

# Crawley 2037

Draft Crawley Borough Local Plan 2021 – 2037

June 2021

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Regulation 19 Consultation

Representation on behalf of the Wilky Group



**GatwickGreen**

WHERE THE FUTURE WORKS

**Policy EC1**

Sustainable Economic Growth

June 2021



# Crawley

Local Plan

Ref No:

Office use only

## Crawley Submission draft Local Plan Representation

Please return your completed representation form to Crawley Borough Council by 5pm on 17 February 2021.

Representations can be made via this form and emailed to [strategic.planning@crawley.gov.uk](mailto:strategic.planning@crawley.gov.uk) or sent via post to: Local Plan Consultation, Strategic Planning, Crawley Borough Council, Town Hall, The Boulevard, Crawley, RH10 1UZ. Alternatively, representations can be made online using the [eform](#) which allows attachments of documents.

This form has two parts:

### PART A – Personal details

By law, representations cannot be made anonymously. All representations will be published alongside your name, company name (if applicable), and your client's name/company (if applicable). The Council will use the information you submit to assist with formulating planning policy.

Further information about Data Protection Rights in line with the provisions of the General Data Protection Regulations and Data Protection Act 2018, for example, how to contact the Data Protection Officer, how long information is held or how we process your personal information can be found at [www.crawley.gov.uk/privacy](http://www.crawley.gov.uk/privacy). Specific reference to the Local Plan and planning policy related public consultation can be found [here](#).

### PART B – Your representation

Please fill in a separate sheet for each representation you wish to make. You may submit multiple "PART B" sections with a single "PART A" completed.

### PART A – Personal details

Please ensure that you complete all fields in 1. If a planning agent is appointed, please enter the Title, Name and Organisation in 1, and complete the full contact details of the agent in 2.

	1. Personal details	2. Agent's details
Title:	Ms	Mr
First name:	Sally	Simon
Surname:	Fish	Fife
Organisation:	Wilky Group	Savills
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Town/city:	Leatherhead	Wimborne
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Telephone:	01483 230320	01202 856912
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## 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 checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 5.2. Sound?                                 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 5.3. Compliant with the duty to co-operate? | Yes <input checked="" type="checkbox"/> | No <input 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 see attached representation and appendices

*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.

Please see attached representation and appendices

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:**

The Planning Inspectorate's procedure guide for Local Plan Examinations (Feb 2021) states at para 3.10 that a representor has a right to appear at Hearings where a change to the Plan has been sought.

Strategic Policy EC1 is an important policy that sets out the strategic policy framework to guide the sustainable growth of the Crawley economy, including the provision for new employment land and a new Strategic Employment Location at Gatwick Green to address future needs. TWG supports Strategic Policy EC1, but is seeking important changes to the policy and/or the supporting text to provide for consistency with other policies in the Local Plan, which in turn will ensure that policy objectives are realised, in particular with regard to Gatwick Green. It is therefore considered that the representation raises important and significant planning matters relating to implementation of the economic strategy for Crawley and the role of Gatwick Green. These matters justify the attendance of TWG at the Hearings.

*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](http://www.crawley.gov.uk/localplanreview)

**Signature**



**Date**

29/06/2021

**Draft Crawley Borough Local Plan 2021 - 2037  
January 2021**

**Regulation 19 Consultation**

**Representation on behalf of the Wilky Group**

**Strategic Policy EC1: Sustainable Economic Growth**

**June 2021**



## 1.0 Introduction

- 1.1 This representation is submitted on behalf of The Wilky Group (TWG), which has a long-standing interest in the promotion of strategic employment land within the Crawley Borough Council (CBC) area. It relates to Chapter 9 on Economic Growth and Social Mobility and specifically Strategic Policy EC1, Sustainable Economic Growth in the draft Crawley Borough Local Plan, 2021 (DCBLP).
- 1.2 TWG owns about 48 ha (119 acres) of land east of Gatwick Airport as shown the plan at **Appendix 1**. The land has been promoted by TWG as a strategic employment opportunity known as Gatwick Green (the Site). The Site is proposed for allocation as a Strategic Employment Location (SEL) of 47 ha (116 acres) in the DCBLP under Strategic Policy EC4 as a comprehensive industrial-led development of predominantly storage and distribution uses under use class B8. The extent of the SEL allocation is identified on the plan at **Appendix 1**.

### Background

- 1.3 These are TWG's representations made in the light of the updated DCBLP 2020, which was published following the advice from the Planning Inspectorate to Crawley Borough at the Advisory Visit in April 2020: the advice was that the Local Plan had to include a strategy to address Crawley's employment needs and that the removal of safeguarding could not be regarded as certain. Accordingly, the representations revise TWG's position, given the changes in the draft Plan and the revised / updated evidence base since the original representations were made.

### Scope of representation

- 1.4 This representation sets out the evidence in support of Strategic Policy EC1 with reference to:
1. National planning policy and guidance.
  2. Existing regional and sub-regional economic/transport strategies and policy.
  3. The Council's North West Sussex Economic Growth Assessment Update (EGA<sup>1</sup>) and related focused Crawley update (EGA CU<sup>2</sup>).

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<sup>1</sup> Northern West Sussex EGA Update, Final Report, Lichfields for Crawley BC, January 2020

<sup>2</sup> Northern West Sussex EGA Focused Update for Crawley, Final Report, Lichfields for Crawley BC, September 2020

4. A report by Savills on the Industrial & Logistics (I&L) market, the Crawley employment land supply and the complementarity of Gatwick Green with other employment areas at/near Crawley.
5. A report by Savills on the economic benefits and social value of Gatwick Green.
6. The benefits of Gatwick Green as a SEL.
7. The need to address Crawley's pre-existing and current unmet employment land needs.
8. The need to address the critical and urgent economic issues faced by Crawley as a result of the significant economic and social impacts from the COVID-19 pandemic, which are predicted to endure for many years.

## Executive Summary

- 1.5 There is an urgent need for additional strategic employment land in Crawley to meet the long-standing economic needs of the Borough. This was identified in, but not addressed by, the adopted DCBLP (2015), and has been re-confirmed in the Council's EGA CU. The DCBLP has expressed these needs as a **minimum** requirement to reflect the need for a flexible policy response that can enable the Plan to adapt to changing circumstances and in so doing, future-proof the economy. This positive and pro-active approach is consistent with national planning policy and guidance.
- 1.6 Evidence from Savills Economics has identified a series of trends and structural changes in the economy that are driving growth in the Industrial and Logistics (I&L) market. The market is growing in the more peripheral parts of the country away from the traditional midlands base and providing a greater diversity, and enhanced quality, of employment opportunities. Against this background, the I&L sector is severely underrepresented in Crawley compared to other markets and areas, and in particular when compared to markets around major airports. In these circumstances, and given the constrained supply of suitable sites for major B8 uses around Crawley, the demand for a high-profile site in Crawley with access to the Strategic Road Network (SRN) is very strong. This market analysis supports the empirical assessment of employment land needs contained in the Council's EGA CU and the expression of that need as a **minimum** in policy in the DCBLP.
- 1.7 The land supply (excluding Gatwick Green) comprises a range of development sites focused on redevelopment and intensification opportunities at Manor Royal. The supply provides a limited, though important, part of the provision to meet part of the Borough's future industrial needs – the sites would deliver a range of I&L unit sizes, with a focus on medium sized units, but with some small and large units, the latter catering the data storage segment of the market. In contrast, a significant part of the future requirement is for larger / very large B8 storage and distribution units (100,000 sqft+) to serve the needs

of new generation logistics occupiers. Gatwick Green will fulfil the identified need given its strategic location with access to the M23 and its ability to accommodate larger storage and distribution units as part of an industrial mix of predominantly B8 uses.

