.38 The resulting net B-class requirement totals 178,770 m² or 36.3ha by 2031 under the baseline scenario, the majority of which relates to industrial (B1c/B2/B8) uses (Table 7.12). This requirement increases to 218,630m² or 43.4ha under the higher growth alternative scenario, with a similar split between industrial and office uses. Additional employment growth implied by the potential site capacity alternative scenario results in a requirement for 239,740m² or 52.6ha, with a more even split between industrial and office uses.

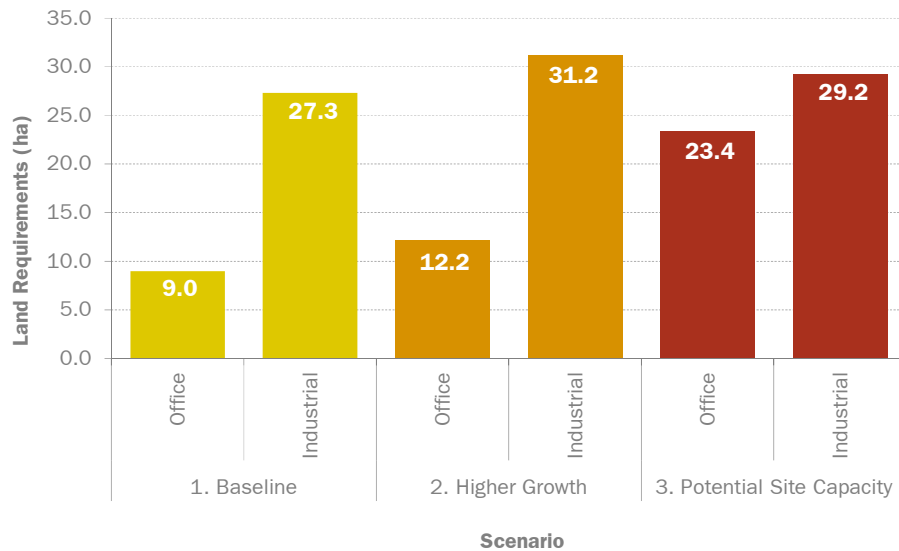
Table 7.12 Gross Floorspace Requirement by Scenario to 2031 (m²)

Use	1. Baseline		2. Higher Growth		3. Potential Site Capacity	
	Floorspace (m ²)	Land (ha)	Floorspace (m ²)	Land (ha)	Floorspace (m ²)	Land (ha)
Offices (B1a/b)	69,420	9.0	93,630	12.2	123,080	23.4
Industrial (B1c/B2/B8)	109,350	27.3	125,000	31.2	116,660	29.2
All B uses	178,770	36.3	218,630	43.4	239,740	52.6

Source: NLP analysis * totals rounded

Note: Under the potential site capacity alternative scenario, assumptions regarding development plot ratios have been profiled to reflect the nature of those sites that have been modelled

Figure 7.2 Gross Land Requirement by Scenario (ha)



Source: NLP analysis

Mid Sussex

1. Baseline scenario

7.39

Experian forecasts of job growth for the period up to 2031 were obtained for Mid Sussex from the May 2013 quarterly release. Table 7.13 below presents the fastest growing sectors in employment terms over the study period 2011 to 2031, alongside those sectors anticipated to record the most significant decline in employment.

Table 7.13 Fastest growing and declining sectors in Mid Sussex 2011-2031

Sector	% Change 2011-2031	Additional Jobs 2011-2031
Professional services	39	1,870
Education	26	1,570
Health	19	1,110
Finance and insurance	28	950
Residential care and social work	22	750
Other private services	28	690
Hotels and catering	15	640
Admin and support services	20	610
Public admin and defence	-22	-320
Manufacturing	-30	-1,050

Source: Source: Experian / NLP analysis, 2013 - total jobs including self-employed

B Class; Part B Class; Non B Class

7.40

The overall employment change in the District resulting from these forecasts is presented in Table 7.14, along with expected job growth in the main B class sectors. This includes an allowance for jobs in other non B class sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities (see Appendix 7).

Table 7.14 Forecast Employment Change in Mid Sussex 2011-2031

	No. of Jobs		Change
	2011	2031	2011-2031
Manufacturing (B1c/B2)*	6,130	5,440	-690
Distribution (B8)**	4,300	4,950	650
Offices (B1a/b)***	13,370	17,390	4,020
Total B-class Jobs	23,800	27,780	3,980
Jobs in All Sectors	62,155	72,580	10,425

Source: Experian / NLP analysis, 2013 - total jobs including self-employed

Totals rounded

* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes publishing and a proportion of government offices

7.41

These figures indicate significant overall net job gains (3,980 jobs) in the B-use classes in Mid Sussex over the period to 2031, with strong growth in office-based activities and minor gains in distribution jobs offset by a moderate decline in manufacturing employment. This is within the context of overall job growth of just over 10,420 jobs predicted for the District over the period (equivalent to 521 jobs per year), which will mainly be in the education, healthcare and social work sectors that are classified as non B class sectors (Table 7.13). This may, in part, be explained by the fact that a significant proportion of future population growth in Mid Sussex is projected to be in non working-age groups who will generate demand for local goods and services.

Total GVA growth associated with the Experian baseline employment forecast is equivalent to approximately 2.7% per year (between 2011 and 2031).

- 7.42 This forecast net increase of 3,980 B Class jobs over a 20-year period (to 2031) which underpins this estimate of future employment space needs, is equivalent to an average of 199 additional jobs respectively each year. This is significantly higher than the job growth achieved in Mid Sussex over the period 1997-2013 when Experian data indicates that B class jobs in the District decreased by approximately 287 jobs per annum. On the basis of past performance, the above job and employment space forecasts could be regarded as a significantly more optimistic estimate.

2. Alternative higher growth scenario

- 7.43 An alternative higher growth scenario has been modelled for Mid Sussex which explores the potential for enhanced higher-value economic growth within a number of key growth sectors identified by the Gatwick Diamond and Coast to Capital LEP, in a consistent approach to that used for Crawley and Horsham.
- 7.44 In addition, this alternative scenario also factors in the economic implications associated with the development of a new strategic employment site to the north west of Burgess Hill, which is identified as a new allocation in the draft District Plan, assumed to come forward over the plan period. An application for a 15ha, 50,000m² business park to the south of the A2300 at Burgess Hill known as 'The Hub' is currently pending and has been adopted as an illustrative scheme for modelling purposes. This example comprises predominately B2 manufacturing and B8 warehousing development, supported by B1b and B1c light industrial activity. The site forms part of Policy DP8 strategic allocation for a high quality business park to the north west of Burgess Hill in the draft District Plan.
- 7.45 In employment terms, this higher growth scenario would provide the basis for an additional 3,000 jobs⁵⁷ over and above the baseline position by 2031 (Table 7.15), accelerating the level of job growth implied by the baseline scenario by a further 29% or 150 jobs per year. Almost all (2,980 or 99%) of these additional jobs fall within B class sectors. The key deviation from the baseline scenario is an increase in manufacturing employment implied by the alternative higher growth scenario (compared with employment decline under the baseline), alongside moderate increases in distribution and office based employment to 2031.

⁵⁷ Employment estimated by applying standard job density ratios to proposed floorspace set out in the 'Hub' planning application, alongside additional employment growth associated with LEP growth sectors

Table 7.15 Forecast Employment Change in Mid Sussex 2011-2031 (Higher Growth Alternative Scenario)

	No. of Jobs		Change
	2011	2031	2011-2031
Manufacturing (B1c/B2)*	6,130	6,980	850
Distribution (B8)**	4,300	5,180	880
Offices (B1a/b)***	13,370	18,600	5,230
Total B-class Jobs	23,800	30,760	6,960
Jobs in All Sectors	62,155	75,580	13,425

Source: Experian / NLP analysis, 2013 - total jobs including self-employed

Totals rounded

* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes publishing and a proportion of government offices

- 7.46 A third 'potential site capacity' scenario has not been developed for Mid Sussex at the request of the Council taking account of landscape and other constraints which limit potential areas of search for sites of a strategic nature.

Future employment space requirements

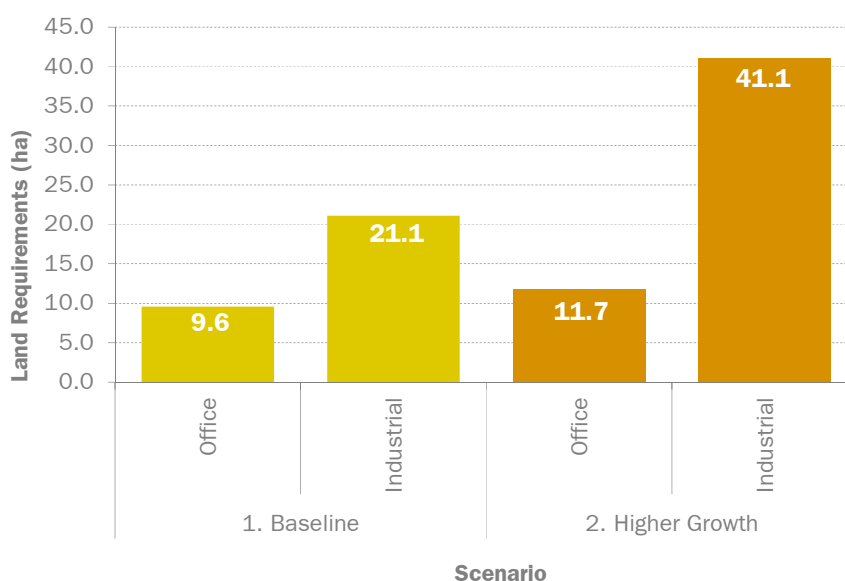
- 7.47 The resulting B-class job forecasts have been converted to future employment space requirements by applying the latest published density figures for employment space which take account of recent trends in occupancy for the different B class uses. An allowance of 10% is added to all floorspace requirements to reflect a normal level of market vacancy in employment space.
- 7.48 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to give some flexibility of provision, a safety margin allowance has also been added to take account of factors such as delays in some sites coming forward for development. Finally, an allowance is also made for some replacement of losses of existing employment space that may be developed for other, non B Class uses, whereby converting the net requirement for employment space into a gross requirement (the amount of employment space or land to be allocated). A full description of the methodology and assumptions used to estimate future employment space requirements in Mid Sussex is contained within Appendix 8.
- 7.49 This results in a net B-class requirement of 148,250m² equivalent to 30.7ha by 2031 under the baseline scenario, the majority of which relates to industrial (B1c/B2/B8) uses (Table 7.16). The requirement increases to 242,080m² or 52.8ha under the higher growth scenario, with the industrial component nearly doubling in scale compared with the baseline scenario.

Table 7.16 Gross Floorspace Requirement by Scenario to 2031 (m²)

Use	1. Baseline		2. Higher Growth	
	Floorspace (m ²)	Land (ha)	Floorspace (m ²)	Land (ha)
Offices (B1a/b)	63,780	9.6	77,755	11.7
Industrial (B1c/B2/B8)	84,470	21.1	164,320	41.1
All B uses	148,250	30.7	242,080	52.8

Source: NLP analysis * totals rounded

Figure 7.3 Gross Land Requirement by Scenario (ha)



Source: NLP analysis

Sensitivity Tests

- 7.50 Given the range of potential requirements implied by these different estimates of future requirements, it is important to test how reasonable each appears against other factors and how sensitive they are to different assumptions.

