

Address line 2:	<input type="text"/>	Brookers Road
Town/city:	<input type="text"/>	Billingshurst
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Email:	<input type="text"/>	michaelrees@lrmpanning.com

PART B – Your representation

3. Please tick the document that you would like to make a representation on:

- Crawley submission Local Plan
- Crawley submission Local Plan Map
- Crawley submission Sustainability Appraisal
- Habitats Regulation Assessment Screening Report

4. Which part of the Local Plan does this representation relate to?

Paragraph: Policy: Other:

5. Do you consider the Local Plan to be: *(Please tick)*

- | | | |
|---|------------------------------|--|
| 5.1. Legally compliant? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 5.2. Sound? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 5.3. Compliant with the duty to co-operate? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

6. Please give details explaining your response to 5.1, 5.2, or 5.3 below. Please be as clear as possible.

Please refer to attached written representation and additional information

If required, please continue your response on an additional piece of paper and securely attach it to this response

- 7. Please set out what modification(s) you consider necessary to resolve the issues you have identified above. You need to state why this modification will make the Local Plan legally compliant or sound. It would be helpful if you are able to suggest how the wording of any policy or text should be revised. Please be as clear as possible. Any non-compliance with the duty to co-operate is incapable of modification at examination.**

As set out in attached written representation para 43 to 45

If required, please continue your response on an additional piece of paper and securely attach it to this response

Your representation should cover succinctly all the information, evidence and supporting information necessary to support/justify the representation and the suggested modification, as there will not normally be a subsequent opportunity to make further representations. **After this stage, further submissions will only be at the request of the Inspector, based on the matters and issues s/he identifies for examination.**

8. If your representation is seeking a modification, do you consider it necessary to participate in the public examination hearings? (Please tick)

No, I do not wish to participate in the examination hearings

Yes, I wish to participate in the examination hearings

9. If you wish to participate in the public examination hearings, please outline why you consider this to be necessary:

Due to the significant policy issues involved.

The Inspector will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate at the public examination.

If you would like to make a representation on another policy or part of the Local Plan then please complete a separate PART B section of the form or securely attach an additional piece of paper. Copies of the representation form can also be downloaded from the council's website at: www.crawley.gov.uk/localplanreview

Signature

Date


30/6/21

STRATEGIC POLICY EC1: SUSTAINABLE ECONOMIC GROWTH

1. Our clients object to the policy in its current form as it leads to an under estimation of the amount of employment land that is required over the course of the plan period. It does not comply with the requirements of NPPF nor NPPG and would not meet the requirements of NPPF para 35 in that it is not justified, effective or positive.
2. Furthermore, given our findings in its current form the policy would not support the overarching vision of the Plan which is to *inter alia* encourage sustainable economic growth and make Crawley a place that people want to live and work.

National Planning Policy

3. Chapter 6 of the National Planning Policy Framework (NPPF) sets out the Government's requirements for "Building a strong, competitive economy", Para. 80 is clear that planning policies should help create the conditions in which "**businesses can invest, expand and adapt**".
4. It places significant weight on supporting economic growth and productivity taking account of local business needs and wider opportunities for development. Such that each area builds on its strengths, counters any weaknesses and addresses the challenges of the future. It is clear that areas with high levels of productivity should be allowed to capitalise on their potential so that Britain can be a global leader in innovation. In this regard, Para. 81 sets out that Policies should:
 - proactively and positively encourage sustainable economic growth with regard to Local Industrial Strategies and other policies for economic development;
 - identify strategic sites for local and inward investment to match the strategy and to meet anticipated need;
 - address any barriers to investment; and
 - be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices and to enable a rapid response to changes in economic circumstances.
5. Para. 82 requires that policies should recognise and address the specific locational requirements of different sectors which includes for storage and distribution operators at a variety of scales and in suitably accessible locations.
6. Further guidance on providing for economic development needs is set out in Planning Practice Guidance (PPG - 025 Ref IDs: 2a-025-20190220 to 2a-032-20190722). To ensure robust evidence on business needs, local authorities should liaise closely with the business community and take account of Local Industrial Strategies. Councils should take a 'best fit' Functional Economic Market Area (FEMA) and then assess the existing employment land stock; the pattern of land supply and loss; evidence of market demand from local data, market intelligence, surveys of business needs, discussions with developers/agents and evidence from business forums; wider market signals on growth, diversification and innovation, and any evidence of market failure.
7. This requires close liaison with the business community to understand current and future requirements. In relation to market signals, PPG states that Councils need to look at: Current and robust data on labour demand (jobs/employment forecasts); Labour supply (demographically derived forecasts of the economically active population, i.e. future employees); the trends in take-up of employment land; future property market requirements, and consultation with relevant organisations and study business trends, models and employment statistics, taking account of longer term economic cycles. This work will reveal any quantitative or qualitative mismatches in

demand and supply and which market segments are under or over-supplied. Councils should look at a range of robust data to understand the requirements for office, general business and distribution space and which market segments are over/under supplied.