- 1.8 Savills Economics has also assessed the degree to which Gatwick Green is complementary to the key Main Employment Areas in Crawley (the town centre and Manor Royal) and the nearest significant planned employment area to Crawley (the Horley Business Park). The assessment concluded that there is a high degree of complementarity between these employment locations, which all serve different market sectors / segments. Maintaining this complementarity is a key policy objective in the DCBLP and any proposals for Gatwick Green will need to demonstrate that this balance will endure – the predominately strategic B8 focus of Gatwick Green will ensure this will be the case.
  
- 1.9 A number of regional and sub-regional economic studies / strategies support focusing growth at Crawley/Gatwick in recognition of the area’s current role and future potential. Importantly, the evidence base for the Coast to Capital LEP Local Industrial Strategy, which planning policy should reflect, supports the identification of major economic development adjacent to Gatwick, identifying sites within the land safeguarded for an additional runway comprising about 150 ha east of the Airport.
  
- 1.10 This representation supports the assessed need for strategic employment land in Crawley, which lies at the economic heart of the Coast to Capital area and the ‘Gatwick Diamond’. The evidence therefore supports the Council’s decision to allocate Gatwick Green as a SEL for industrial-led development, primarily for storage and distribution uses. This recognises the development potential of the Site as a highly sustainable location capable of meeting Crawley’s unmet needs.
  
- 1.11 The Gatwick Green allocation also provides for development at a scale that can address the significant impacts on the local economy as a result of the sharp fall in aviation activity at Gatwick Airport, as a result of the COVID-19 pandemic, the impacts of which are likely to be felt for many years. The Council’s Covid Recovery Plan identifies the ‘flagship intervention’ of the EC4 allocation as a key part of its response to diversify away from an over-reliance on the aviation and airport sectors.
  
- 1.12 The development of Gatwick Green, therefore, offers significant socio-economic benefits for Crawley and the sub-region, together with the significant infrastructure benefits that will flow from its development. The creation of high-quality jobs and other benefits will assist the residents of Crawley, especially those affected by the economic downturn associated with the COVID-19 pandemic.



1.13 Strategic Policy EC1 is therefore considered to be sound in that it addresses the future employment needs of the Crawley in a way that ensures that the Plan can respond flexibly to future needs so as to future-proof the economy – crucially, it does this by providing for a **minimum** of employment land, subject to the demonstration of market / needs evidence. Strategic Policy EC1 is therefore in accordance with the four soundness tests contained in the NPPF (para 35). The representation also sets out the case for some minor adjustments to the policy and the supporting text:

1. Express the outstanding employment land requirement of 24.1 ha in Strategic Policy EC1 as a 'minimum' so as to ensure consistency within the policy and with Strategic Policy EC4.
2. Amend paragraphs 9.13, 9.20 and 9.23 of the supporting text to Strategic Policy EC1 to reflect that the overall and outstanding requirements of 38.7 ha and 24.1 ha of new industrial land are a 'minimum'.

## 2.0 Strategic Policy EC1 – rationale and strategy

2.1 The purpose of Strategic Policy EC1 is to set out the overarching strategy for sustainable economic growth over the DCBLP period to 2036. That strategy is based on the findings of a number of sub-regional and local economic studies as noted at paragraphs 9.2 to 9.4 and in Topic Paper 5 (Employment Needs and Land Supply)<sup>3</sup>. These include various strategies and studies produced by the Coast to Capital Local Enterprise Partnership (LEP), the Gatwick Diamond initiative, and Crawley Borough Council as part of its evidence base for the DCBLP. It also includes the Manor Royal Economic Impact Assessment (January 2018)<sup>4</sup>. The key tenets of the Plan's economic strategy are (DCBLP paras 9.2-9.5):

- To support economic growth through delivering new business space and facilities; improving connectivity and infrastructure; delivering the necessary skills for a global economy, and by providing high quality and well paid jobs – these objectives apply especially to Crawley and Gatwick given their central role as drivers of the regional economy.
- To promote the economic function of the Gatwick Diamond.
- To support a pro-active and ambitious economic recovery in the shorter-term and to plan for economic growth and diversification over the Plan period, especially in the context the significant economic impacts of the COVID-19 pandemic.
- To support the delivery for the floorspace needed for new and growing businesses.

<sup>3</sup> Topic Paper 5: Employment Needs and Land Supply, Crawley Borough Council, January 2021

<sup>4</sup> Manor Royal Economic Impact Study, Final Report, Manor Royal Business District, Lichfields on behalf of the Manor Royal BID Company Limited in partnership with Crawley Borough Council and West Sussex County Council, January 2018

- To enable Crawley to build on its economic strengths and maximise opportunities for growth.
- To support an economic recovery with flexible policies to support employment growth and enable adaptation to change.

2.2 Strategic Policy EC1 therefore responds to these overarching principles by:

1. Protecting and enhancing Crawley's role as the key economic driver of the Coast to Capital and Gatwick Diamond areas.
2. Identifying the overall need for a minimum of 38.7 ha of new business land and an outstanding need for 24.1 ha of new industrial land to 2036.
3. Maintaining and enhancing Crawley economic role and function by protecting and providing for development at the Manor Royal business district and the Main Employment Areas.
4. Allocating an industrial-led Strategic Employment Area at Gatwick Green.

2.3 TWG supports Strategic Policy EC1 in that it provides a cohesive and overarching economic strategy that advances the regional, sub-regional and local economic objectives and the vision for the town set out at Chapter 2 of the DCBLP. The remainder of this representation sets out the evidence that supports Strategic Policy EC1 with specific reference to the identification of Gatwick Green as a SEL and a key part of the overarching economic strategy for Crawley and the wider region/sub-region.

### 3.0 Compliance with national planning policy

3.1 The NPPF (February 2019) notes that local planning authorities should place significant weight on supporting economic growth and productivity, taking account of local business needs and wider opportunities for development. Policies should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. In particular, areas with high levels of productivity should be allowed to capitalise on their potential so that Britain can be a global leader in innovation: driving productivity improvements is the core vision contained in the Government's Industrial Strategy<sup>5</sup>. The NPPF goes on to require planning policies to proactively and positively encourage sustainable economic growth with regard to Local Industrial Strategies (LISs); identify strategic sites for inward investment; address any barriers to investment, and incorporate flexibility to accommodate needs not articulated in the plan. The Framework also highlights the need to specifically plan for storage and distribution uses and take account of their specific locational requirements (paras 80-82).