Comparison with Past Growth Trends

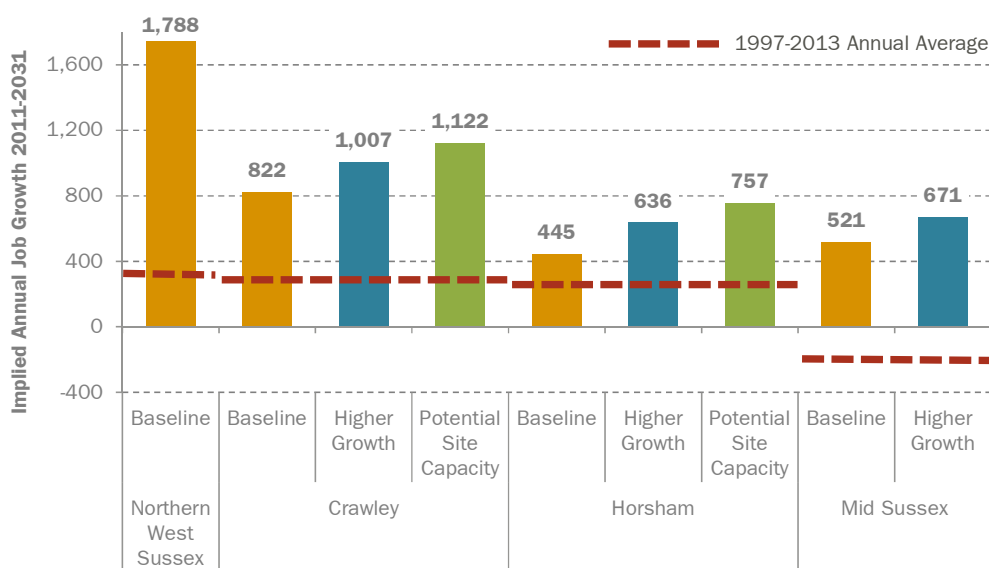
- 7.51 It is useful to compare the employment growth implied by these amounts of land with employment growth actually achieved in Northern West Sussex in recent years (Figure 7.4).
- 7.52 Across the sub region as a whole, 2013 Experian baseline forecasts indicate overall employment growth of just over 35,750 jobs between 2011 and 2031, or 1,788 jobs per annum. This figure is around five times higher than annual growth of 356 jobs recorded in Northern West Sussex over the last 16 years (1997-2013), and therefore implies a significantly higher level of future economic growth than the sub region has achieved in the recent past. As that

period was one of relatively strong economic growth (followed by a severe recession with an outlook of fragile recovery) these estimates would appear optimistic, but not inconsistent with local authority, Gatwick Diamond and wider LEP visions for a strong and prosperous sub region. Crawley is anticipated to account for the majority (46%) of this annual job growth, while Horsham and Mid Sussex are expected to accommodate around 25% and 29% of this annual growth respectively.

7.53

As shown in Figure 7.4, all future scenarios of employment growth (baseline, higher growth and potential site capacity) within Northern West Sussex exceed the levels of growth recorded within the sub region in recent years. The contrast is particularly stark with regards to Mid Sussex, with 2013 baseline forecasts implying a shift from moderate job losses over the last 16 years to relatively significant job gains over the next 20 years. Whilst the divergence between past trends and future projections is comparatively modest for the other two authorities, employment growth implied by the 2013 baseline forecasts for Crawley is still more than double the growth rate achieved in the recent past, and more than 60% higher than past growth rates in Horsham.

Figure 7.4 Annual Job Growth Implied by Scenarios



Source: Experian / NLP analysis

7.54

On this basis, compared with relatively recent economic performance, planning to meet the employment and spatial implications associated with the minimum baseline scenario would in itself constitute positive planning for growth. The alternative, higher growth scenarios generate an even higher level of job creation than has been achieved in the sub region and individual authorities in the recent past, although as previously noted these alternative scenarios should be regarded as an illustration of the growth potential of each local economy under different circumstances rather than a prescriptive forecast of future employment growth.

Comparison with 2009 ELR Forecasts

- 7.55 To varying degrees, the draft/emerging Local Plans for the three authorities of Crawley, Horsham and Mid Sussex incorporate the 2009 ELR as the key evidence base to inform the overall quantum of employment land that each authority should plan for over their respective plan periods. It is therefore useful to compare those requirements with the 2013 study to identify any deviation in overall employment space requirements.
- 7.56 Tables 7.15 to 7.17 below present a comparison of the baseline forecast of employment growth for each of the three authorities set out in the 2009 ELR and the new baseline scenario developed by NLP, alongside past employment trends recorded in each authority over the last 16 years (1997-2013). While the different forecasts relate to slightly different time periods, they each apply to 20-year periods. This indicates that overall job growth associated with the baseline scenario in this study significantly exceeds job growth identified within the 2009 study for all three authority areas. Furthermore, the job growth implied by the 2009 based forecasts for both Crawley and Horsham was lower than the two authorities had achieved in recent years, and effectively represented a slowing down in local economic growth and job creation.
- 7.57 Employment forecasts used in the 2009 study would have been based on Experian's macro-economic assumptions and indicators at the time. Following shortly after the onset of recession, these forecasts reflected a less than optimistic economic outlook. In contrast, the May 2013 forecasts indicate higher levels of growth and a more optimistic outlook as the economy is expected to catch up and maintain growth following recovery. It is important to note that economic forecasts build in a range of assumptions about the way in which the national and regional economy is likely to perform, and these are refreshed on a regular (quarterly) basis to reflect the changing economic climate.
- 7.58 For **Crawley**, the May 2013 Experian forecasts (used by this study) indicate growth of 16,440 jobs between 2011-2031, compared with a forecast of just 5,900 in the 2009 study (for the 20 year period 2006 to 2026).

Table 7.17 Employment Forecasts by Scenario (Crawley)

Time Period	Forecast Source	Employment Growth Implied			
		Total	B Class	Industrial	Offices
2006-2026	Experian (Feb 2009)	5,900 (295 p.a.)	n/a	n/a	n/a
2011-2031	Experian (May 2013)	16,440 (822 p.a.)	5,880 (294 p.a.)	505 (25 p.a.)	5,370 (269 p.a.)
1997-2013	Past Employment Trends	4,940 (309 p.a.)	4,223 (264 p.a.)	-3,641 (-228 p.a.)	7,864 (492 p.a.)

- 7.59 By way of comparison, total job growth achieved in Crawley between 1997 and 2013 averaged at just over 300 per year, a figure which is comparable to

growth implied by the 2009 Experian forecasts but less than half that implied by the latest (May 2013) forecasts. In this respect, job growth associated with the 2013 baseline scenario would be more than 160% higher than the Borough has achieved in the past.

- 7.60 The baseline scenario used within this study indicates a higher level of industrial job growth over the period 2011-2031 than seen in the Borough over the last 16 years (25 industrial jobs per annum compared with a decline of 228 jobs per annum between 1997 and 2013⁵⁸). This is driven by relatively strong growth anticipated in the distribution (B8) sector which is sufficient to outweigh the continued employment decline expected in the manufacturing (B2) sector. Lower levels of employment growth are anticipated within office based sectors, equivalent to 269 jobs per annum compared with nearly 500 jobs per year recorded between 1997 and 2013.
- 7.61 The 2013 Experian baseline forecasts for **Horsham** also imply a significantly higher level of employment growth over the 20 years to 2031 (445 jobs per annum) than both the equivalent forecasts from 2009 (125 jobs per annum) and compared with the actual level of job growth that the District has achieved over the last 16 years (273 jobs per annum). Annual growth implied by the 2013 baseline scenario is 63% higher than the District has achieved in the recent past.
- 7.62 As shown in Table 7.18, the employment forecasts used by this study indicate a decline of approximately 28 industrial jobs per annum to 2031 in Horsham, implying a slowdown in the rate of job losses recorded in recent years (63 jobs per annum). Whilst office based employment is forecast to grow by just under 210 jobs per annum, this rate of growth is slightly lower than the District has achieved in the last 16 years (220 jobs per annum).

Table 7.18 Employment Forecasts by Scenario (Horsham)

Time Period	Forecast Source	Employment Growth Implied			
		Total	B Class	Industrial	Offices
2006-2026	Experian (Feb 2009)	2,500 (125 p.a.)	n/a	n/a	n/a
2011-2031	Experian (May 2013)	8,890 (445 p.a.)	3,620 (181 p.a.)	-550 (-28 p.a.)	4,170 (209 p.a.)
1997-2013	Past Employment Trends	4,360 (273 p.a.)	2,518 (157 p.a.)	-1,006 (-63 p.a.)	3,524 (220 p.a.)

- 7.63 With regards to **Mid Sussex**, the May 2013 Experian forecasts indicate growth of 10,425 jobs between 2011-2031. This is equivalent to 521 jobs per annum, approximately 40% higher than the level of growth implied by the 2009 based

⁵⁸ The pattern of employment decline within the industrial sector over the last 16 years has been fairly even, with job losses slightly higher since 2007 compared with the pre-recession trend; manufacturing sectors have been the key driver (particularly manufacturing of pharmaceuticals, food and drink and machinery) with wholesaling employment remaining relatively constant over the period

forecasts (Table 7.19). Most notably however, these positive growth forecasts contrast with relatively significant levels of employment decline over the last 16 years, with the District recording job losses of 226 per annum between 1997 and 2013.

Table 7.19 Employment Forecasts by Scenario (Mid Sussex)

Time Period	Forecast Source	Employment Growth Implied			
		Total	B Class	Industrial	Offices
2006-2026	Experian (Feb 2009)	7,300 (365 p.a.)	n/a	n/a	n/a
2011-2031	Experian (May 2013)	10,425 (521 p.a.)	3,980 (199 p.a.)	-40 (-2 p.a.)	4,020 (201 p.a.)
1997-2013	Past Employment Trends	-3,610 (-226 p.a.)	-4,600 (-288 p.a.)	-2,840 (-178 p.a.)	-1,759 (-110 p.a.)

7.64 The historic trend of office job losses (with Mid Sussex losing approximately 110 office based jobs per year over the last 16 years) is reversed by the 2013 Experian forecasts, which imply job growth of just over 200 office jobs per annum to 2031, largely driven by professional and financial services. Although industrial jobs are forecast to decline over the 20 year period 2011-2031, the rate of decline implied by the 2013 forecasts is significantly lower than that experienced in the District over recent years, at approximately two jobs per annum. This is driven by relatively strong distribution based job growth expected for the District over the next 20 years.

7.65 It is worth noting that the lower 2009 ELR forecasts also pointed to positive job growth in the District and the 2013 forecasts effectively increase this by about 40%. The latest forecasts also reflect the changing underlying structure of the District's economy, away from larger corporate occupiers (which tend to be more footloose) and towards smaller firms/SMEs that are more likely to have stronger economic ties in the local area.

Benchmarking with Past Development Rates

7.66 In order to sensitivity test the spatial requirements emerging from the baseline and alternative (higher) employment growth scenarios, it is useful to estimate future employment land needs in the three authorities using past development trends as a proxy (because they reflect market demand and actual development patterns on the ground), whereby assuming that future B class development rates carry on at the long term average achieved in the past across the authority area.

7.67 Data on past completions by B class sector were provided by West Sussex County Council and analysed for the period 2002-2012, since this is a reasonably long period that reflects a full business cycle with periods of both

economic growth and recession. Table 7.20 summarises average annual net completions for B class uses over this period by authority.