8. PPG contains specific guidance on the needs of the logistics sector given its role in the efficient supply of goods, and therefore economic productivity which is a key part of the UK Industrial Strategy. It goes on to note that strategic logistics facilities need significant amounts of land with access to strategic transport networks and that where a need exists, councils should collaborate with infrastructure providers and other interested parties to identify the scale of need.
9. Overall therefore, the NPPF and PPG requires that plan-making authorities must address their economic needs in their local plans, which requires an overriding strategy on how and where those needs are to be met. This is critical to achieving a Plan that is sound in accordance with the tests in the NPPF (para 35) and has been considered in more detail by HJA on behalf of our clients.

Employment Land Requirement

10. HJA is a specialist economic development consultancy, with particular expertise in advising both public and private sector clients on employment land matters. They have been appointed by our clients to review employment land matters, accordingly they have undertaken a review of employment land matters within the Submission Draft Crawley Local Plan and supporting evidence base (attached at appendix 1). This review has identified a number of issues which lead to the Local Plan under-providing land for industrial and warehousing (B2/B8) uses and they conclude that a minimum of 3.7 to 4.6 ha of additional industrial and warehousing land should be provided.
11. Their appraisal and findings are based on a review of available documentation including:
 - Crawley Submission Draft Local Plan (January 2021).
 - Northern West Sussex Economic Growth Assessment (January 2020).
 - Economic Growth Assessment Focused Update for Crawley (September 2020).
 - Topic Paper 5 – Employment Needs and Supply (January 2021).
 - Employment Land Trajectory (January 2021).
 - Submissions made to the Crawley Local Plan process by the Wilky Group.

Crawley Submission Draft Local Plan Summary

12. HJA note that Crawley is a key economic driver for a functional economic market area that extends beyond the borough's boundaries. Particular drivers include Gatwick Airport and the large Manor Royal employment area, as well as Crawley Town Centre. The sub-regional role of the Crawley economy is recognised with the presence of the Gatwick Diamond Initiative, as well as being a core location within the Coast to Capital Local Enterprise Partnership (LEP) area.
13. The Emerging Local Plan seeks to plan positively for economic growth in the Crawley area despite the impact of Covid-19 on the area. The Borough has been identified as significantly vulnerable to the economic impact of Covid-19, given its reliance on the passenger air transport sector. Nevertheless, the importance of delivering the sites and premises required for employment purposes is clearly highlighted. For example:

“Key to achieving this [economic ambition] is the supporting of economic growth through the delivery of new business space and facilities”

“It is anticipated that Crawley’s economy will respond and recover, with significant need for new business land and floorspace identified over the period to 2036. Given the significant land supply constraints faced within the borough, the Local Plan sets out a pro-active and ambitious economic strategy to support economic recovery in the shorter-term, whilst planning positively for economic growth and diversification, consistent with LEP and Gatwick Diamond priorities, and national planning policies, to ensure that sustainable economic growth can be delivered over the Plan period.”

“The scope to accommodate identified employment land needs in Crawley has been severely constrained by the limited available land supply, which is significantly affected by the requirement to safeguard land in the north of the borough for a possible southern runway at Gatwick Airport. There remains a risk that if Crawley’s employment needs cannot be accommodated within the borough, investment may be lost outside of Crawley, and indeed the sub-region entirely.”

14. The proposals for employment land provision draw heavily on the underpinning evidence base. The overarching policy position is of a need for 38.7ha of employment land. The residual requirement for industrial uses, after making allowance for existing pipeline supply and removing office requirements is 24.1ha and is stated to be primarily for B8 type uses.
15. In order to meet the identified shortfall, a strategic employment allocation at Gatwick Green is made (48ha). This follows a site selection process drawing on the Housing and Employment Land Availability Assessment (HELAA). It is noted that there were a number of sites promoted for employment purposes located on land safeguarded for airport expansion to the south of the existing Gatwick Airport site boundary. These sites were discounted on the basis that the safeguarded land might still be required for a second runway at the airport and should not therefore be released for other uses.
16. Policy EC4 and its supporting text notes that any further industrial floorspace beyond the 24.1ha requirement would need to be demonstrated through appropriate evidence. The policy also highlights a range of landscaping and environmental considerations that will impact upon the net developable area of the site as well as the potential to accommodate a range of ancillary employment and amenity uses.