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<sup>5</sup> Industrial Strategy: Building a Britain fit for the future, HM Government, 2017

- 3.2 Government 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). This advises that to ensure robust evidence on business needs is demonstrated, local authorities should liaise closely with the business community and take account of Local Industrial Strategies (LISs). Councils should take a 'best fit' Functional Economic Market Area (FEMA) and then assess the following:
- 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.
- 3.3 Above all, this requires close liaison with the business community to understand current and future requirements.
- 3.4 In relation to market signals, PPG states that Councils need to look at:
- a) Current and robust data on labour demand (jobs/employment forecasts), labour supply (demographically derived forecasts of the economically active population, i.e. future employees).
  - b) The trends in take-up of employment land.
  - c) Future property market requirements.
  - d) Consultation with relevant organisations and study business trends, models and employment statistics taking account of longer term economic cycles.
- 3.5 This work will reveal any quantitative or qualitative mismatches in demand and supply and indicate the market segments which are under or over-supplied. In this regard, Councils should look at a range of robust data to understand the requirements for office, general business and distribution space.
- 3.6 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. Likewise, Councils need to understand the needs of specialist or new sectors, including through clustering of certain industries to support collaboration, innovation, productivity and sustainability.

- 3.7 Overall therefore, the NPPF and PPG require that plan-making authorities must address their economic needs in their local plans, which requires an overriding strategy as to 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).
- 3.8 The Council has responded positively to national planning policy and guidance by allocating the Gatwick Green SEL to seek to meet (in part) the long-standing economic and employment needs of the area. The SEL will support economic growth in an area disproportionately affected by the pandemic and, as a predominantly warehousing development, will contribute significantly to enhancing productivity in the local and wider economy. In this way, Gatwick Green represents part of a strong strategic response to addressing the pre-existing unmet employment land needs of Crawley, which amounts to 35 ha, as identified in the adopted CBLP (2015) (paras 5.11, 5.12, 5.20 and Policy EC1) and the continued identification of those needs in the EGA CU.
- 3.9 In addition to the long-standing and current deficit in employment land, Crawley now faces the additional economic impacts from the COVID-19 pandemic consequent to the rapid reduction of air travel through Gatwick and ongoing lockdowns. These impacts have arisen over the past 12 months and are expected to blight the aviation sector and the local economy for some years as the need/demand for international travel responds to the post-pandemic circumstances. The result has been the significant loss of airport/aviation jobs in Crawley and the wider economy, which may not recover for many years. The current and growing demand for strategic B8 development means that Gatwick Green can be delivered over the next five to seven years, offering an opportunity to mitigate these impacts and help to diversify the economy away from its airport dominance.
- 3.10 Whilst the pandemic is leading to uncertainty in demand for certain employment uses such as offices, it has been clearly demonstrated that the pre-existing need for logistics space remains and is likely to have increased as the shift towards on-line retail has accelerated. It is in this context that CBC has prioritised meeting the urgent and critical need for strategic employment land focused on an industrial-led proposal where there is demonstrable historic and current significant demand. This demand has not been satisfied over the past 8 years or so, due to the historic under-provision of employment land, but specifically for B8 uses, the demand for which has been fuelled by the long-standing trend towards online retail, which has been accelerated during the pandemic and is expected to continue to grow. The decision of the Council to allocate Gatwick Green as a SEL is, therefore, a positive and robust response to address the long-standing

economic needs of the area and its residents, which also has the capability of off-setting some of the economic impacts of the pandemic over the short to medium term.

#### 4.0 Meeting Crawley's employment land requirement

##### Policy background

- 4.1 The adopted CBLP (December 2015) (CBLP 2015) identified a shortfall of employment land for the period 2015 – 2030. Whilst some minor extensions to Manor Royal were provided for (though not allocated) in policy, it was expected that this unmet need would be addressed by a new Strategic Employment Location (SEL) within an Area of Search (AoS) identified under Policy EC1. The AoS covered land south and east of Gatwick Airport, including the Gatwick Green site, an area also safeguarded for a possible wide-spaced southern runway at Gatwick Airport. The long-term safeguarding of about 523 ha (1,300 acres) for an additional wide-spaced runway at Gatwick Airport is therefore the cause of the constrained land supply around Crawley/Gatwick.
- 4.2 The only significant new allocation in the vicinity of Crawley in the past six years since the CBLP 2015 was adopted has been the Horley Business Park (HBP) allocated under Policy HOR9 of the Reigate and Banstead Borough Council Development Management Plan (DMP<sup>6</sup>). Policy HOR9 allocated the HBP for 31 ha and up to 200,000 sqm of predominantly office floorspace. A plan showing the HBP in relation to the site is included at **Appendix 2**.
- 4.3 Based on a review by Savills, the net developable area of the HBP is not 31 ha, but only 18 ha taking account of areas of flood risk and the Gatwick Open Setting policy in the DMP (see **Appendix 2**), which reduces the capacity of the site to c 72,000 sqm (c 775,008 sq ft). The DCBLP notes that the Borough has a sufficient supply of office land / floorspace to meet the requirement to 2037, so by implication the HBP is not required to meet any of Crawley's unmet needs. The DCBLP therefore notes that the HBP "*will further add to the sub-regional offer*" (para 9.13). It is acknowledged that there remains a qualitative shortfall in office provision in Crawley, but this is addressed by Policy EC6 (High Quality Office Provision) aimed at increasing the supply of Grade A office space.
- 4.4 Of the land within the AoS, the land at Gatwick Green represents a premier location with high levels of accessibility and potential for quality connectivity as a highly sustainable industrial-led proposition. Unlike other land within the AoS north of Crawley, Gatwick

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<sup>6</sup> Reigate and Banstead Local Plan Development Management Plan (Adopted September 2019)

Green is no longer proposed to be safeguarded in the DCBLP, and therefore represents the only sustainable and high-profile market-facing option for strategic employment.