Table 7.20 Annual Net Completion Rates, 2002-2012

	Net annual completion (sqm)		
	Crawley	Horsham	Mid Sussex
Offices (B1a/b)	18,235	3,250	3,340
Industrial (B1c/B2/B8)	7,145	11,220	6,210
All	25,380	14,470	9,550

Source: West Sussex County Council

- 7.68 One view of future growth in Northern West Sussex could simply assume that future development rates carry on at the long term average achieved in the past. If it were assumed that the past net completion rates noted above continued in the 20 years between 2011-2031, and after converting the net requirement for employment space into a gross requirement (i.e. the amount of employment space or land to be allocated), this would equate to a need for 749,500m²/137.4ha of employment space in Crawley by 2031 (Table 7.19), equivalent to nearly double the requirement estimated using baseline job forecasts. Just over two thirds (67%) of this requirement relates to office (B1a/b) space.

Table 7.21 Employment Space Requirement based on Past Trends Continuing, 2011-2031

	Crawley		Horsham		Mid Sussex	
	Floorspace (m ²)	Land (ha)	Floorspace (m ²)	Land (ha)	Floorspace (m ²)	Land (ha)
Offices (B1a/b)	499,790	75.0	86,340	11.2	84,070	12.6
Industrial (B1c/B2/B8)	249,720	62.4	335,000	83.8	182,850	45.7
All	749,500	137.4	421,340	95.0	266,920	58.3

Source: NLP analysis

- 7.69 The equivalent requirement for Horsham would be 421,340m²/95ha by 2031, 80% of which relates to industrial (B1c/B2/B8) uses. In overall terms, this requirement is more than double the quantum of floorspace identified by the baseline employment forecasts scenario.
- 7.70 Based on past development rates continuing, the requirement for future employment space in Mid Sussex is estimated at 266,920m² or 58.3ha by 2031, approximately 80% higher than the requirement identified by the baseline job growth approach.
- 7.71 It is worth noting that the positive requirements for employment space set out in this section incorporate an allowance for replacement of on-going losses of employment space to other uses⁵⁹, whilst recognising the difficulty of

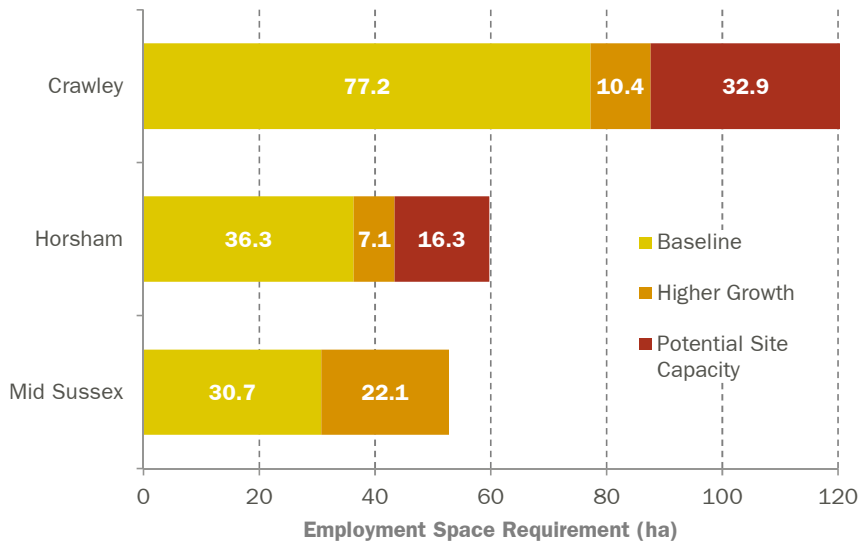
⁵⁹ This reflects the approach advocated in the ODPM guidance and the SEEPB Guidance (2010)

continuing to replace losses due to the physical constraints and lack of readily available land for development in key areas of the sub region. Theoretically, a reduction in the requirement for space could be achieved by removing or reducing the allowance for replacing for windfall losses of employment space. However, such an approach would run counter to the well-established principle in employment land assessments. Moreover, such an accounting exercise would risk a diminution in the amount of employment space available, potentially harming the sub region's economic vitality.

Conclusions

- 7.72 A number of potential future economic scenarios have been developed, based on a number of approaches which reflect baseline and alternative, higher trajectories of economic growth within Northern West Sussex. All of these scenarios reflect assumptions of higher future economic growth in Crawley, Horsham and Mid Sussex than each respective authority has achieved in the recent past.
- 7.73 Under the 2013 baseline scenario, the overall space requirement for Crawley equates to 387,540m² or 77.2ha for all types of employment space up to 2031. The equivalent figure for Horsham is 178,770m² or 36.3ha, while the baseline requirement for Mid Sussex is slightly lower at 148,250m² or 30.7ha by 2031. This 'base case' position effectively represents the minimum objectively assessed need for employment land that each authority should seek to plan for to support economic growth within their local area.
- 7.74 A number of alternative 'higher growth' and 'potential site capacity' scenarios have also been considered which take account of planned investment or intelligence about future sector/site potential and provide an indication of additional growth capacity over and above the baseline scenario. The additional spatial requirement arising from these alternative scenarios (summarised in Figure 7.5) is relatively modest in Crawley and Horsham (representing an increase of up to 43% and 45% over and above the baseline respectively) but could be as high as 72% in Mid Sussex.

Figure 7.5 Gross Land Requirement by Scenario (ha)



Source: NLP analysis

- 7.75 These alternative scenarios should be regarded as illustrations of growth potential of the economy under different circumstances rather than forecasts of demand or a prescriptive requirement for economic planning purposes.
- 7.76 Employment forecasts contained within the 2009 ELR pointed to significantly lower levels of growth across all three local authorities than both latest available forecasts (May 2013) and recent trends (with the exception of Mid Sussex) imply. Within the context of positively planning for growth, it is therefore recommended that the overall employment space requirements due to be set out in the three authorities' emerging Local Plans are informed by economic growth forecasts contained within this study, which draws on more recent data and provides benchmarks across a range of scenarios which use different approaches.

8.0 Need for Additional Employment Land

8.1 This section draws together the forecasts of future economic growth and land requirements and the estimates of currently available land across the sub-region to identify any need for more provision of employment space, or surpluses of it, in both quantitative and qualitative terms. Where additional requirements are identified, these are considered in the context of the site assessments in Section 6.0.

Crawley

Quantitative Balance

8.2 The previous section identified a need for 387,540sqm of employment space under the baseline job growth scenario up to 2031, including a modest safety margin largely to allow for delays in sites coming forward for development. The land requirement associated with this employment floorspace is estimated at 77.2 ha.

Emerging Supply of Employment Space

8.3 The supply of employment space in the Borough's development pipeline comes from employment allocations that have not yet been built out or have recently been cleared, and from other sites with outstanding planning permission (at March 2012). This supply is summarised in Table 8.1 below.

Table 8.1 Available Employment Space in Crawley

	New Employment Floorspace (ha)			
	Industrial (B1c/B2/B8)	Offices (B1a/b)	Mixed B	Total
Undeveloped employment allocations/vacant sites	0	0	20.0	20.0
Outstanding planning permissions	6.6	14.9	0.8	22.3
Total	6.6	14.9	20.8	42.3

Source: West Sussex County Council / Crawley Borough Council / NLP analysis

8.4 Together, these allocations, cleared sites and planning permissions have the potential to provide just over 42 ha of employment floorspace across a range of B class uses, but with a focus upon flexible, mixed B uses. Just over a third (35%) of this supply relates to office (B1a/b) space, with the remaining 16% comprising industrial (B1c/B2/B8) space. The overall quantum of employment space is split relatively evenly between undeveloped allocations or cleared/vacant sites and sites with outstanding planning permission for B class use.

8.5 This supply is distributed across 18 sites in the Borough, many of which relate to small site areas (55% of available space is located on sites of less than one

hectare in size). Nearly all (96%) of this space is concentrated at Manor Royal, with the remaining space dispersed across relatively small sites in the town centre, Tilgate and to the north east of the Borough (as part of proposals for the North East Sector development).

- 8.6 Beyond the supply outlined above, the survey of sites in Section 6.0 identified very limited undeveloped land on existing sites to accommodate new development. Furthermore, as reported previously for each authority, current levels of vacant employment space being marketed do not appear excessive against the 'normal' market vacancy rate of 8-10% to enable churn and choice. Therefore, existing employment sites have been excluded from the following analysis of current/available supply, and no surplus capacity in terms of existing vacant floorspace has been added to the supply position. Specifically, no additional floorspace that might result from intensification of existing employment sites has been assumed.
- 8.7 With regards to outstanding planning permissions, it should be noted that there is no guarantee that these permissions will be implemented and brought forward for employment use over the plan period. It is also important to consider that these permissions relate to specific schemes and users and may therefore be less able to meet general future needs. Furthermore, many of the outstanding planning permissions relate to small site areas, restricting the scale of development that could be accommodated on individual sites in future.
- 8.8 A broad comparison of estimated demand for B Class space arising from the baseline scenario against all currently identified supply, as shown in Table 8.2, implies that Crawley would not have enough employment space in quantitative terms up to 2031 to meet the needs arising from the 'base case' scenario of future requirements. The potential shortfall would equate to just under 35ha of employment space.

Table 8.2 Demand/Supply of B Class Employment Space in Crawley (to 2031)

	1. Baseline Job Growth
Requirement for B Class Space (ha)	77.2
Available Employment Space (ha)	42.3
Surplus (+)/Shortfall (-) (ha)	-34.9

- 8.9 Under the more aspirational 'higher growth' alternative scenario of future economic growth in Crawley, this deficit would increase by a further 10.4ha or 30% to 45.3ha by 2031. Under the alternative potential site capacity scenario, the shortfall would not change from the 34.9ha identified under the baseline, as the inclusion of the sites themselves would be sufficient to accommodate any job growth associated with new employment development.

Needs of Different Employment Uses

- 8.10 Ensuring an adequate choice of types of sites is also important to meet the needs of different employment sectors and the aims for diversity of employment opportunities at different skill levels. Potential supply of

employment space for both industrial and office uses was therefore compared with estimated requirements for these uses.

8.11 Table 8.3 and Figure 8.1 compare the baseline demand and supply situations for industrial and offices uses separately. This comparison indicates that there would be insufficient supply available, in purely quantitative terms, to meet both industrial and office needs arising under the baseline scenario. The shortfall would be most significant with regards to industrial space (30.6ha), while the potential deficit of office space is estimated to be around 4.3ha.

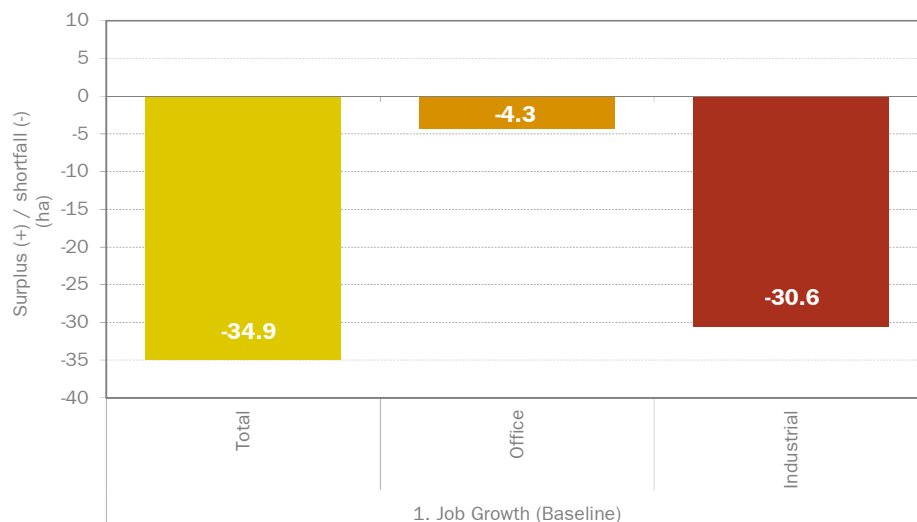
8.12 This predicted shortfall assumes that all remaining, undeveloped employment allocations and outstanding planning permissions (at March 2012) come forward in full for employment development over the plan period. Any deviation from this assumption could potentially worsen the existing deficit of employment space.