Local Plan Evidence Base Summary

17. The most relevant documents are the Northern West Sussex Economic Growth Assessment Update (January 2020) [EGA] and the Economic Growth Assessment Focused Update for Crawley (September 2020) [EGA Update]. Both documents were prepared by Lichfields.
18. The later study provides an update to take some account of the Covid-19 pandemic and generates the estimates which are taken forward to the Local Plan.

Northern West Sussex EGA

19. The EGA looks at the whole Functional Economic Market Area (FEMA). The assessment of future requirements for Crawley Borough includes a very wide range of -1.1ha to +113ha. The study recommends adopting a figure of +33ha based on a projection of past development trends.
20. Overall the report sets out a positive analysis of the Crawley economy (pre Covid) and the role of the Crawley Borough within the wider FEMA.

21. The analysis notes commercial agent feedback indicating a need for additional land to accommodate strong levels of market driven demand, particularly for industrial sites and premises. However, no uplift is applied.
22. The analysis of future requirements does not set out any consideration of replacing losses of employment sites and premises to other uses.
23. The approach that is preferred in this study draws on analysis of past trends. There is no consideration of whether past take up might have been suppressed as a result of constrained supply or whether the demand profile in the past period was similar to expectations for the future.
24. Given the strength of agent opinion and the failure to consider the implications of losses of employment sites and premises to other uses the final requirements figures put forward can be considered an underestimate of total objectively assessed needs.

EGA Focused Update for Crawley

25. This report is positioned as a post Covid check and draws on revised economic forecasts. The level of growth that is forecast is lower than historic growth rates and is from a respected source. The relevant differences in the considered economic forecasts are discussed on a sectoral basis in order to come to a balanced view.
26. The assessment of future B8 warehousing requirements is primarily driven by forecast employment change (and therefore changes substantially as a result of revised forecasts). In the commentary set out within the EGA Update (paragraph 2.48) it is noted that the Oxford Economics forecasts make allowance for more rapid automation. Whilst the process of automation will have implications for employment and economic development policy more generally, this does not necessarily impact on sites and premises requirements. This actually confirms the requirement in the latest Planning Practice Guidance (PPG), to make a broader assessment of B8 uses on the basis that employment alone has known weaknesses as a predictor for this sector.
27. There is no clear evidence of any attempt at this wider assessment as part of the EGA. This links across to comments made above on the original EGA, with commercial agent sentiment not being fully reflected.
28. The EGA Update assessment leads to an overall requirement of 38.7ha, which is the figure carried forward to the Pre Submission Local Plan. This is slightly greater than the figure emerging from the original assessment. In the EGA Update the emerging requirements from both baseline job growth and past take-up approaches are very similar (38.7ha and 39.6ha).

Headline Employment Land Requirement

29. The summary review set out above identifies a number of weaknesses with the overarching analysis. In particular:
 1. A failure to actively consider the potential need for land to replace losses to other uses; and
 2. A failure to take full account of agent views, particularly for B2/B8 uses.

Replacements

30. The recommendation of a need for 38.7ha of employment land emerging from the EGA Update is drawn from the baseline job growth approach. This considers only the net change in employment over the plan period, and applies an average employment density for the relevant Use Classes to derive an additional floorspace requirement.
31. This approach is helpful in considering some of the net changes in the economy. However, it fails to consider any of the issues within the existing economy or commercial market. Inherent in the approach is that the entirety of the existing stock of commercial employment sites and premises remains in its appropriate use and fit for purpose for the entirety of the plan period.
32. However, there is highly likely to be a loss of some stock to non-employment uses, or becoming redundant through dilapidation, or no longer being aligned to modern occupier requirements. Further, this approach fails to fully consider whether there are changing property requirements within sectors. There may also be changing employment densities over time. This is already recognised in the evidence base with regards to automation in some sectors, and is recognised in PPG specifically in regard to B8 uses where a wider view of future storage and distribution requirements is instructed.
33. These effects will lead to additional requirements for employment sites and premises that are not captured in the current evidence base.

Agent Views

34. As noted at para 7 earlier within this representation, this second issue is a specific requirement of PPG Paragraph: 031 Reference ID: 2a-031-20190722. The Submission Draft Local Plan includes specific references to this market sentiment, as set out at paragraph 135 above, but with no action taken. The EGA also highlighted strong commercial agent opinion as summarised at paragraph 22 above.
35. HJA has consulted with local industrial agent Robert Bradley-Smith who confirmed the views set out within the EGA remain highly relevant. Industrial, and particularly logistics demand is extremely strong and current and future requirements are expected to be ahead of past trends. The Covid-19 pandemic has accelerated the move to e-retail. The premises requirements of e-tailers and third party logistics operators are growing rapidly. The growth is expected to continue as new market areas are added to the portfolios of e-tailers, as well as through increasing demands for ever shorter delivery times. The Gatwick area was also highlighted for its excellent location at the heart of the South East and able to service both the south coast and south London.
36. In considering an approach aligned to the requirements of PPG, and drawing on the agent views as set out within the evidence base, there is very clear evidence of a need to provide an uplift to the stated requirements for warehousing space. We believe that it is appropriate for the Authority to consider this urgently and prior to submission of the Plan.