### **Crawley's current employment land requirement**

- 4.5 Planning Practice Guidance (PPG) advises that strategic policy-making authorities will need to develop an idea of future needs based on “*a range of data which is current and robust*”. PPG goes on to state that authorities must take account of longer term economic cycles and “*plan for the implications of alternative economic scenarios*”. PPG includes this guidance to ensure that authorities take a flexible and long term approach to planning for economic growth that takes account of all the evidence – such an approach is consistent with national policy in the NPPF, which states that planning authorities should proactively and positively encourage sustainable economic growth and incorporate flexibility to accommodate needs not articulated in the plan. PPG goes on to note that the logistics sector requires specific attention, given its role in the efficient supply of goods and economic productivity, which is a key part of the UK Industrial Strategy.
- 4.6 CBC revised its 2014 Economic Growth Assessment (EGA, 2020<sup>7</sup>) for the North West Sussex Functional Economic Area (FEMA) pursuant to a joint approach with Horsham and Mid Sussex District Councils under the Duty to Cooperate (DtC). The EGA report informed policies on the economy in the previous Regulation 19 Local Plan in January 2020 (CBLP 2020), but in relation to Crawley, has in effect been superseded by the EGA CU (September 2020). The EGA CU revisited the underlying forecasts and those in the COVID-19 scenario to inform the future requirement for employment land. The revised requirements are based on new economic forecasts undertaken by Experian, updated past take-up rates and the revised housing delivery trajectory and demographic assumptions consistent with the SHMA<sup>8</sup>. The EGA CU concluded that the Experian 2018 forecasts provided the most appropriate basis for considering future employment land requirements from a labour demand perspective (para 4.4). This led to an overall employment land requirement of 38.7 ha (baseline job growth – labour demand), of which the overall industrial land requirement is 32.8 ha leading to an **outstanding industrial need for 24.1 ha** (after taking account of the industrial land supply of 8.7 ha).
- 4.7 The EGA CU did not undertake a separate analysis of the needs of the storage and distribution sector as the guidance suggests, but it did analyse the data behind the two available economic forecasts, cross-checked against the ONS BRES data. As a result, it

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<sup>7</sup> Northern West Sussex EGA Update, Final Report, Lichfields on behalf of Crawley Borough Council, Horsham District Council, Mid Sussex District Council, January 2020

<sup>8</sup> North West Sussex Strategic Housing Market Assessment, Icen Projects Limited on behalf of Crawley Borough Council and Horsham District Council, November 2019

concluded that the Experian view of the sector's growth was an appropriate basis for anticipating the future needs, albeit acknowledging that the level of growth would be at a slower rate than past trends (EGA CU para 2.22).

- 4.8 When the use class requirements were set against the equivalent levels of supply, the outstanding requirement was all for industrial uses extending to 24.1 ha of land (EGA CU, Table 3.2). The EGA CU tells us that this land requirement relates principally to storage and distribution uses (EGU CU, Table 2.8). Whilst the analysis did not take into account wider nationally based demand, it did represent a logistics-specific assessment and selected the forecast that reflected past growth trends in this sector in Crawley. The EGA CU references the presence of Gatwick Airport as a factor in past demand, but the emerging trend towards online retail during the COVID-19 pandemic, which is set to continue, suggests that the demand is **at least** that identified in the EGA CU.
- 4.9 Given the advice on the NPPF to incorporate flexibility to accommodate needs not articulated in the plan and the guidance in PPG to plan for alternative scenarios, the Council has rightly adopted a flexible approach to the application of the forecast land requirements in policy. This is reflected in the DCBLP, which states that to prioritise economic recovery, there is a need for *“flexible policies to support employment growth and enable adaption to change”* (DCBLP, para 9.5) and to *“plan positively to support economic recovery...whilst facilitating and expansion and diversification of Crawley's economy that will enable it to adapt to unforeseen economic circumstances that could otherwise hinder economic growth”* (DCBLP, para 9.6). These intentions are reflected in the need for *“flexibility...to support, reinvigorate and future-proof a local economy that has been significantly impacted by the COVID-19 pandemic”* (DCBLP, para 9.9).
- 4.10 Based on these policy imperatives, the Council has adopted the Experian Baseline Job Growth projection, but applied it so that it is expressed as a **minimum** of 38.7 ha of land for new employment development to meet needs up to 2036 (DCBLP, para 9.12). The approach is in line with national policy and local priorities noted above to plan positively and future-proof the local economy in the face of long-standing needs and the impacts of the COVID-19 pandemic. This approach is largely reflected in wording in Strategic Policy EC1 and Strategic Policy EC4 – there is, however, some inconsistency between the policies, and within the supporting text of the Plan relating to both policies – this relates to the need to consistently express the employment land requirements as ‘minima’. These inconsistencies need to be resolved if the Plan's economic strategy and policies are to be interpreted and applied in the way that is clearly intended – a number of minor changes to Strategic Policy EC1 and the supporting text are therefore advanced in this representation.

## Savills Economics – market evidence

4.11 Savills Economics has undertaken an assessment of industrial and logistics (I&L) market and its implications for the economic needs of Crawley (**Appendix 3**). The assessment looked at the importance of the Industrial and Logistics (I&L) sector to the national economy; the diversity of I&L employment opportunities; the supply-chain and locational characteristics of I&L development; the implications of the COVID-19 pandemic; the I&L market signals for Crawley, and how these factors support the economic strategy in the DCBLP focused on optimising opportunities at Manor Royal alongside the industrial-led allocation at Gatwick Green, primarily for distribution and storage uses. The assessment comes to the following conclusions with regard to the market characteristics of the I&L sector and the implications for future provision within the Borough:

- The I&L sector is important and growing – it represents 14%, or £268 billion, of the total England economy in GVA terms.
- The I&L sector provides highly skilled and professional job opportunities offering higher earnings – over the last 10 years, the I&L sector has delivered a higher share of Professional, Associate Professional and Technical roles, associated with high-skilled engineering and technological professions.
- Key locational drivers for occupiers of warehouse space include proximity to markets as well as workforce, good accessibility to the Strategic Road Network (SRN), but also, increasingly, the availability of energy.
- Trends such as increasing on-line shopping, automation, restructuring of supply chains that were pre-dating the pandemic, have now been accelerated by Covid-19.
- Demand for strategic storage and distribution uses is being driven by the need to build in resilience to supply-chains and for higher domestic inventory requirements.
- Crawley's I&L market is supply constrained evidenced by high rents, low availability.
- Crawley currently has a significant undersupply of larger I&L units above 100,000 sqft (9,290 sqm) in size when compared to the national average and other key I&L markets.
- There is a mismatch between the size of Gatwick Airport and the number of larger I&L units found nearby, when compared to other major airports in England.
- Available capacity at Manor Royal is dominated by smaller opportunities for redevelopment / intensification for industrial uses.
- The proposed Gatwick Green allocation will deliver new supply in an ideal location adjacent to the M23 and the UK's 2<sup>nd</sup> largest airport - it will also offer a scale of development that can include a focus on large and very large units.

4.12 The assessment concludes that the I&L sector is experiencing significant growth throughout the UK, fuelled by the growth in online retailing, Brexit and the COVID-19



pandemic. Rents have been growing in Crawley and availability has remained tight indicating demand has been exceeding supply. Crawley currently has a significant undersupply of larger I&L units above 100,000 sqft (9,290 sqm) in size when compared to the national average and other key I&L markets. Based on Savills' assessment, the provision of 24.1 ha as a **minimum** net I&L land requirement for Crawley is supported. The assessment also concludes that proximity to the Airport is an important ingredient in optimising the level of economic benefits to support the economic growth of the region. The proposed Gatwick Green allocation will therefore deliver new supply in an ideal location adjacent to the M23 and the UK's 2<sup>nd</sup> largest airport.

- 4.13 The assessment reflects the findings of the Coast to Capital LEP evidence base for the Local Industrial Strategy – the findings of which are summarised below. It concluded that demand for strategic storage and distribution uses remains strong against a poor supply of land, and that the TWG land east of Gatwick represents a regionally significant I&L location by virtue of its adjacency to the M23, the 2<sup>nd</sup> largest airport in the UK and a major railway hub.