Table 8.3 Demand/Supply for office and industrial space to 2031 (ha)

	1. Baseline Job Growth
Industrial	
Industrial space requirement	47.6
Potential supply of industrial space	17.0
Surplus(+)/Shortfall(-)	-30.6
Offices	
Office space requirement	29.6
Potential supply of office space	25.3
Surplus(+)/Shortfall(-)	-4.3

Note: Demand supply balance estimate assumes a 50:50 split of flexible B class uses into industrial and office uses for the purposes of comparison

Figure 8.1 Forecast shortfall of office and industrial space to 2031 (baseline scenario)



Qualitative Factors

- 8.13 Even where no quantitative shortfall of space is identified, in some circumstances additional land may be needed for qualitative reasons, for example to:
- improve the choice of provision for occupiers;
 - meet gaps in the supply of particular types of premises;
 - improve or modernise the quality of current provision and so help attract more occupiers; or
 - provide a better spatial distribution of employment sites to meet the needs of different settlements.
- 8.14 As the largest and most significant commercial centre within the sub-region, Crawley accommodates around half of all employment floorspace in Northern West Sussex and is characterised by a strong commercial property market for both industrial and office uses.
- 8.15 Most of the Borough's **office** stock is concentrated at Manor Royal, where gradual replacement of industrial losses with higher value office uses has led to 'patchwork' development over recent years, with contrasting commercial uses operating side by side and a lack of coherent identity/appeal to potential occupiers. The relatively small scale of many plots at Manor Royal acts as a constraint to future re-development on the site. Meanwhile, much of the office space in the town centre comprises older, poorer quality secondary buildings that continue to suffer from low occupancy, and have contributed to an oversupply of 'Grade B' office space across the Borough as a whole.
- 8.16 Against the backdrop of strong demand for **industrial** space in Crawley, new development has been very limited over recent years and relatively low levels of vacancy reflect a limited supply of industrial accommodation (particularly modern, good quality space). Market feedback indicates that the restricted supply of good quality industrial space is starting to constrain take-up and frustrate occupiers and requirements are increasingly unable to be met.
- 8.17 The overwhelming view amongst local agents is that Crawley needs at least one new strategic employment site to accommodate the growth of indigenous firms, attract inward investment and enable the churn and re-configuration of existing sites to better meet the needs/demands of firms. Given the Borough's market strengths for both office and industrial uses, it is vital that future economic growth in these sectors is not unduly constrained by a lack of suitable accommodation for firms seeking to relocate or expand within Crawley.

Conclusions

- 8.18 Based on available employment space identified by County Council monitoring data and other employment allocations/vacant sites, Crawley has insufficient employment floorspace in quantitative terms to meet future needs up to 2031

under the baseline scenario of future growth. This shortfall is particularly significant with regards to industrial space, and increases further under the more aspirational 'higher growth' alternative scenario of future economic growth.

- 8.19 Alongside this, there are a range of qualitative requirements that point to the need for some new land being made available. The office market is characterised by an oversupply of poorer quality, 'Grade B' stock but a shortage of good quality, modern accommodation. Meanwhile, high levels of occupancy and a general shortage of readily deliverable industrial sites is preventing the churn and intensification that some of the Borough's stock requires to remain attractive to occupiers. In order to minimise the risk of current allocations/planning permissions not coming forward, and to cater for the needs of both indigenous firms and inward investors, the Council should consider allocating additional land for employment uses that is readily available and located near to strategic routes (subject to current safeguarding restrictions as discussed further in section 9.0).

Horsham

Quantitative Balance

- 8.20 The previous section identified a need for 178,770sqm of employment space under the baseline job growth scenario up to 2031, including a modest safety margin largely to allow for delays in sites coming forward for development. The land requirement associated with this amount of employment floorspace is estimated at 36.3 ha.

Emerging Supply of Employment Space

- 8.21 The supply of employment space in the District's development pipeline comes from employment allocations that remain undeveloped, vacant sites and from other sites with outstanding planning permission (at March 2012). This supply is summarised in Table 8.4 below.

Table 8.4 Available Employment Space in Horsham

	New Employment Floorspace (ha)			
	Industrial (B1c/B2/B8)	Offices (B1a/b)	Mixed B	Total
Undeveloped employment allocations/vacant sites	5.3	0	0	5.3
Outstanding planning permissions	4.3	1.8	3.4	9.5
Total	9.6	1.8	3.4	14.8

Source: West Sussex County Council / Horsham District Council / NLP analysis

- 8.22 Together, these allocations, cleared sites and planning permissions have the potential to provide just under 15 ha of employment floorspace across a range of B class uses, but with a focus upon industrial (B1c/B2/B8) uses (accounting for 65% of total supply). Just under a quarter (23%) of this supply relates to

flexible, mixed B class space, with just 1.8ha or 12% comprising office (B1a/b) space. Outstanding planning permissions represent around two thirds (64%) of the supply portfolio, with undeveloped employment allocations or vacant sites accounting for the remaining third (36%).

- 8.23 This supply is distributed across 33 individual sites in the District, many of which relate to small site areas (82% of available space is located on sites of less than one hectare in size). The portfolio of supply is not characterised by particular spatial concentrations, but instead is dispersed across a number of the District's key settlements as well as more rural locations such as Hardham, Wiston and Thakeham.
- 8.24 Existing employment sites have been excluded from the following analysis of current/available supply, and no surplus capacity in terms of existing vacant floorspace has been added to the supply position. It should be noted that there is no guarantee that outstanding planning permissions will be implemented and brought forward for employment use over the plan period. These permissions relate to specific schemes and users and may therefore be less able to meet general future needs. Specifically, no additional floorspace that might result from intensification of existing employment sites has been assumed.
- 8.25 A broad comparison of estimated demand for B Class space arising from the baseline scenario against all currently identified supply, as shown in Table 8.5, implies that Horsham would not have enough employment space in quantitative terms up to 2031 to meet the needs arising from the 'base case' scenario of future requirements. The potential shortfall would equate to around 21.5ha of employment space.

Table 8.5 Demand/Supply of B Class Employment Space in Horsham (to 2031)

	1. Baseline Job Growth
Requirement for B Class Space (ha)	36.3
Available Employment Space (ha)	14.8
Surplus (+)/Shortfall (-) (ha)	-21.5

- 8.26 Under the more aspirational 'higher growth' alternative scenario of future economic growth in Horsham, this deficit would increase by a further 1.8ha or 8% to 23.3ha by 2031⁶⁰. Under the alternative potential site capacity scenario, the shortfall would not change from the 21.5ha identified under the baseline, as the inclusion of the sites themselves would be sufficient to accommodate any job growth associated with new employment development.

Needs of Different Employment Uses

- 8.27 Ensuring an adequate choice of types of sites is also important to meet the needs of different employment sectors and the aims for diversity of employment opportunities at different skill levels. Potential supply of

⁶⁰ After factoring into the supply position the net deliverable employment space associated with a number of strategic sites identified through the forthcoming Local Plan coming forward over the plan period

employment space for both industrial and office uses was therefore compared with estimated requirements for these uses.

8.28 Table 8.6 and Figure 8.2 compare the baseline demand and supply situations for industrial and offices uses in Horsham separately. This comparison indicates that there would be insufficient supply available, in purely quantitative terms, to meet both industrial and office needs arising under the baseline scenario. The shortfall of office space is estimated at around 5.5ha, while the potential deficit of industrial space could be three times as high, at around 16ha.

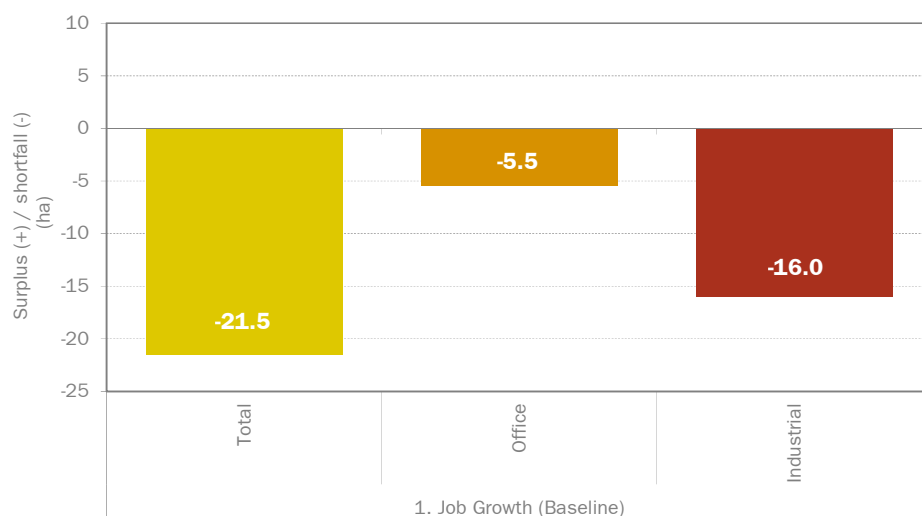
8.29 This predicted shortfall assumes that all remaining, undeveloped employment allocations and outstanding planning permissions (at March 2012) come forward in full for employment development over the plan period. Any deviation from this assumption could potentially worsen the existing deficit of employment space.

Table 8.6 Demand/Supply for office and industrial space to 2031 (ha)

	1. Baseline Job Growth
Industrial	
Industrial space requirement	27.3
Potential supply of industrial space	11.3
Surplus(+)/Shortfall(-)	-16.0
Offices	
Office space requirement	9.0
Potential supply of office space	3.5
Surplus(+)/Shortfall(-)	-5.5

Note: Demand supply balance estimate assumes a 50:50 split of flexible B class uses into industrial and office uses for the purposes of comparison

Figure 8.2 Forecast shortfall of office and industrial space to 2031 (baseline scenario)



Qualitative Factors

- 8.30 Horsham has a relatively localised and self-contained commercial property market, characterised by steady demand for business space. The District, and Horsham town in particular, attracted significant new **office** development during the late 1980's and early 1990's although these larger occupiers have progressively scaled back their presence in recent years, leaving behind dated stock and large floorplates that are unsuitable to meet modern business needs. A gradual build-up of older, poorer quality vacant office stock has led to a considerable oversupply of office space as a whole, viability barriers to new development and consequently very limited availability of Grade A office space.
- 8.31 Whilst Horsham's **industrial** market is relatively small and localised, demand for space remains steady and tends to be for small premises under 6,000 sqft in size. High occupancy within existing sites and low levels of new industrial development in recent years has resulted in a shortage of industrial space across all types and sizes in the District. In particular, the relatively tight nature of the District's industrial market is preventing the churn and intensification that some of the District's stock requires to remain attractive to occupiers.
- 8.32 The view amongst local agents is that the District has the potential to play a greater role in capturing economic opportunities that arise within the sub-region, due in part to key strengths such as strong quality of life factors, a highly skilled labour pool, attractive town centre offer and proximity to major infrastructure. In spatial terms, this would require at least one new employment site of a relatively large scale in the District, able to attract and accommodate high quality, knowledge-based occupiers. In order to be viable, any such site should be visible and high profile located near to strategic routes and transport links, and be developed in accordance with market demand, i.e. providing a range of high quality, small and medium scale space to meet the needs of the District's SME business base as well as larger scale accommodation that can cater for the expansion needs of the District's existing employers and inward investment opportunities.