Shortfall in Employment Land Trajectory

37. Notwithstanding the issues set out above, Table 2.5 of the EGA update (p10) identifies a net floorspace requirement of 121,550sq.m of industrial (B1c/B2/B8) uses before the 10% flexibility allowance is applied. With the flexibility added this increases the required provision to 133,700sq.m. In land terms this equates to 33.4ha on the basis of the 4,000sq.m per hectare development density assumption.

38. A potential shortfall in provision is identified within the Employment Land Trajectory (January 2021) which includes a total provision for B1c/B2/B8 floorspace of 118,920sq.m. This falls below the total requirement. This indicates a shortfall of 14,780sq.m.
39. The trajectory document also suggests the proposed allocation at Gatwick Green will deliver 77,800sq.m on 24.1ha (we consider the capacity of the sites separately in respect of our representations in relation to Policy EC4). This equates to a density of 32%. On that basis the additional 14,780sq.m would require a further area of land.

Conclusion

40. Crawley is a key economic hub for a wider hinterland. The Submission Draft Local Plan seeks to plan positively for economic and employment growth.
41. The Council's own evidence and the Submission Draft Local Plan both acknowledge the strength of market demand highlighted by commercial agents, but make no adjustment for this clear evidence of strong market signals and the specific requirement of PPG to take account of logistics needs in a more rounded way. Coupled with a failure to make any provision for replacing losses of existing employment sites and premises to other uses, and through dilapidation and changing occupier requirements, there is a clear under provision in the assessment of future needs. The scale of this uplift is uncertain.
42. The Employment Land Trajectory set out alongside the Submission Draft Local Plan indicates a shortfall in anticipated floorspace when compared to the identified needs and the claimed capacity within the plan. The shortfall equates to a need for a further 3.7ha of industrial and warehouse land across the plan period. This could increase to a minimum 4.6ha based on the identified density at Gatwick Green and is subject to increase to reflect a market and replacement uplift.

Table 1: Revised Industrial & Warehousing Requirement - Summary

Current stated outstanding requirement	24.1ha
Employment land trajectory shortfall	3.7-4.6ha
Additional market and replacement uplift	TBC
Total	27.8-28.7ha

CHANGES REQUIRED IN ORDER TO ENSURE THAT THE PLAN IS COMPLIANT WITH NPPF

43. Whilst we are supportive of the general approach of the Council, currently the plan is contrary to National guidance, it does not:
- reflect the most up to date trends or market signals;
 - proactively and positively encourage sustainable economic growth with regard to Local Industrial Strategies and other policies for economic development;
 - identify strategic sites for local and inward investment to match the strategy and to meet anticipated need; or
 - provide flexibility to accommodate needs not anticipated in the plan, allow for new and flexible working practices and to enable a rapid response to changes in economic circumstances.
44. Based on the analysis undertaken by HJA and in order to achieve the vision of the plan and to comply with National guidance the level of Industrial land required over the plan period should be

increased to a minimum of 28.7ha with a further uplift TBC to reflect market circumstances and a replacement uplift. This would enable a robust supply of land and will reflect local circumstances as required by national guidance. It was also help to ensure diversification of the local economy and move away from reliance upon Gatwick Airport.

45. As such in order to make the plan sound, as a minimum the following amendment to Policy EC1 is required with further consideration given to the required market and replacement uplift:

Strategic Policy EC1: Sustainable Economic Growth

Crawley's role as the key economic driver for the Coastal to Capital and Gatwick Diamond areas will be protected and enhanced. Suitable opportunities are identified within the borough to enable existing and new businesses to grow and prosper.

There is need for a minimum of 43.3 hectares new business land in the borough which, taking off the opportunities identified in the Employment Land Trajectory, results in an outstanding requirement for a minimum of 28.7 hectares of new industrial land over the period to 2036.