### **Crawley's employment land supply**

- 4.14 The DCBLP evidence base identifies a need for 32.8 ha of industrial land and a limited supply of employment land which is estimated in the Employment Land Trajectory (ELT) at 17.6 ha (excluding Gatwick Green). Of this supply, 8.7 ha is for industrial uses comprising six sites. The supply is wholly reliant on the redevelopment and intensification of existing employment sites largely at Manor Royal to create net gains in floorspace. The land supply has some qualitative characteristics that make it more suitable for smaller industrial and storage uses rather than the requirements of strategic scale industrial uses, particularly those in the storage and distribution sector.
- 4.15 Gaps in the market identified in Topic Paper 5 are for smaller industrial stock (sub 10,000 sq ft/930 sqm), especially for newer stock and within Manor Royal; it also notes the shortage of larger industrial premises of 75,000 sq ft+ (6,970 sqm+). The larger end of the market was noted as not being catered for by recent supply and new development (para 4.14). Table 4.1 below provides a summary of the supply of industrial development opportunities in the ELT and how these compare to these requirements. The data shows that most of the opportunities would not address the identified gaps in the market for larger industrial units as identified in Topic Paper 5.

**Table 4.1 – Assessment of ELT land supply against shortages of industrial stock in the local market**

ELT ref	Site Name	Site Area	Proposed industrial floorspace (sqm)	Use Class	Meets shortage < 930 sqm No / Yes	Meets shortage > 6,970 sqm No / Yes
B	Wingspan Club Residential land	0.64 ha	2,787 sqm / smaller units	B8	No	No
C(i)	Rackspace, Former GSK site (south east land parcel)	3.3 ha	One unit of 12,659 sqm <sup>9</sup>	B8	No	Yes
C(ii)	Former GSK site (north & west land parcel)	2.4 ha	One unit of 19,391 sqm <sup>9</sup>	B8	No	Yes
F	Land at Jersey Farm (Site A)	0.69 ha	One unit of 2,095 sqm	B8	No	No
G	Units XA1 and XA, Sussex Manor Business Park	0 ha	1,688 sqm as an extension of an existing building	B2	No	No
H	Forge Wood Employment Land	1.37 ha	2,500 sqm as part of one unit	B2/B8	No	No
<b>Totals</b>	-	<b>8.4 ha</b>	<b>41,120 sqm</b>	-	-	-

4.16 Table 1 shows the limited nature of the industrial land supply, most of which is focused at Manor Royal (38,620 sqm or 94%) and intended for the first 5 years of the Plan period. Whilst there is 32,050 sqm of floorspace that could meet the need for units over 6,970 sqm (75,000 sq ft), this is all proposed for data storage, which although falling within use class B8, would not address the acknowledged need for larger units for new generation storage and distribution uses involved in the delivery of goods in complex supply chains, and just-in-time and last mile delivery related to the growth in online retail. Whilst Policy EC1 also provides for small extensions to Manor Royal outside the safeguarded areas, the opportunities are very limited on land that is not safeguarded. In summary, there is a limited supply of industrial land, mainly for small/medium and some large sized B8 uses, with the latter focused on data storage.

4.17 The available land supply to meet Crawley's outstanding needs has limitations related to the scale of industrial units it can accommodate and the segments of the market it can serve. This underlines the need for Gatwick Green to meet the market needs that are not catered for by the supply of sites mainly at Manor Royal, which is focused on small/medium and some large units. Gatwick Green will therefore focus on meeting the need for strategic-scale storage and distribution uses aligned with occupier demand for buildings above 100,000 sqft, which are unlikely to be accommodated at Manor Royal. Gatwick Green offers a premier location with high levels of accessibility and connectivity

<sup>9</sup> These buildings relates to data storage halls, so is a specialist storage use that would not serve the general market for large scale storage and distribution uses.

that can be developed in a sustainable manner so as to meet a key part of the outstanding Crawley-derived future employment needs in quantitative and qualitative terms.

- 4.18 These findings are supported in a report by Savills Economics for TWG, which provides a high-level assessment of the Council's employment land supply (**Appendix 4**). The report concludes that Gatwick Green is the only strategic employment allocation included within the DCBLP which can facilitate large scale new investment in Crawley. In contrast, the next largest sites in Crawley's Employment Land Trajectory (ELT) after Gatwick Green are redevelopment opportunities in Manor Royal, being sites C(i) and C(ii), both of which are about 3ha in size.
- 4.19 The Council's existing land supply will therefore address the need for small/medium units and some large units rather than the needs of large/very large strategic warehouse and distribution uses. The findings therefore reinforce the Council's decision to allocate Gatwick Green as a strategic industrial-led proposal, predominantly for storage and distribution uses.

### **Complementarity**

- 4.20 A review of the available data and information has been undertaken to inform an assessment of the level of complementarity of Gatwick Green with Manor Royal and other key employment areas in and in the vicinity of Crawley. This is based on:
- The DCBLP – chapter 9 Economic Growth and Social Mobility.
  - Topic Paper 5<sup>10</sup>.
  - Lichfields' report on Manor Royal<sup>11</sup> (Lichfields report).
  - The Manor Royal BID documents<sup>12</sup>.
  - Evidence by Savills Economics (**Appendix 4**).

### ***Policy framework***

- 4.21 The DCBLP emphasises that Gatwick Green, with its focus on strategic logistics, should be complementary to Manor Royal, which is primarily a general/light industrial campus (para 9.49). Manor Royal is a key economic asset within the sub-region and a source of much of the available land supply. The DCBLP also notes that Gatwick Green should be complementary to the Horley Business Park (para 9.49), which is allocated primarily for

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<sup>10</sup> Topic Paper 5, Employment Needs and Land Supply, Crawley Borough Council, January 2021

<sup>11</sup> Manor Royal Economic Impact Study, Manor Royal Business District, January 2018

<sup>12</sup> Manor Royal Masterplan, GVA Grimley, atelier ten and WSP for Crawley Borough Council, April 2010 and the Manor Royal Recovery Plan, Manor Royal Business District, June 2020

office uses under Policy HOR9 in Reigate & Banstead Borough Council's Development Management Plan (DMP).

- 4.22 Savills Economics has undertaken an evaluation of the different policy provisions for Manor Royal, Gatwick Green, Crawley Town Centre and the proposed Horley Business Park (HBP) (**Appendix 4**). The evaluation concludes that these key areas have very contrasting policy objectives that reflect their current / proposed role in the Crawley and wider economy. The policy focus for Manor Royal is to maintain it as a mixed office and Industrial & Logistics (I&L) location, whereas the focus for the Town Centre is to maintain its position as a competitive sub-regional town centre for commercial business, non-residential and community uses. Policy identifies a discrete role for the HBP as a strategic office location with limited supporting retail and leisure facilities. Gatwick Green contrasts with all these areas as a strategic I&L location, for predominantly B8 storage and distribution units. Its strategic role and location means that it will generally provide for large to very large sized units where there is a gap in the market which largely cannot be met elsewhere.
- 4.23 TWG supports the approach in the DCBLP and how in policy terms it supports the complementarity of the key employment areas in Crawley – Gatwick Green would be developed primarily for larger to very large B8 uses reflecting market demand which, in turn, would not be in conflict with Manor Royal as a mixed business location.