Conclusions

- 8.33 Based on available employment space identified by County Council monitoring data and other employment allocations/vacant sites, Horsham has insufficient employment floorspace in quantitative terms to meet future needs up to 2031 under the baseline scenario of future growth. Industrial requirements make up the majority of this shortfall, which would further increase under the more aspirational 'higher growth' alternative scenario of future economic growth.
- 8.34 The District's office market suffers from a range of qualitative factors such as an oversupply of older, purpose built office premises and lack of modern, Grade A space that occupiers increasingly demand. The District's existing stock of industrial premises are also in need of modernisation and upgrading, although continued high occupancy and low vacancy prevent the churn that the market needs to remain competitive and attractive to firms.

- 8.35 Market feedback indicates that Horsham has the potential to play a greater economic role within the sub-region, building on its existing reputation as a credible business location. In order to accommodate additional economic growth over the plan period, the Council should consider allocating new employment space in areas of strongest market demand (i.e. in or around the market town of Horsham) and that can provide longer term, sustainable and viable development opportunities.

Mid Sussex

Quantitative Balance

- 8.36 The previous section identified a need for 148,250sqm of employment space under the baseline job growth scenario up to 2031, including a modest safety margin largely to allow for delays in sites coming forward for development. The land requirement associated with this amount of employment floorspace is estimated at 30.7 ha.

Emerging Supply of Employment Space

- 8.37 The supply of employment space in the District's development pipeline comes from employment allocations that have not yet been built out, vacant sites and from other sites with outstanding planning permission (at March 2012). This supply is summarised in Table 8.7 below. It should be noted that this supply does not include any allocations proposed in the draft District Plan including land north west of Burgess Hill.

Table 8.7 Available Employment Space in Mid Sussex

	New Employment Floorspace (ha)			
	Industrial (B1c/B2/B8)	Offices (B1a/b)	Mixed B	Total
Undeveloped employment allocations/vacant sites	16.7	3.4	1.2	21.3
Outstanding planning permissions	4.1	0.9	3.6	8.6
Total	20.8	4.3	4.8	29.9

Source: West Sussex County Council / Mid Sussex District Council / NLP analysis

- 8.38 Taken together, these sites and planning permissions have the potential to provide just under 30 ha of employment floorspace across a range of B class uses but with a focus upon industrial (B1c/B2/B8) uses (accounting for 70% of the supply). Office (B1a/b) and mixed B uses represent a further 14% and 16% of the supply portfolio respectively. The majority (71%) of this identified supply comprises undeveloped employment allocations and vacant sites.
- 8.39 This supply is distributed across 36 individual sites in the District, many of which relate to small site areas (72% of sites with available space are less than one hectare in size). Half of this space is concentrated within the town of Burgess Hill, but beyond this, tends to be dispersed across a number of smaller settlements (such as Copthorne and Hassocks) and rural areas. The

District's other key commercial centres of Haywards Heath and East Grinstead account for just 12% and 7% of total identified supply respectively.

- 8.40 Existing employment sites have been excluded from the following analysis of current/available supply (unless they comprise an undeveloped employment allocation and/or have outstanding planning permission), and no surplus capacity in terms of existing vacant floorspace has been added to the supply position. It should be noted that there is no guarantee that outstanding planning permissions will be implemented and brought forward for employment use over the plan period. These permissions relate to specific schemes and users and may therefore be less able to meet general future needs. Specifically, no additional floorspace that might result from intensification of existing employment sites has been assumed.
- 8.41 A broad comparison of estimated demand for B Class space arising from the baseline scenario against all currently identified supply, as shown in Table 8.8, implies that Mid Sussex would have insufficient employment space in purely quantitative terms up to 2031 to meet the needs arising from the 'base case' scenario of future requirements. However the potential shortfall is very slight, equating to just over 1ha of employment space.

Table 8.8 Demand/Supply of B Class Employment Space in Mid Sussex (to 2031)

	1. Baseline Job Growth
Requirement for B Class Space (ha)	30.7
Available Employment Space (ha)	29.9
Surplus (+)/Shortfall (-) (ha)	-0.8

- 8.42 Under the more aspirational 'higher growth' alternative scenario of future economic growth in Mid Sussex, this surplus of employment space would reverse and become a shortfall of approximately 10.4ha by 2031⁶¹.

Needs of Different Employment Uses

- 8.43 Ensuring an adequate choice of types of sites is also important to meet the needs of different employment sectors and the aims for diversity of employment opportunities at different skill levels. Potential supply of employment space for both industrial and office uses was therefore compared with estimated requirements for these uses.
- 8.44 Table 8.9 and Figure 8.3 compare the baseline demand and supply situations for industrial and offices uses separately. This indicates that there should be enough supply available, in purely quantitative terms, to meet industrial needs arising under the baseline scenario. However, the comparison also suggests that there would be a shortfall of office space to meet baseline forecast needs, with an estimated shortfall of circa 2.9ha.

⁶¹ After factoring into the supply position the net deliverable employment space associated with a number of strategic sites identified through the forthcoming Local Plan coming forward over the plan period

8.45

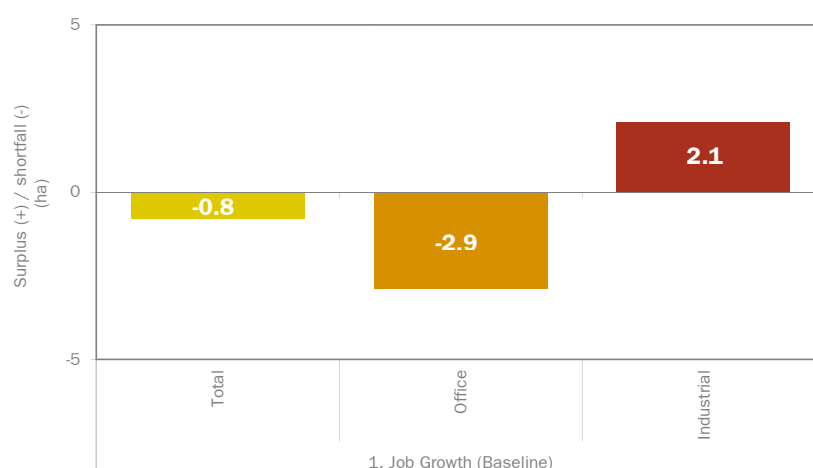
This predicted shortfall assumes that all remaining, undeveloped employment allocations and outstanding planning permissions (at March 2012) come forward in full for employment development over the plan period. Any deviation from this assumption could potentially worsen the existing deficit of office space over the plan period to 2031.

Table 8.9 Demand/Supply for office and industrial space to 2031 (ha)

	1. Baseline Job Growth
Industrial	
Industrial space requirement	21.1
Potential supply of industrial space	23.2
Surplus(+)/Shortfall(-)	2.1
Offices	
Office space requirement	9.6
Potential supply of office space	6.7
Surplus(+)/Shortfall(-)	-2.9

Note: Demand supply balance estimate assumes a 50:50 split of flexible B class uses into industrial and office uses for the purposes of comparison

Figure 8.3 Forecast surplus/shortfall of office and industrial space to 2031 (baseline scenario)



Qualitative Factors

8.46

Whilst the District's commercial property market varies in character by location, in general it is characterised by limited new employment development in recent years, an ageing stock of employment space and a resulting inability to accommodate occupier requirements.

8.47

Much of the District's **office** space is relatively old and requires refurbishment and there has been limited modern space built in recent years, particularly top quality Grade A space. In part, this has been caused by a lack of readily available land for new development, and local agents report that requirements for office premises and sites are increasingly being driven outside of the District. While Mid Sussex's key office locations of Haywards Heath and East

Grinstead have traditionally attracted large office occupiers (since the 1980's), as these single occupiers continue to consolidate their operations, future demand is likely to be driven in future by local, smaller scale occupiers for good quality, modern office premises.

8.48 Mid Sussex has a relatively strong **industrial** market with a focus upon the key centres of Burgess Hill and to a lesser extent, East Grinstead. However, the District's industrial market is characterised by a diminishing supply of available land for development, which is beginning to undermine the ability of Mid Sussex to effectively accommodate indigenous growth and inward investment opportunities as they arise. Industrial demand tends to be driven by occupier requirements below 7,000 sqft where supply is currently very limited.

8.49 Market feedback indicates that new site(s) suitable for flexible uses (but with a focus upon industrial) are needed in Mid Sussex to accommodate demand arising both in the short term as well as over the longer plan period.

Conclusions

8.50 Based on identified available employment space, Mid Sussex has insufficient office floorspace in quantitative terms to meet future needs up to 2031 under the baseline scenario of future growth. By contrast, the District would appear to have sufficient industrial floorspace in quantitative terms to meet future needs up to 2031.

8.51 Alongside this, there are a range of qualitative requirements that point to the need for some new land being made available. Much of Mid Sussex's office space is relatively old and limited new development in recent years has resulted in a shortage of top quality Grade A space. A lack of readily available land for new office and industrial development is beginning to divert enquiries outside of the District as requirements cannot be met. Without any intervention, there is a risk that the ability of Mid Sussex to accommodate both indigenous economic expansion and inward investment becomes increasingly undermined, with the District losing its competitive advantage over other commercial centres in the wider South East.

9.0 Policy Implications & Conclusions

9.1 This section draws conclusions on appropriate policy approaches in relation to planning for economic growth and employment space in each local authority, and considers some overarching cross-boundary issues.

Planning for Economic Growth

9.2 Table 9.1 below summarises the overall levels of employment growth and B-class space requirement for each authority arising from the range scenarios that have been tested through this study.

9.3 Under the 2013 Experian baseline scenario, total job growth of over 35,700 is projected across Northern West Sussex by 2031. Just under half (46%) of this growth (equivalent to 16,440 jobs) will arise in Crawley, alongside growth of 10,425 jobs in Mid Sussex and 8,890 jobs in Horsham.

9.4 For all three authorities, the various alternative scenarios generate higher overall levels of employment growth by 2031 than is implied by the baseline scenario. Total growth of up to 48,000 jobs across Northern West Sussex could be supported depending on the mix of scenarios considered, equivalent to an uplift of 35% over the baseline scenario. This would, however, be contingent on relatively significant policy interventions and provision of new employment land. However, importantly, these alternative scenarios are a measure of economic potential and site capacity rather than projected demand.