Crawley's recognised economic role and function will be maintained and enhanced through:

- i) Building upon and protecting the established role of Manor Royal as the key mixed business location for Crawley at the heart of the Gatwick Diamond and Coast to Capital areas;*
- ii) Ensuring that the borough's Main Employment Areas are protected as locations for sustainable economic growth;*
- iii) Encouraging the redevelopment and intensification of under-utilised sites in Main Employment Areas for employment use;*
- iv) Supporting small extensions to Manor Royal, outside of safeguarding, where this would deliver additional business land, and can be achieved in a manner that is consistent with other Local Plan policies; and*
- v) Allocation of an industrial-led Strategic Employment Location at Gatwick Green, on land east of Balcombe Road and south of the M23 spur.*



CRAWLEY BOROUGH COUNCIL LOCAL PLAN
2020 - 2035 SUBMISSION CONSULTATION DRAFT

WT LAMB PROPERTIES, STAMINIER GROUP
& ELLIOTT METALS/THE SIMMONDS FAMILY
JUNE 2021

Appendix 1. Employment Land Matters Report by HJA



HARDISTY JONES ASSOCIATES
Economic Development Advisers ●●●●●●●●●●

Review of Employment Land Matters within the Submission Draft Crawley Local Plan

Final Report

Prepared on behalf of W T Lamb Holdings Ltd

June 2021

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Job Number:	21 02 03
Version Number:	1.0
Approved by:	Stuart Hardisty
Date:	28 June 2021

Executive Summary

- i. HJA has been instructed by W T Lamb Holdings Ltd to review employment land matters within the Submission Draft Crawley Local Plan and supporting evidence base.
- ii. This review has identified a number of issues which lead to the Local Plan under-providing land for industrial and warehousing (B2/B8) uses.
- iii. A minimum of 3.7-4.6ha of additional industrial and warehousing land should be provided to make up the identified shortfall of 14,780 in the employment land trajectory.
- iv. Additional provision should also be made, in line with the requirements of PPG, taking into account the strength of market opinion, in order to deliver a more rounded and robust assessment of future B8 requirements; as well as to allow for potential losses of employment space to other uses and through dilapidation and changing occupier requirements.

1 Introduction

- 1.0.1 HJA is a specialist economic development consultancy, with particular expertise in advising both public and private sector clients on employment land matters.
- 1.0.2 This report has been prepared by Stuart Hardisty. Stuart is a Director of HJA with more than 20 years' experience of economic development consulting and specifically advising on future employment land requirements. Stuart is also a Director of the Institute of Economic Development leading on employment land matters. This has included speaking at a range of events and authoring multiple articles on the topic. He has advised many Local Authorities, sub-regional partnerships, Local Enterprise Partnerships, regional bodies, national governments and private sector clients on future employment land needs.
- 1.0.3 HJA has been instructed by W T Lamb Holdings Ltd to review employment land matters within the Submission Draft Crawley Local Plan and its supporting evidence base.
- 1.0.4 This short report sets out the summary findings of this appraisal, based on a review of available documentation including:
- Crawley Submission Draft Local Plan (January 2021)
 - Northern West Sussex Economic Growth Assessment (January 2020)
 - Economic Growth Assessment Focused Update for Crawley (September 2020)
 - Topic Paper 5 – Employment Needs and Supply (January 2021)
 - Employment Land Trajectory (January 2021)
 - Submissions made to the Crawley Local Plan process by the Wilky Group
- 1.0.5 HJA has also accessed and analysed employment land monitoring data collected and collated by West Sussex County Council on behalf of Crawley Borough Council.

2 Crawley Submission Draft Local Plan

- 2.0.1 This chapter provides a summary review of the key employment land matters within the Crawley Submission Draft Local Plan.
- 2.0.2 Crawley is a key economic driver for a functional economic market area that extends beyond the borough's boundaries. Particular drivers include Gatwick Airport and the large Manor Royal employment area, as well as Crawley Town Centre. The sub-regional role of the Crawley economy is recognised with the presence of the Gatwick Diamond Initiative, as well as being a core location within the Coast to Capital Local Enterprise Partnership (LEP) area.
- 2.0.3 The Emerging Local Plan seeks to plan positively for economic growth in the Crawley area despite the impact of Covid-19 on the area. The Borough has been identified as significantly vulnerable to the economic impact of Covid-19, given its reliance on the passenger air transport sector. Nevertheless, the importance of delivering the sites and premises required for employment purposes is clearly highlighted. For example:

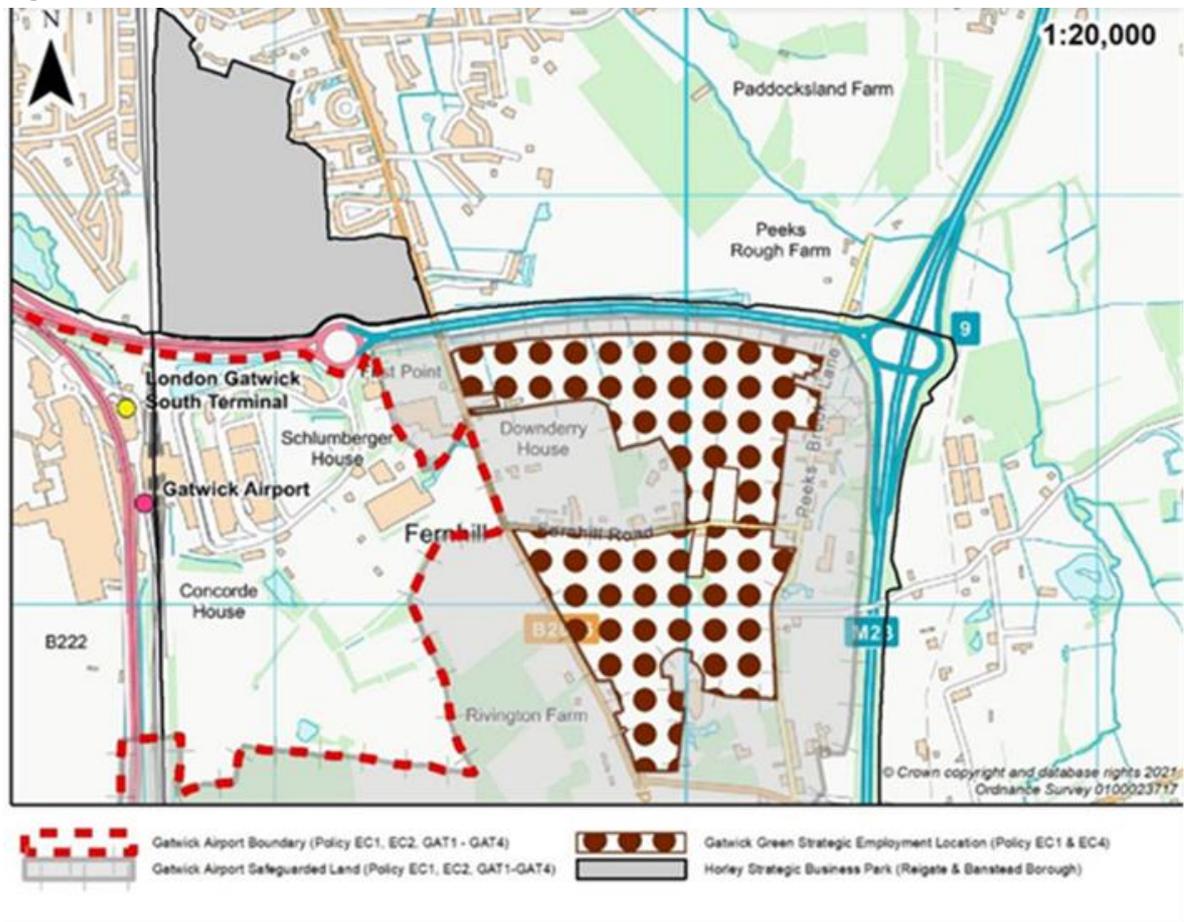
“Key to achieving this [economic ambition] is the supporting of economic growth through the delivery of new business space and facilities”

“It is anticipated that Crawley’s economy will respond and recover, with significant need for new business land and floorspace identified over the period to 2036. Given the significant land supply constraints faced within the borough, the Local Plan sets out a pro-active and ambitious economic strategy to support economic recovery in the shorter-term, whilst planning positively for economic growth and diversification, consistent with LEP and Gatwick Diamond priorities, and national planning policies, to ensure that sustainable economic growth can be delivered over the Plan period.”

“The scope to accommodate identified employment land needs in Crawley has been severely constrained by the limited available land supply, which is significantly affected by the requirement to safeguard land in the north of the borough for a possible southern runway at Gatwick Airport. There remains a risk that if Crawley’s employment needs cannot be accommodated within the borough, investment may be lost outside of Crawley, and indeed the sub-region entirely.”

- 2.0.4 The proposals for employment land provision draw heavily on the underpinning evidence base, which is reviewed in the next section of this report. The overarching policy position is of a need for 38.7ha of employment land. The residual requirement for industrial uses, after making allowance for existing pipeline supply and removing office requirements is 24.1ha. This is stated to be primarily for B8 type uses.
- 2.0.5 In order to meet the identified shortfall, a strategic employment allocation at Gatwick Green is made. This follows a site selection process drawing on the Housing and Employment Land Availability Assessment (HELAA). It is noted that there were a number of sites promoted for employment purposes located on land safeguarded for airport expansion to the south of the existing Gatwick Airport site boundary. These sites were discounted on the basis that the safeguarded land might still be required for a second runway at the airport and should not therefore be released for other uses. The extent of this allocation is shown in Figure 1. The site comprises approximately 47ha.

Figure 1: Proposed Gatwick Green Allocation (brown spotted area)



Source: Crawley Submission Draft Local Plan

2.0.6 Policy EC4 and its supporting text notes that any further industrial floorspace beyond the 24.1ha requirement would need to be demonstrated through appropriate evidence. The policy also highlights a range of landscaping and environmental considerations that will impact upon the net developable area of the site as well as the potential to accommodate a range of ancillary employment and amenity uses.