#### ***Market position***

- 4.24 Policy EC3 provides the overarching role and function of Manor Royal as one of the largest mixed use business areas in the South East that is also critical to the economic function of Crawley and the wider sub-region, and where development must be compatible with this function and role. This strategy is echoed in the Lichfields report in relation to Brexit – it recommends that Manor Royal should mitigate the potential impacts by 'maintaining its diverse mix of businesses to avoid being reliant on a few sectors that could significantly decline due to Brexit' (para 4.28). These characteristics are reflected in the Vision for Manor Royal (para 8.9) (Savills emphasis):

*"By 2026 Manor Royal will have evolved in to the South East's leading mixed-activity employment hub, providing modern business accommodation, a range of supporting amenities and achieving environmental excellence to drive the growth of Crawley and the Gatwick Diamond economy."*

- 4.25 The Lichfields report concludes that Manor Royal has some weaknesses relating to its ageing environment, lack of amenities, fragmented and multiple ownership, a weak brand and constraints to expansion. To address these underlying issues and the more recent challenges arising from the COVID-19 pandemic, the Manor Royal Recover Plan (2020)

focuses on enhancing the attractiveness of the business district by improving the public realm, parking management, cycling/walking facilities, training, improving branding, renewable energy, digital connectivity, and a business / innovation hub. The only commercial development initiative is the development of small industrial / workshop units, recognising the lack of available space for smaller businesses, start-up and workshop space up to 5,000 sqft (c < 500 sqm). In summary, Manor Royal is prioritising the provision of wider improvements and smaller start-up units, leaving the market to continue to bring forward some redevelopment and intensification of existing sites.

- 4.26 This profile paints a very different picture from the proposed market position of the Gatwick Green Strategy Employment Location. Based on Strategic Policy EC4 and an initial assessment by TWG, Gatwick Green is intended to be a modern, largely mono-use site for large / very large highly innovative new generation logistics uses to serve the growth in online shopping, just-in-time/last-mile delivery markets, and the growth in more sophisticated industrial supply chains.

### ***Gaps in the market***

- 4.27 Gaps in the market identified in Topic Paper 5 are noted at paragraph 4.15 and comprise small units (< 10,000 sq ft) and larger premises (>75,000 sq ft). In addition, the Lichfields report identified gaps for starter units of 400-500 sq ft or larger units of 20,000+ sq ft; a major pinch point is the lack of available land now for developing new premises to meet demand, which is similar to other parts of the M23 corridor.
- 4.28 As the Lichfields report emphasises, land for new development at Manor Royal has significantly reduced over recent years with the remaining parcels built out – the redevelopment of existing site is the only feasible development option over the short term – limited opportunities continue to be realised as noted by Savills Economics (**Appendix 4**). The report goes on to outline the nature of those opportunities as *“Increasing intensity of development (i.e. plot ratios) is mainly driven by more efficient site layouts and, in some cases, the transition to vertical mixed-use development typologies where these are appropriate and land values can support these”*. *Such approaches are more practical where sites are within single ownership or control or benefit from a clear planning framework”* (para 6.4). This emphasises again that the redevelopment / intensification opportunities at Manor Royal are well placed to deliver mixed business development, though the scale may be tempered by the fragmented and multiple ownership / tenure structure at Manor Royal.
- 4.29 Overall, there is a lack of supply for starter and smaller industrial units up to 10,000 sq ft/930 sqm – Manor Royal is well placed to serve this demand through the existing land supply and ongoing redevelopment/intensification opportunities consistent with Policies EC2 and EC3, whereas it is far less able to serve the demand for larger units of over

100,000 sq ft in the M23 corridor. Evidence in the Council's ELT (ref Table 4.1 in this representation) shows that Manor Royal has some supply to serve the market for medium/smaller units, but has less land supply to serve the market for large or very large units, with the available supply approved for data storage. Gatwick Green on the other hand is suited to providing larger storage and distribution/industrial units above 6,970 sqm (75,000 sq ft) – and more likely above 100,000 sq ft – in line with the expectations in Topic Paper 5<sup>13</sup>, which notes would “*help Gatwick Green to achieve complementarity with Manor Royal*” (para 4.67).

- 4.30 The Lichfield report contains an urban capacity study of Manor Royal, which identifies 16 sites that have the potential to deliver net additions in floorspace via redevelopment / intensification. It is considered that the assessment is of limited value because of uncertainty as to the end use of the sites; the inclusion of three of the sites in the revised Safeguarded Land; the omission of any assessment of the various infrastructure / policy constraints that may limit development potential; limitations due to long-term tenure arrangements, and the fact that of the 13 sites not safeguarded, only one site and part of another form part of the deliverable employment land supply in the ELT. The study therefore provides a theoretical view of the redevelopment potential under the provisions of Policy EC3; it fails to consider the practicality of actual delivery, and almost all of the land is not part of the Council's assessed land supply. It is acknowledged some opportunities will come forward, but that in the face of the urgent need for strategic land for large / very large B8 units, the NPPF-compliant approach is to allocate Gatwick Green predominantly for this purpose.
- 4.31 If Manor Royal was to try and meet the market need for logistics, it would need to comprehensively redevelop multiple sites to accommodate larger B8 units of over 100,000 sq ft, the result of which would be that many smaller/medium B1/B2 units would be lost; this has the potential to damage the role, function and mixed site balance of Manor Royal and undermine its ability to meet the wide range of market needs in the Crawley area. Further, such large-scale comprehensive redevelopment is more challenging at Manor Royal as the area has fragmented and multiple ownership.
- 4.32 In addition, accommodating large scale logistics units at Manor Royal would represent an inefficient, costly and less sustainable way of meeting market needs, and one which could be counter to the Council's Policy (EC3) of supporting development that is 'compatible with the area's economic function and role' as one of the largest mixed use business areas in the South East that is also critical to the economic function of Crawley and the wider sub-region. As already noted, the ability of Manor Royal to meet this need is also limited by the absence of undeveloped sites and the constraints to redevelopment,

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<sup>13</sup> Topic Paper 5: Employment Needs and Land Supply, Crawley Borough Council, January 2021

including the fragmented and multiple ownership structure that reduces the potential in this regard.

### ***Comparison with other employment areas***

4.33 Savills Economics has undertaken a comparative evaluation of Manor Royal, Crawley Town Centre and the policy provisions for Gatwick Green in the DCBLP (**Appendix 4**). The evaluation looks at three key indicators being units size, profile of demand and recent development activity, and compares these with the policy objectives for Gatwick Green.