Table 9.1 Headline scenario outputs by local authority, 2011-2031

Scenario		Northern West Sussex	Crawley	Horsham	Mid Sussex
Baseline Job Growth	Total employment	35,755	16,440	8,890	10,425
	Jobs per year*	1,785	820	445	520
	Gross floorspace requirement (m ²)	714,560	387,540	178,770	148,250
	Gross land requirement (ha)	144.2	77.2	36.3	30.7
Higher Growth	Total employment	46,275	20,130	12,720	13,425
	Jobs per year*	2,320	1,010	640	670
	Gross floorspace requirement (m ²)	896,010	435,300	218,630	242,080
	Gross land requirement (ha)	183.8	87.6	43.4	52.8
Potential Sites Capacity	Total employment	48,000	22,440	15,135	Not modelled: as per baseline
	Jobs per year*	2,400	1,120	760	
	Gross floorspace requirement (m ²)	828,320	440,330	239,740	
	Gross land requirement (ha)	193.4	110.1	52.6	

Source: NLP analysis

*Note: totals rounded

Policy approach

- 9.5 The scenarios considered indicate the broad scale and type of growth arising from different approaches to modelling the future employment space needs for each local authority area. To varying degrees, they reflect both indigenous needs arising within each constituent local authority as well as a degree of footloose demand which operates across individual local authority boundaries from the wider area.
- 9.6 In line with the NPPF requirement to positively plan for growth, each authority's policy approach should (particularly in the aftermath of a period of economic recession) aim to at least provide for their baseline employment and employment space needs so that their local economy is not constrained, recognising that developments and proposals in adjoining areas will also be a key influence. This includes supporting the role of the rural economy.
- 9.7 However, to ensure a flexible and responsive policy framework, it will be necessary not just to focus on meeting forecast quantitative requirements (which will fluctuate over time), but to think about the opportunities and risks that flow from particular policies. That might concern how delivery can be prioritised in some locations or for some types of employment uses, or how scope can be created for meeting as yet undefined inward investment opportunities, but also not protecting legacy employment sites for which there is no longer a productive employment use (as envisaged by NPPF para 22) and where there might be alternative uses for that land. Parts of the sub region have relatively constrained land supply, in which case planning for employment will need to be balanced against the requirement to meet the needs associated with other land uses, particularly residential development. B-class employment space also competes with non B-class uses such as retail, leisure and community uses (which, as noted earlier, will generate significant employment in their own right), some of which may also generate local economic benefits or have identified needs that the NPPF indicates should be supported as forms of economic development.
- 9.8 This requires choices in the respective Local Plans about which sites to protect or allocate for employment development, or which to consider for release to other uses (either in whole or part). That judgement must ultimately take account of:
- a the local benefits of B-class sectors and the need to maintain a diversified and resilient economy that is open to growth and new economic opportunities as they arise (as envisaged by the NPPF);
 - b the economic and other outcomes (e.g. labour market) if some sectors become displaced or are otherwise constrained from expanding;
 - c the trade-off between seeking more intensive use of the restricted supply of sites and thereby yielding higher net job creation over time, and identified business needs (as specified in the NPPF) which may for some activities or sectors imply a less efficient use of land in order to function effectively; and

- d setting targets for delivery of new employment space on sites to provide clarity and certainty for investors and making a practical assessment of what the market can deliver at any point in time (i.e. maintaining a delivery trajectory for employment space with short, medium and longer term opportunities over the life of each Local Plan).

- 9.9 Ultimately, planning policy should seek to plan for a choice of sites and locations which are attractive to the market and which will provide a range of jobs to meet local needs, taking into account that across the sub-region there is a marked under-supply of land to meet future needs over the plan period. New allocations will be required, and this will require the local authorities to work together to determine how these needs can best be met through bringing forward new sites in locations that are likely to cater for market demand.
- 9.10 Some further commentary on the issues and potential options for providing for economic growth and the different B-class uses in Crawley, Horsham and Mid Sussex are considered below, with cross-boundary implications considered later in the section.

Crawley

- 9.11 Crawley is the largest economy in Northern West Sussex and is forecast to deliver significant job growth of around 16,440 (5,880 B-class) under the baseline scenario by 2031. Furthermore, the alternative scenarios modelled for Crawley indicate that it has potential to support significant additional job growth over and above the baseline if particular policy or site-based opportunities are pursued. This reflects the Borough's broad economic base, accessibility and critical mass of employment space including – at Manor Royal – one of the largest employment areas in the South East. The presence of Gatwick Airport also provides a significant economic asset for the local economy, supporting both direct and indirect employment and contributing to the good infrastructure network in this location.
- 9.12 In quantitative terms, Crawley has insufficient office and industrial supply to meet the spatial requirements emerging from the baseline scenario over the period to 2031. The emerging pipeline of available supply identified by the EGA (at just over 42 ha) is roughly equivalent to just under five years of past average net take-up in the Borough (over the 11 years 2002-2012 which included a period of economic growth and recession). This suggests that in quantitative terms Crawley would have sufficient employment space to accommodate short term needs arising over the first few years of the plan period, subject to these identified sites being suitable, available and achievable for development (in line with the PPG).
- 9.13 The potential shortfall that would emerge over the medium to longer-term is reflected by qualitative market feedback which indicates that Crawley requires additional employment land to accommodate indigenous growth, enable the necessary churn and upgrading/intensification of existing sites, and to offer the potential to accommodate inward investment opportunities that are reported to

be currently frustrated. In the context of an overall shortfall of supply to meet future needs, there are a number of potential options for how additional supply might be provided (which are not necessarily mutually exclusive):

- 1 Identify new land allocations, potentially as selective extensions to existing sites such as Manor Royal or through any new site allocations; some new site options have been appraised through this study. However, it is recognised that (particularly in the context of safeguarded and other constrained land supply around Gatwick Airport) the options for identifying deliverable new supply are limited (at least until such time as the future position on runway capacity at Gatwick is determined by government).
- 2 Assume additional development can be yielded through more intensive (re)development on the Borough's existing main employment areas. Immediate opportunities for additional development within Manor Royal have already been accounted for as part of the demand/supply calculations undertaken through this study (and generally are assumed as being available to help meet to short-term needs), but the Council could consider the extent to which further supply could be yielded through general intensification of existing sites. There is greater risk attached to this option because it is ultimately has to be capable of being accommodated by site occupiers and how aligned it is to market/business needs for space. Implementation would need to build upon the guidance of the Manor Royal Design Guide SPD that has recently been adopted.
- 3 If, as a result of safeguarding, it is not possible to identify additional capacity for employment space, Crawley would effectively exhaust its available supply early in the Plan period. By implication, this would assume thereafter that these needs are met outside of the main employment areas and/or become displaced to adjoining local authority areas. A general sequential approach should be applied that seeks to appraise options within, close or near to Crawley. Such an approach would need to be carefully investigated through duty-to-cooperate arrangements to ensure consistency of approach, and Crawley would need to give careful consideration to the potential harm that would be caused to the local economy (and the Gatwick Diamond more widely) if it were to rely upon meets being met in other areas without sufficient confidence that plans were in place to address those unmet needs. This issue is considered later in this section under cross-boundary issues.

- 9.14 Alongside the basic issue of providing sufficient land to meet future needs, a number of other issues relevant to future planning for the economy in Crawley have been identified through the EGA, as considered below.

Planning approach at Manor Royal

- 9.15 Manor Royal functions as Crawley's premier employment location, and is of sub-regional importance in terms of scale and range of activities. It is regarded

as a key economic asset to drive growth within both the Gatwick Diamond and Coast-to-Capital LEP area more widely, as is recognised in the SEP. This places significant responsibilities on the Council to protect and enhance the functioning of the site.

- 9.16 This extensive site has undergone, and is still undergoing, an evolution from its original character as a 1950s New Town industrial estate to an employment area of very mixed character. It accommodates both very high quality development (e.g. City Place), bespoke campus developments for major employers (e.g. Thales), alongside a range of lower grade industrial and warehousing activities. There has also been significant recent incursion of non B-class activities, notably retail warehousing (e.g. County Oak) and car showrooms. The market feedback collated through this study was clear that this trend is gradually eroding the role of the site as a “business” location which may deter future investors, but in practical terms is also undermining delivery of new B-class development as landowners and developers are incentivised to propose higher value non B-class uses (accepting the market conditions remain challenging in the short term).
- 9.17 The Council is already taking steps to improve the functioning and quality of the site, for example through a recently adopted SPD. Occupiers have also recently elected to form a Business Improvement District (BID) to bring about collective improvements and lobby on behalf of site interests. However, the key policy choice ultimately centres of the extent to which the Council should resist pressure from non B-class uses and more expressly protect the site for B-class activities.
- 9.18 Given the overall quantitative shortfall noted above, and in the context of the major economic significance that Manor Royal holds for both Crawley and the wider sub-region, a more prescriptive policy approach would appear justified. This needs to be realistic and take account of the mixed character of Manor Royal, but approaches should include consideration of:
- 1 Defining a core business area within the site where only B-class uses will be permitted, taking account of the current pattern of development, key frontages and where scope for improvements (e.g. public realm, linkages) have been identified. It is likely, for example, that the County Oak area would not be included within this defined area because of the dominance on non B class uses. A more flexible approach could remain in place on other parts of the site where a wider range of uses are permitted subject to criteria so that the overall employment functioning of the site is not undermined. The Council will need to consider the implications this may have on meeting other development needs within the Borough.
 - 2 Explore opportunities to de-risk planning issues for certain types of development, in a way that is appropriate to the site context and managing the range of B-class uses to be accommodated. This could include, for example, a Local Development Order (LDO) for defined core

business areas, which has the effect of making delivery of B-class space easier by reducing planning uncertainty.

- 3 Planning for provision of new facilities that support the employment functioning of the site and maintain its appeal for business occupiers; there is an acknowledged need for some central 'hub' facilities (akin to what is provided on many modern business park developments), but this should be pursued in a proportionate way without losing the site's character as a B-class employment location.

Town centre office space

- 9.19 Crawley town centre contains a substantial stock of office accommodation; some is older space that is clearly outdated for current (and future needs), whilst some is high quality new build space recently completed. Vacancy levels are currently high, and in particular there is an oversupply of larger footplate space (mainly originating from the 1980s and 1990s) for which there is now less market demand. This reflects the wider 'hollowing out' market trend, in which businesses increasingly migrate to smaller and more efficient buildings to reduce costs (and reflecting more hot-desking of employees) or seek larger bespoke design and build opportunities to meet their specific requirements. The implication is that some of this vacant space is essentially structural, and therefore may not be reduced as the economy recovers. Immediate options for reuse of vacant include sub-division into smaller footplates (e.g. The Pinnacle), and this is important in terms of meeting the needs of smaller businesses or those preferring a town centre location. However, the recent introduction of permitted development rights for office to residential uses may result in some town centre office space being converted, at least for the next three years.
- 9.20 There are also wider considerations about the role of the town centre as an office location. The regeneration of Crawley town centre has been an important ambition for the Council over a number of years, and remains a stated priority in the emerging Local Plan. A general uplift in the retail and leisure offer of the town centre would potentially increase the attraction for office occupiers and help stimulate and strengthen the office market in this area, but recognising that it will likely continue to play a secondary role to Manor Royal which is the Borough's more established and dominant office location (although some of the office space in that location is ancillary to other uses). As a town centre use defined in the NPPF and in line with the sequential approach, the Council should continue to support and encourage office development in the town centre (whilst actively encouraging office uses at Manor Royal, given the contribution they make to the functioning of that site), and monitor any major changes to supply resulting from the new permitted development rights noted above. However, it may be necessary to consider how office development can be focused in key quarters in order to more clearly define a core office zone, and allowing some redevelopment of older outdated space where this can allow replacement with more modern accommodation (which might imply a net loss of floorspace). A focused concentration of office space could also provide

confidence for investment in ancillary uses/services supplying to offices, thereby supporting its attractiveness and vitality as an office location.