3 Local Plan Evidence Base

- 3.0.1 This chapter provides a summary of the key issues emerging from a review of the Local Plan evidence base in respect of employment matters.
- 3.0.2 The most relevant documents are the Northern West Sussex Economic Growth Assessment Update (January 2020) [EGA] and the Economic Growth Assessment Focused Update for Crawley (September 2020) [EGA Update]. Both documents were prepared by Lichfields on behalf of Crawley Borough Council.
- 3.0.3 The later study provides an update to take some account of the Covid-19 pandemic and generates the estimates which are taken forward to the Local Plan.

3.1 Northern West Sussex EGA

- 3.1.1 The EGA looks at the whole Functional Economic Market Area (FEMA). The assessment of future requirements for Crawley Borough includes a very wide range of -1.1ha to +113ha based on a number of approaches and scenarios. The study recommends adopting a figure of +33ha based on a projection of past development trends.
- 3.1.2 Overall the report sets out a positive analysis of the Crawley economy (pre Covid) and the role of the Crawley Borough within the wider FEMA.
- 3.1.3 The analysis notes commercial agent feedback indicating a need for additional land to accommodate strong levels of market driven demand, particularly for industrial and warehousing sites and premises. However, no uplift is applied to reflect this.
- 3.1.4 The analysis of future requirements does not set out any consideration of replacing losses of employment sites and premises to other uses.
- 3.1.5 Within the preferred 'past trends' approach there is no consideration of whether past take up might have been suppressed as a result of constrained supply, or whether the demand profile in the past period was similar to expectations for the future.
- 3.1.6 Given the strength of agent opinion and the failure to consider the implications of losses of employment sites and premises to other uses the final requirements figures put forwarded can be considered an underestimate of total objectively assessed needs.

3.2 EGA Focused Update for Crawley

- 3.2.1 This report is positioned as a post Covid check. It draws on revised economic forecasts. The level of growth that is forecast is lower than historic growth rates and is from a respected source. The relevant differences in the considered economic forecasts are discussed on a sectoral basis in order to come to a balanced view.
- 3.2.2 The assessment of future B8 warehousing requirements is primarily driven by forecast employment change (and therefore changes substantially as a result of revised forecasts).
- 3.2.3 In the commentary set out within the EGA Update (paragraph 2.48) it is noted that the Oxford Economics forecasts make allowance for more rapid automation. Whilst the process of automation will have implications for employment and economic development policy more generally (and may

temper the rate of growth of employment in the sector), this does not restrict the potential growth in sites and premises requirements.

- 3.2.4 Such issues are considered in the latest Planning Practice Guidance (PPG), which notes a need to make a broader assessment of B8 uses on the basis that employment alone has known weaknesses as a predictor for this sector.
- 3.2.5 There is no clear evidence of any attempt at this wider assessment as part of the EGA. This links across to comments made above (at paragraph 3.1.3) on the original EGA, with commercial agent sentiment not being fully reflected despite clear indications that there is very strong demand.
- 3.2.6 The EGA Update assessment leads to an overall requirement of 38.7ha, which is the figure carried forward to the Pre Submission Local Plan. This is slightly greater than the figure emerging from the original assessment. In the EGA Update the emerging requirements from both baseline job growth and past take-up approaches are very similar (38.7ha and 39.6ha).

4 Analysis

4.0.1 This chapter set out analysis of the issues identified in the summary reviews contained within previous chapters of this report.

4.1 Headline Employment Land Requirement

4.1.1 In reviewing the core documents, as summarised above, HJA has identified a number of weaknesses with the overarching analysis. In particular:

1. A failure to actively consider the potential need for land to replace losses of existing stock; and
2. A failure to take full account of agent views, particularly for B2/B8 uses.

Replacement

4.1.2 The recommendation of a need for 38.7ha of employment land emerging from the EGA Update is drawn from the baseline jobs growth approach. This considers only the net change in employment over the plan period, and applies an average employment density for the relevant Use Classes to derive an additional floorspace requirement.

4.1.3 This approach is helpful in considering some of the net changes in the economy. However, it fails to consider any of the issues within the existing economy or commercial market. Inherent in the approach is that the entirety of the existing stock of commercial employment sites and premises remains in its appropriate use and fit for purpose for the entirety of the plan period.

4.1.4 However, there is highly likely to be a loss of some stock to non-employment uses (through Permitted Development or change of use applications), or becoming redundant through dilapidation, or no longer being aligned to modern occupier requirements. Further, this approach fails to fully consider whether there are changing property requirements within sectors. There may also be changing employment densities over time. This is already recognised in the evidence base with regards to automation in some sectors, and is recognised in PPG specifically in regard to B8 uses where a wider view of future storage and distribution requirements is instructed.