4.34 The evaluation comes to the following conclusions with regard to the complementarity of the three areas:

- In relation to office unit sizes, based on planning policy provisions Gatwick Green would not compete with the office provision in Manor Royal or Crawley Town Centre.
- In relation to L&L units sizes, Manor Royal provides a diverse range, mainly in the mid-box categories, but also with some larger units, whereas the proposed Gatwick Green allocation will provide for more large / very large I&L units, so is considered complementary to Manor Royal in its current diverse form.
- In relation to retailing, neither Manor Royal nor the proposed Gatwick Green allocation will compete with Crawley Town Centre. Indeed, the areas are mutually supportive – further business growth at Manor Royal and Gatwick Green, alongside further housing growth in Crawley, will help generate additional consumer spending in Crawley Town Centre.
- In relation to demand profile, Manor Royal attracts a diverse range of business sectors within its I&L premises – primarily Professional, Scientific and Technical Services, but also Education, Manufacturing, Retailer, Transportation and Warehousing and Wholesalers. This diversity of demand is inextricably linked to the diverse range of I&L unit sizes. In contrast, Gatwick Green will likely cater for larger companies in the online retailing and third party logistics (3PL) sectors as well as manufacturing. While some of these sectors exist in Manor Royal, they are in lower quantities and typically for smaller occupiers.
- Benefits of agglomeration - Through expanding the range and quantum of business floorspace within Crawley, Gatwick Green will support the growth of existing Crawley businesses and attract new investment to the Borough. The industrial-led growth at Gatwick Green will therefore further enhance Crawley's recognised role and function as the key economic driver for the Coastal to Capital and Gatwick Diamond areas.
- In relation to recent development activity, the evaluation concludes as follows:
  - Over the last 5 years, most of the I&L schemes at Manor Royal fall within the broad mix-box category (20,000-100,000 sq ft) along with one smaller scheme (sub 20,000 sq ft) and one larger scheme above 100,000 sq ft - this indicates Gatwick Green's focus on larger I&L units, so will be complementary to, rather than compete with, Manor Royal.
  - In terms of recent office developments at Manor Royal, the delivery of large units at 72,000 sq ft and 130,000 sq ft further establishes Manor Royal as an important office location that attracts significant investment. Gatwick Green is not intending to provide offices other than smaller ancillary space.

- An assessment of recent planning applications paints a similar picture to that which emerges in relation to unit sizes and business demand reinforcing the complementarity between Gatwick Green and Manor Royal and the town centre. Planning applications at Manor Royal for I&L premises cover a range of sizes, mainly in the mid-box categories alongside some smaller and larger units. In the Town Centre, recent planning applications are dominated by residential use, including changes of use from office to residential - there appears to be no planning activity associated with I&L uses.

4.35 The evaluation by Savills Economics provides the following overall conclusion with regard to the complementarity between the four employment areas assessed:

- Overall, based on all the evidence, there is considered to be a high degree of complementarity between Gatwick Green, Manor Royal, Crawley Town Centre and the HBP in Reigate and Banstead Borough. There is already a degree of interdependency between the existing employment areas in Crawley, and the evidence points towards this extending to business linkages between Gatwick Green, Manor Royal and the Town Centre and between Gatwick Green and the HBP. Such business synergies arise from the effects of agglomeration and will ensure that Gatwick Green will help to strengthen Crawley's overall economic base.

## Conclusions

4.36 Crawley has a long-standing unmet need for strategic employment land – this was identified in the adopted DCBLP (2015) and has been redefined in the DCBLP as an outstanding need for a minimum of 24.1 ha. The adopted DCBLP (2015) contained a spatial planning approach based on an Area of Search (AoS) north of Crawley for one or more Strategic Employment Locations (SELs). These needs and the adopted spatial approach have led the Council to allocate Gatwick Green as a SEL to meet the recurring strategic employment land needs of the Borough. The assessment of the need for employment land contained in the EGA CU, and its expression as a minimum requirement through policy, is consistent with national planning policy and guidance and is supported by TWG.

4.37 The assessment of the I&L market by Savills Economics concludes that underlying trends are fuelling the demand for logistics uses and that Crawley is severely undersupplied when compared with equivalent markets. The assessment supports the Council's empirical study of the need for employment land for B8 uses and the decision to express this as a **minimum requirement** in policy to ensure that the Plan can respond and adapt to the economic needs of the Borough over the Plan period. The findings of the assessment supports the Council's approach to identifying and planning for the future employment land needs of the Borough.



- 4.38 The supply of land for industrial uses in the ELT comprises a mix of sites, focused on redevelopment and intensification opportunities at the Manor Royal Business Park. These opportunities form a modest but important part of the industrial land supply – however, they would largely only meet the need for small to medium sized industrial units as acknowledged in Topic paper 5. The limited number of larger sites at Manor Royal are to be developed for data storage purposes, so are not meeting the identified strategic needs of the storage and distribution sector. In contrast, Gatwick Green would serve the market for large to very large storage and distribution units.
- 4.39 There is a high degree of complementarity between Gatwick Green and the other key employment areas in or near to Crawley. More specifically, the Manor Royal Business Park is highly complementary with Gatwick Green when account is taken of the following considerations:
- Policy framework in the DCBLP
  - Market position
  - Gaps in the market
- 4.40 The available evidence from Lichfields highlights gaps in the I&L supply for small and larger units; especially at Manor Royal for newer small unit stock. Further, the larger end of the market is not being catered for by recent supply and new development at Manor Royal. The land supply is focused at Manor Royal and is limited, but can deliver some small and larger units, but not at the larger end of the market. Ongoing redevelopment and intensification at Manor Royal in line with policy is also likely to be focused in the small to medium end of the market. As such, the main gap in the supply is for large to very large storage and distribution units, which Gatwick Green will supply consistent with the intentions of Strategic Policy EC4 and as noted in Topic Paper 5. Gatwick Green will therefore meet the market needs for large/very large B8 units, which Manor Royal cannot fulfill making the two employment areas highly complementary in terms of the segments of the I&L market they are able and designed to serve.
- 4.41 In addition, the assessment by Savills Economics has compared Gatwick Green with other employment areas – the analysis demonstrates that Gatwick Green is highly complementary with Manor Royal, Crawley town centre and the HBP with regard to unit size, the profile of demand and recent development activity. The analysis therefore demonstrates that Gatwick Green has a high level of complementarity with Manor Royal, Crawley Town Centre and other employment areas – the assessment concludes that Gatwick Green is not only highly complementary with other employment centres, but through the benefits of agglomeration and various synergies would mutually support their function and ongoing economic vitality.