Need for a strategic employment site

9.21 The potential for a new strategic employment site in Crawley to meet future needs has been promoted by some local commercial agents to provide greater choice for potential occupiers and to support inward investment to the sub-region and Gatwick Diamond. The 2010 employment land review⁶² made a similar recommendation as follows:

“...while there is not a quantitative case for strategic employment development based on the evidence of locally-generated demand, there is a qualitative argument and potential for a supply-led approach to capture investment and drive forward economic performance and to improve the sub-region’s commercial property offer. This however represents a policy choice.”

9.22 The difference between the current study and the previous ELR conclusions is that the quantitative requirement for additional employment land in Crawley under the baseline scenario considered in this study is somewhat greater than was the case in 2009 at circa 35 hectares. It is unlikely that all of this residual balance would necessarily be fulfilled through a new strategic site allocation, and most of the requirement is for industrial rather than offices, but there is clearly now a stronger quantitative argument for new land supply to be provided than was the case previously. A new strategic employment site could be part of the solution to help meet this quantitative requirement, in the context of the commentary above.

9.23 Notwithstanding this, qualitative considerations remain important. Some consultees, including the Gatwick Diamond Initiative, viewed such a strategic allocation as important to help put the wider Gatwick Diamond ‘on the map’ and provide a branded business park equivalent to major employment areas elsewhere (e.g. the M3 corridor), targeted at knowledge-based industries. In more practical terms, a new strategic allocation could provide capacity for new high quality development in a masterplanned environment that might otherwise be difficult to create within the more fragmented and varied character of Manor Royal, even if the Council were to adopt a more controlled approach in the future. In this way, the two locations could be viewed as complementary rather than necessarily competing with each other. Such a site would, however, to some extent fulfil a sub-regional function and would therefore need to be considered in the context of any other strategic site proposals at draft Plan stage in Horsham (i.e. land North of Horsham) and Mid Sussex (i.e. land north west of Burgess Hill).

9.24 In terms of options for providing an employment-led strategic site, a general sequential approach should be applied that seeks to appraise options within, close or near to Crawley.

⁶² Northern West Sussex Employment Land Review Part II, GL Hearn 2010

- 9.25 The first preference (subject to certainty on safeguarding) should be to locate additional employment growth in the north of Crawley, where it is best able to complement and expand upon the existing employment function of Manor Royal and Gatwick Airport. A fuller assessment of the range of potential sites to meet strategic needs is required, although this will be contingent on future decisions regarding additional runway capacity at Gatwick Airport which currently results in safeguarding of large areas of potential land that might otherwise be considered for the purposes of a strategic employment site.
- 9.26 If safeguarding restrictions in Crawley are confirmed as needing to be retained at some future time, the second preference would need to be consideration of land at Crawley/Gatwick in the areas immediately adjoining the Borough. If this option cannot be achieved, then land near Crawley/Gatwick would be the next option. This approach recognises the existing and potential role of the Heart of Gatwick Diamond in meeting future economic growth needs in the area, as set out in the SEP.
- 9.27 Taken overall, there is now a stronger quantitative case for additional employment land allocations in Crawley to meet needs arising under the baseline scenario to which a new strategic employment site could contribute additional supply. However, as noted above, the rationale is not an entirely quantitative one; it would appear that the promotion of a new strategic employment proposition for Crawley would also offer potential to capitalise on Crawley's accessibility and existing critical mass of major employers, allow the Borough to respond to a wider range of potential business and investment opportunities, and be consistent with sub-regional policy objectives for both the Gatwick Diamond and Coast-to-Capital LEP area. This would need to be pursued in conjunction with a clear planning policy direction for Manor Royal as discussed above, using the Local Plan and other mechanisms to support its role and function as a business district.

Horsham

- 9.28 Horsham has a relatively small economy in comparison with the wider Northern West Sussex sub region but has recorded steady job growth in recent years and is characterised by a high performing business base, dominated by SMEs. The District is forecast to contribute just under a quarter of all job growth in the sub-region, equivalent to 8,890 jobs (3,620 B-class) by 2031. Analysis undertaken as part of the EGA suggests that the potential for future job growth in Horsham could be even higher than this base case position, if particular plan-led or site-based opportunities are pursued. The District is well placed to capture higher value economic growth opportunities (such as those promoted as part of the LEP's growth strategy for the Heart of the Gatwick Diamond as set out in the SEP) in light of its existing concentrations of knowledge based businesses and a highly productive workforce. There is also scope to diversify and broaden the District's business base to avoid an over-reliance upon larger firms, a number of which have relocated out of the District in recent years including Royal and Sun Alliance and most recently the announced closure of Novartis.

- 9.29 In terms of quantitative requirements, a significant positive requirement for both office and industrial floorspace is identified for the period to 2031. A comparison with future supply of employment space identified by County Council monitoring data, and allowing for redevelopment opportunities on cleared/available sites across the District, indicates that Horsham has insufficient office and industrial supply to meet the requirements of the baseline scenario.
- 9.30 It should be noted that there is no guarantee that all of this currently identified supply of employment space will necessarily come forward for development and employment use over the plan period. For example, some outstanding planning permissions relate to specific schemes and end users and may therefore be less able to meet general future needs. Further analysis of the deliverability, availability/timescales and viability of these sites for development may be required, with any deviation from the identified supply of space potentially worsening the extent of the shortfall.
- 9.31 A range of qualitative market feedback supports this finding of a quantitative shortfall existing in the District; although demand for employment space remains steady, much of Horsham's office stock is in need of modernisation and upgrading, while continued high industrial occupancy and low vacancy is preventing the churn that the market needs to remain competitive and attractive to firms. In the context of an overall shortfall of supply to meet future needs, there are a number of potential options for how additional supply might be provided (which are not necessarily mutually exclusive):

Allocate new employment sites

- 9.32 The option of allocating additional sites for employment development would increase the current choice of sites (particularly as business occupiers increasingly seek high quality premises and environment), and allow for some rebalancing towards areas of the District which benefit from the greatest access to strategic routes and where there is perceived to be greater demand.
- 9.33 Increasing the supply in this way would provide greater clarity to the market of potential locations for new office and industrial development, and could accommodate a mix of uses and size of accommodation. Such an approach may allow an opportunity for decanting of existing occupiers from sites and premises that are unsuitable for modern business needs (such as older large floorplate accommodation within Horsham town centre), and in turn, provide an opportunity for these sites to be released to what might be viewed as other more suitable uses. Such an approach could also help to diversify the local economy and broaden the District's business base, by providing the right type and scale of space to attract genuinely new investment and activity to the local area, as well as helping to meet indigenous business needs.
- 9.34 There are a number of potential employment site options in the District which may be appropriate to contribute to meeting future development needs, some of which have been assessed as part of this study. These include sites within the north eastern portion of the District – close to the market town of Horsham

– which benefits from some of the best transport connections and accessibility, high quality amenities and facilities and an emerging critical mass of knowledge-based, high growth occupiers. This combination is important because sites in more remote and lower profile locations without reasonable access to services are less likely to be attractive to the market. The out-of-town business park character of these potential sites would offer a complementary (rather than competing) proposition to the town centre, although it would be important to ensure that any such product does not undermine the existing (albeit limited) role of Horsham town centre as an office location so that some distinction can be maintained between the offer of the two locations. New office supply in this location may, however, also be able to help offset potential losses of town centre space in Horsham through changes of use to residential that occur under the new Permitted Development Rights.

- 9.35 There are already proposals for a new high quality business park at land North of Horsham (alongside new residential development) and this location is identified as a draft allocation in the emerging Horsham District Planning Framework. This proposed allocation represents the highest scoring potential new employment site from the EGA site appraisal process and, with appropriate infrastructure and masterplan in place, could enable Horsham to take a more pro-active role in capturing the significant economic opportunities that are anticipated to arise within Northern West Sussex over the next 20 years.
- 9.36 Analysis undertaken as part of the EGA identifies a gap in the local commercial property market for higher quality, modern business space that would typically work in an out-of-town location. Providing this type of space could broaden Horsham’s appeal to potential business (particularly office) occupiers, help to retain existing growing businesses in Horsham that might otherwise relocate elsewhere and also attract new firms into the District to support the diversification of Horsham’s business base. By providing space for high quality, knowledge-based economic activity, it could also help to retain some of Horsham’s higher skilled resident workforce that currently commute out of the District for work, and support the Council’s aspirations for a higher value economy.

Upgrading/intensification of existing supply

- 9.37 One option is to consider the scope to intensify office uses on existing sites, increasing supply by making more efficient use of existing space. Upgrading and renewal of the District’s existing stock of office accommodation will also ensure that this space remains attractive and viable to the market. In the first instance, this approach could focus on older employment legacy sites that do not currently reflect modern working densities, technology and premises and perform poorly based on recent site assessments. This may comprise redevelopment, but qualitative improvements can also be delivered through refurbishment of existing buildings to some extent. Without redevelopment or other improvements, as noted earlier, it is considered that some of this stock of

older office accommodation is unlikely to be able to effectively contribute to meeting future needs.

Resist loss of industrial space in future

- 9.38 Although losses of industrial space have been relatively modest over the past 11 years, Horsham's industrial market is characterised by a general shortage of readily deliverable industrial sites, relatively low vacancy and a lack of surplus space to enable churn, intensification and upgrading of existing older sites. Feedback from local commercial agents suggests that Horsham is becoming increasingly unable to retain firms in the District as they grow and accommodate inward investment enquiries as and when they arise.
- 9.39 The assessment of sites undertaken as part of this study indicates that the majority of the District's existing industrial sites appear to be performing relatively well. These sites should continue to be safeguarded for employment use through the emerging Local Plan, and supported to continue to play an important role in accommodating Horsham's business activity. At the same time however, the Council should continue to permit alternative uses on employment land where the site can be shown to be no longer 'fit for purpose' also appears appropriate, in light of NPPF guidance warning against long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose.
- 9.40 However, in light of the predicted shortfall in industrial supply over the plan period, the Council should consider adopting a rigorous approach to determining planning proposals seeking change of use and/or loss of industrial floorspace, by either resisting any net loss of industrial floorspace or seeking a net gain on redevelopment sites. As a minimum, this policy should be applied to the District's largest and most important industrial areas such as Foundry Lane and Southwater Business Park to ensure that Horsham retains its industrial base and sector strengths.
- 9.41 Given the significance of the District's rural economy and home based businesses, such a policy should also extend to protecting farm buildings that are in business use from conversions to non B class uses (such as residential). This would help to ensure that sufficient space is available to accommodate expanding home based businesses and that the rural economic growth is not constrained in the future.

Mid Sussex

- 9.42 Mid Sussex is the second largest economy of the Northern West Sussex authorities, with forecast job growth under the baseline scenario of 10,400 jobs (3,980 B-class) by 2031. The 'higher growth' scenario indicates potential for a further 4,700 jobs in total. This is against the backdrop that the District has been losing jobs for most of the last decade, and B-class jobs have declined by about 20%.

- 9.43 In terms of quantitative requirements, the analysis contained in Section 8.0 identifies positive requirements for both office and industrial floorspace over the period to 2031. A comparison with future supply of employment space identified by County Council monitoring data indicates that Mid Sussex has just about sufficient land to meet industrial needs, but a modest shortfall against office requirements. New allocations identified through the draft District Plan, particularly land at north west of Burgess Hill, will provide sufficient new employment land to meet the identified requirements in overall quantitative terms, but also help to address some identified qualitative needs, assuming they are adopted in due course. The draft Plan also encourages proposals for a science park close to Burgess Hill to support research and development and provide employment for the wider area, which is also included in the recently confirmed Greater Brighton City Deal.⁶⁴

Meeting the needs of individual settlements

- 9.44 Beyond the overall quantitative requirements, there is a need to consider meeting the requirements of different settlements and property market areas, and to provide a choice of sites to meet different sector or occupier requirements.