4.1.5 These effects will lead to additional requirements for employment sites and premises that are not captured in the current evidence base.

Agent Views

4.1.6 This second issue is a specific requirement of PPG Paragraph: 031 Reference ID: 2a-031-20190722. The Submission Draft Local Plan includes specific references to this market sentiment, as set out at paragraph 2.0.3 above, but with no action taken. The EGA also highlighted strong commercial agent opinion as summarised at paragraph 3.1.3 above.

4.1.7 HJA has consulted with local industrial agent Robert Bradley-Smith who confirmed the views set out within the EGA remain highly relevant. Industrial, and particularly logistics demand is extremely strong and current and future requirements are expected to be ahead of past trends. The Covid-19 pandemic has accelerated the move to e-retail. The premises requirements of e-tailers and third-party logistics operators are growing rapidly. The growth is expected to continue as new market areas are added to the portfolios of e-tailers, as well as through increasing demands for ever shorter delivery times. The Gatwick area was also highlighted for its excellent location at the heart of the South East and able to service both the south coast and south London.

- 4.1.8 In considering an approach aligned to the requirements of PPG, and drawing on the agent views as set out within the evidence base, there is very clear evidence of a need to provide an uplift to the stated requirements for warehousing space.

Implications

- 4.1.9 These two issues combine to indicate the overall requirement should have been subject to further uplift. The exact scale of uplift will require an element of subjectivity and particularly dialogue with a range of stakeholders active in the logistics market as well as evidence on the potential scale of losses and need for replacement. HJA has explored with West Sussex County Council's monitoring team the availability of the relevant monitoring data, and it was confirmed that not all losses of employment sites and premises are currently recorded within the data, particularly to non-commercial losses such as residential. Therefore it has not been possible to propose a scale of uplift as part of this response.

4.2 Shortfall in Employment Land Trajectory

- 4.2.1 Notwithstanding the issues set out above, Table 2.5 of the EGA update (p10) identifies a net floorspace requirement of 121,550sqm of industrial (B1c/B2/B8) Uses before the 10% flexibility allowance is applied. With the flexibility added this increases the required provision to 133,700sqm¹. In land terms this equates to 33.4ha on the basis of the 4,000sqm per hectare (40%) development density assumption.
- 4.2.2 A shortfall in provision is identified within the Employment Land Trajectory (January 2021) which includes a total provision for B1c/B2/B8 floorspace of 118,920sqm. This falls below the total requirement including the flexibility allowance. This indicates a shortfall of 14,780sqm, equivalent to 3.7ha at the 40% development density.
- 4.2.3 The trajectory document also suggests the proposed allocation at Gatwick Green will deliver 77,800sqm² on 24.1ha. This equates to a density of only 32%. On the basis of this lower density the additional 14,780sqm would require a further 4.6ha.

¹ This figure is never quoted in the EGA documentation, but is inherent within an adjustment to land area conversion rates. For ease of comparison with the employment land trajectory we have set out the full workings.

² It is noted in the text that this is the outstanding requirement. However, as has been demonstrated, this appears to be an underestimate by some 14,780sqm based on the Council's stated figures.

5 Conclusion

- 5.0.1 Crawley is a key economic hub for a wider hinterland. The Submission Draft Local Plan seeks to plan positively for economic and employment growth.
- 5.0.2 The Council's own evidence and the Submission Draft Local Plan both acknowledge the strength of market demand highlighted by commercial agents, but make no adjustment for this clear evidence of strong market signals and the specific requirement of PPG to take account of logistics needs in a more rounded way. Coupled with a failure to make any provision for replacing losses of existing employment sites and premises to other uses, and through dilapidation and changing occupier requirements, there is a clear under provision in the assessment of future needs. The scale of this uplift is uncertain.
- 5.0.3 The Employment Land Trajectory set out alongside the Submission Draft Local Plan indicates a shortfall in anticipated floorspace when compared to the identified needs and the claimed capacity within the plan. The shortfall equates to a need for a further 3.7ha of industrial and warehouse land across the plan period. This could increase to 4.6ha based on the identified density at Gatwick Green.

Table 1: Revised Industrial & Warehousing Requirement - Summary

Category	Land Requirement
Current stated outstanding requirement	24.1ha
Employment land trajectory shortfall	3.7-4.6ha
Additional market and replacement uplift	TBC
Total	27.8-28.7ha+

Source: HJA based on EGA and Crawley Borough Council documentation

- 5.0.4 Additional employment land provision should be made to support the needs of the Crawley Borough economy and enable it to continue to fulfil its role as a key economic hub for the wider area.