Haywards Heath

- 9.45 The stock of office space in Haywards Heath, the District's main office location, requires renewal of older legacy space originally designed for larger corporate occupiers in the 1980s to smaller, more modern and flexible accommodation that is better suited to the smaller businesses that are now locating in the town. The trend is very similar to that also occurring in Crawley and Horsham town centres, where larger, older space is increasingly susceptible to vacancy and pressure for conversion to other uses. Perrymount Road is perhaps the most affected individual site, with a large concentration of vacant office accommodation. Mid Sussex District Council unsuccessfully applied for an exemption from the office to residential Permitted Development Rights in this location which may now have the effect of accelerating the loss of office space.
- 9.46 As a town centre use defined in the NPPF, the Council should continue to support and encourage office uses in the town centre. Market feedback suggests that Haywards Heath is still a relatively popular location for smaller office occupiers, in contrast to East Grinstead (discussed below), but the stock of space needs to be remodelled and potentially scaled back overall. The most immediate option for re-use of vacant space includes sub-division into smaller floorplates which could provide an important source of readily available space for smaller businesses and those seeking a town centre location. However, it will also require consideration about how new office accommodation can be delivered, including potentially as part of mixed-use (re)developments where there might be a net reduction in office floorspace overall. In this context, the Council should consider defining a core office area where specific policy

⁶⁴ Greater Brighton City Deal, March 2014
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/288903/Greater_Brighton_City_Deal.pdf

support and/or protection is provided for office uses to help support delivery of a more modern office portfolio for the town. This will need to be developed in the context of monitoring of the impacts of changes of use through Permitted Development Rights.

East Grinstead

9.47 In commercial property terms, East Grinstead has been characterised by a steady decline in its role as an office centre but has remained a buoyant industrial location. For the latter, there is now very limited remaining industrial land supply to meet future needs following the completion of the third phase of The Birches. It would appear justified to consider a further allocation for industrial purposes at East Grinstead to reflect demand in this location, albeit relatively small scale and proportionate to the town's infrastructure and connectivity.

9.48 Consolidation of East Grinstead's town centre office space has already occurred and is likely to continue in view of market trends and the diminished role of the centre in terms of occupier demand. The Park Road / Maypole Road office cluster has existing permissions for new residential development, and it is less clear that there is a strong rationale for maintaining offices in this location. The London Road / Wood Street area, closer to the town centre and railway station, is more logical for retention of some office accommodation although there are high levels of vacancy and some out-dated space. In this context, the Council will need to manage future redevelopment to ensure that some smaller scale provision can be maintained and/or new space provided to support local office needs. However, the scale of requirement is likely to be very modest, and should be considered in the context of monitoring of the impacts of changes of use through Permitted Development Rights in this location.

Burgess Hill

9.49 As noted earlier, the office market in Burgess Hill town centre is less well established due in part to poorer transport links and a relatively poor quality town centre environment. However, the Council has an aspiration to support the functioning of the town centre through the Burgess Hill Town Wide Strategy across office, retail and leisure uses, to include significant redevelopment. In addition, the planned re-occupation of Sussex House by American Express in 2015 will help support the office role of the centre. Taken together, the Council should seek to encourage some renewal and/or new office space provision within the town centre. It is likely that the scale of requirements may be relatively modest, particularly having regard to larger scale development at land north west of Burgess Hill during the Plan period.

9.50 In terms of industrial use, significant additional space is planned for as part of the land at north west of Burgess Hill allocation in the draft District Plan. This will provide some additional competition for existing industrial sites within the town (e.g. Victoria Park Industrial Estate), but also offer scope for existing

occupiers to expand and build new premises. The Council will need to consider the future role of the remaining industrial land, particularly in the context of pressure from non B uses (e.g. retail warehousing).

Cross-boundary Implications

- 9.51 As noted in Section 2.0, there is a high degree of economic and commercial property market inter-relationship between the three Northern West Sussex local authorities. This means that planning policy decisions relating to provision of employment land (both what currently exists and any additional land proposed) made within any one of the local authorities potentially has a bearing on the locational and growth decisions of businesses across the sub-region and, therefore, the scale and distribution of future job growth.
- 9.52 The sub-region is collectively an overall net importer of labour from surrounding areas, and as the largest workplace economy in the sub-region by some margin, Crawley attracts significant commuting flows from both Horsham and Mid Sussex. This means that there is a labour market dynamic operating across the sub-region with, in general terms, Horsham and Mid Sussex exporting higher skilled workers some of which travel to Crawley (as well as Greater London). Crawley also has a significant outflow of workers to London. These flows will need to be considered following the release of the 2011 Census origin-destination commuting data in due course, but it would seem unlikely that the underlying dynamics will have changed significantly.

Employment space trends

- 9.53 It is clear that the traditional commercial property market dynamics across the sub-region are gradually changing and this process will continue to occur in the future. First, a number of the town centre office markets have declined (e.g. Crawley, Horsham, Haywards Heath, East Grinstead) as business needs have gradually migrated to larger modern space on business parks or smaller, more flexible space; much of the older town centre space now fulfils neither role effectively. The impact of these shifts is that authorities will need to manage legacy office space in town centres (including changes of use through Permitted Development Rights) but also consider how new accommodation can be provided in locations attractive to the market both in town centres and through new business park sites. The latter is not a particularly new trend in Crawley where Manor Royal has an established market position, but it does represent something new for both Horsham and Mid Sussex which the draft plans for both authorities are seeking to respond to. The corollary is that Crawley will potentially face some competition from these authorities, and may lose occupiers to new sites if space constraints were to remain in the Borough.
- 9.54 The second trend is the relative buoyancy of the market for industrial and distribution space across the sub-region, even if forecast job growth in industrial sectors is modest (or negative in some cases). Crawley has been a traditional focus of such activities reflecting the historic development of Manor Royal and the proximity to Gatwick Airport and the strategic road network, but

Burgess Hill is also a significant industrial location while some more localised markets have proved resilient (e.g. East Grinstead). In the future, and particularly in the context of land supply constraints in Crawley, industrial demand may become more widely distributed.

- 9.55 A final consideration is the role of the rural economy across the sub-region which encompasses both rural industries but also increasing numbers of home-based businesses and smaller firms operating from small sites and converted premises. Providing for the growth of these businesses is particularly important to the future planning strategies of both Horsham and Mid Sussex. This will require a combination of ‘conventional’ site allocations – Horsham, in particular, has a good network of smaller sites on the edge of settlements – but also other measures such as supporting provision of rural workspace hubs and upgrading of broadband infrastructure (not all of which are within the ambit of planning policy).

Accommodating future growth needs

- 9.56 In this context, the 2013 Experian baseline forecasts point to significant economic growth potential across the sub-region for the period to 2031, amounting to 35,700 jobs. Additional growth over and beyond this has also been tested through various alternative scenarios, but these incorporate some supply-side measures to give indicative projections and therefore are not actual forecasts of demand. The baseline forecast is therefore the most appropriate basis against which to assess future land needs.
- 9.57 Taking account of available supply (both allocations and commitments), all three authorities will require some additional employment land over the period to 2031. Mid Sussex and Horsham are already advancing new site proposals in their respective draft plans to help accommodate these additional requirements, including at land North of Horsham and land north west of Burgess Hill. These proposals will go some way to meeting the indigenous business growth needs of each authority and some capacity for growth above this, and potentially offers scope to retain some higher-skilled out-commuters by encouraging higher quality new employment development. There may be some degree of competition between such sites (and indeed any new land supply in Crawley – see below) but new provision is required to meet baseline needs and this will also depend on timing, phasing and the type of product developed in each location. Other allocations and policy measures may also be required taking account of the commentary above.
- 9.58 By contrast, the position in Crawley is more constrained reflecting the significant uncertainty regarding future land supply that is imposed by the current safeguarding designations associated with future expansion of Gatwick Airport (pending a future decision by national government). Whilst some land supply to meet short-term needs has been identified, it is likely that this would be exhausted fairly early in the new Local Plan period to the extent that medium and longer-term needs would be placed at risk. The opportunity to

provide a strategic employment site at Crawley (for both indigenous and potential inward investment needs) would also not be possible.

- 9.59 Until such time as the continuing requirement for safeguarding of land around Gatwick is either confirmed or not, and there is an opportunity to reappraise the Borough's land supply on this basis, it is possible that some business needs will not be capable of being met in Crawley once existing available land supply is developed out. In this situation, some business needs could be displaced to Horsham and Mid Sussex or, indeed, outside the sub-region entirely. The extent to which this occurs will depend on the relative availability and cost of alternative sites at that point in time, as well as other business location factors such as labour force and proximity to suppliers and customers that are beyond planning considerations. The implication of this is that, should it not be possible to meet future baseline needs in Crawley, this would not necessarily translate into a commensurate increase in land requirements for adjoining authorities, and further analysis will be required to assess the scale, type and phasing of any unmet needs.
- 9.60 More broadly, this would also represent a shift in the sub-region's commercial property market dynamics in which larger operations requiring higher profile or more accessible locations have traditionally focused on Crawley, but this may occur to some extent in any event if the proposed new allocations are confirmed in Horsham and Mid Sussex. Each of these authorities would however need to monitor the extent to which this could impact the ability to meet their own business and job growth needs, as are any unmet employment land needs arising from other areas (e.g. Brighton and Hove).
- 9.61 If safeguarding constraints at Crawley were relaxed at some future point, potential new site options within the Borough boundary would need to be reappraised. This would include the potential to accommodate a strategic employment site, the rationale for which is discussed above. Such a site would, at least partly, be directed towards the inward investment potential of Crawley from beyond the sub-region. The site may, however, also be required to meet indigenous business growth and expansion needs.

Conclusions

- 9.62 The North West Sussex sub-region is an economically successful location, and has significant future growth potential over the period to 2031. In the context of the NPPF and the requirement to plan positively for growth, it is incumbent on the three local authorities to consider ways in which this growth can be accommodated, both to meet indigenous business needs and to cater for footloose investment that operates across and within the sub-region. This will necessitate an ongoing joint working approach between the authorities, particularly in the context of the duty-to-cooperate.
- 9.63 As noted above, a number of new site locations and other policy measures are currently being considered by each of the authorities through their emerging plans; these include provision for new strategic employment locations.

However, a key determinant of how future needs might be distributed across the sub-region relates to the ability of Crawley to meet anything more than its short-term needs in view of the current safeguarding restrictions that affect large areas of potential future land supply in the Borough (including those locations which represent the most logical extensions to the Manor Royal business district).

9.64

Until such time as these restrictions are confirmed or not, there is a likelihood that Crawley will not be able to fully meet its identified business needs for the whole of the Plan period. In this context, there may be a requirement for unmet needs from Crawley to be accommodated in adjoining authorities (including Horsham District and Mid Sussex), or depending on the type of requirement, outside of the sub-region entirely. This dynamic does not, however, necessarily obviate the need and potential for new strategic employment locations/propositions to be brought forward in either Horsham District or Mid Sussex; both authorities have identified baseline employment growth requirements that need to be addressed and their own economic planning objectives (e.g. diversification of business base, provision of higher quality business accommodation) to which these proposed sites could also meaningfully contribute.



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