- 4.42 As a further safeguard, Strategic Policy EC4 requires an Impact Assessment at the planning application stage to demonstrate the complementarity of the proposals with the strategic MEAs in Crawley and the HBP in Reigate and Banstead Borough. To help ensure a joined-up approach to the future economic development of Crawley, TWG would support a collaborative approach to delivering new opportunities and the adoption of appropriate joint working structures that have successfully been adopted in other areas of the UK.
- 4.43 In light of the urgent and long-standing unmet strategic employment land needs – supported by Savills Economics’ evidence on the I&L market – and the limitations of the current supply of employment land in Crawley, the Council re-assessed its priorities and concluded that there is a clear case to re-assign land previously safeguarded for surface car parking to strategic employment uses. The Council therefore concluded that safeguarding for excessive amounts of surface car parking east of Balcombe Road can no longer be justified given the evidence that far less land is needed to meet the Airport’s future parking requirements and the long-standing and urgent need for a Strategic Employment Location (SEL) in Crawley.
- 4.44 The COVID-19 pandemic has added weight and impetus to the case for making an allocation. The Council has therefore faced a choice between meeting the urgent economic needs of its residents or maintaining safeguarding for airport surface car parking, the extent of which is not supported by robust evidence in the Gatwick Airport Master Plan (2019). In this context, the Council came to a sound and justified planning policy decision to allocate Gatwick Green for employment purposes. Gatwick Green can meet this need as a logistics-focused employment opportunity of about 47 ha (116 acres) in a highly sustainable location and identified for a minimum of 24.1 ha of employment development.

## **5.0 Consistency with regional economic and transport strategies**

- 5.1 A summary of the key regional and sub-regional economic and transport studies is provided at Appendix 2 to TWG’s representation on Policy EC1 of the DCBLP (2020) (part of the 2020 Appendices) and forms part of the Council’s evidence base (Consultation appendix 4b: Wilky Group appendices combined). It summarises the various regional and sub-regional strategies and studies that provide qualitative and spatial guidance in relation to the distribution of employment land, economic and transport infrastructure.

5.2 **Appendix 5** to this representation provides an Addendum to the 2020 Appendix as a summary of the relevant points from studies and strategies not previously addressed, some of which provide more recent findings in relation to economic growth and related transport infrastructure. The more up to date strategies referred to in these appendices are summarised below, alongside Savills' commentary (in red) on how Gatwick Green is aligned with the guidance and findings in spatial terms.

5.3 **Coast to Capital Strategic Economic Plan (SEP, 2018<sup>14</sup>):**

- Identifies Gatwick Airport as the driver of, and location for, economic growth.
- The Airport is described as *“central to our plans to unlock future productivity and prosperity for our area as a whole”*.
- Delivering priorities at Crawley/Gatwick will therefore require land for growth and development linked to private-public investment in infrastructure.
- Business parks at Horsham, Burgess Hill and Horley will not be sufficient to meet future needs.

*Gatwick Green represents a robust response to these strategic economic objectives, being located close to the Airport with access to strategic transport infrastructure. Whilst the Airport is currently operating at significantly reduced capacity, it should recover over time as the pandemic is brought under control. In this context, these objectives for economic infrastructure and their spatial focus at Gatwick Airport remain valid over the long term.*

5.4 **Coast to Capital Local Industrial Strategy (LIS), 2019:** The LEP has released a suite of evidence base documents, two of which (the Commercial Property Study (CPS) and the Daft Economic Profile (DEP))<sup>15</sup> <sup>16</sup> contain a number of key findings and recommendations (Savills emphasis):

- There is **demand for office and industrial space across the region** and vacancy rates are low – addressing barriers to new development could enable growth and diversification in the business base (DEP, page 104, (4)).
- The region suffers from a **lack of high-quality office and industrial space**, which reduces its ability to expand and attract higher value business which, in turn, may be holding back the economy (DEP, page 105, (6)).
- The limited clusters of business activity in the region have not been acknowledged and there has been **little to no development of business parks or clusters over the last thirty years** – this lack of critical mass of related activities limits the benefits of agglomeration (DEP, page 104, (6)).

<sup>14</sup> Gatwick 360° The Coast to Capital Strategic Economic Plan 2018-2030, Coast to Capital LEP, 2018

<sup>15</sup> Coast to Capital Commercial Property Study, Hatch Regeneris, December 2019

<sup>16</sup> Coast to Capital Local Industrial Strategy, Draft Economic Profile, Hatch Regeneris, September 2019

- R&D development in the region has occurred in an ad hoc way leading to a relatively low amount of external public or private investment (DEP, page 104, (7)).
- Other areas (e.g. Thames Valley and Manchester) extract more value and investment from their international airports and supply chains (DEP, page 104, (8)).
- The forecast demand for office space around Crawley/Gatwick is around 1.1M to 3.2M sq ft to 2050 (CPS, para 7.42) and for **industrial/warehousing space between 3.66M sq ft – 7.87M sq ft** (CPS, para 7.55).
- The biggest challenge facing the Gatwick Diamond is the **lack of land for development**, restricting the ability of large occupiers to find appropriate space (CPS, para 7.50).
- **Demand is strong for industrial space, especially for ‘last mile delivery’ warehousing – evidence suggests that Crawley and Gatwick with their excellent transport links are well placed to meet this demand, which is outweighing supply** (CPS, para 7.54).
- Of the land safeguarded for the second runway at Gatwick, sites comprising **c 150 ha represent an excellent opportunity for employment development with potential for public transport connections** – this could meet demand for commercial space (CPS, para 7.51). [The land referred to is that owned by TWG east and north east of the Airport]
- Gatwick Airport represents a significant driver for development going forward – **land east of the Airport would be well-positioned to capture a significant proportion of this demand given its location close to the Airport** (CPS, para 7.55).
- The opportunity for a wider Airport City concept around Crawley/Gatwick has been identified to capitalise on the area’s proximity to the Airport, Manor Royal and Crawley town centre (CPS, para 10.7).

**Recommendation 3** of the CPS is to actively support and drive forward the Gatwick Airport City Aspirations, noting that this initiative represents the biggest opportunity to increase the quantum and quality of commercial space in the region, whilst diversifying the property offer to drive agglomeration, economic growth and productivity (para 10.7).

Whilst the forecasts for regional requirements for office space have been suppressed by the COVID-19 pandemic, the opposite is the case for strategic storage and distribution uses, the demand for which has accelerated with the shift to online shopping. It is notable that the regional demand for industrial/warehousing space is more than double that for offices, and is likely at the upper end of the range given the impact of the pandemic. Meeting this demand will be frustrated by the paucity of employment land noted in the LIS evidence base. The LIS also highlights the availability of about 150 ha of land close to the Airport for employment development – this refers to a report on development opportunities around Gatwick Airport prepared by Savills in 2019 and provided to the LEP. The work refers to the excellent opportunity offered by this land to accommodate

these needs alongside public transport connections, and the potential for a wider Airport-city concept. This concept remains a long term opportunity, following recovery from the pandemic, and Gatwick Green could provide the early contribution to the realisation of that aim. Gatwick Green is therefore both a direct and robust response to the current regional demand and spatial imperatives and longer term strategic aims.

- 5.5 **West Sussex Economic Growth Plan (2018<sup>17</sup>):** one of five priority themes is to maximise the opportunities from Gatwick by creating and supporting higher value employment in a wide zone of opportunity around the Airport.
- 5.6 **Gatwick’s Economic Contribution Through Trade and Investment (2018<sup>18</sup>):** This acknowledges the importance of the Airport in facilitating international trade and investment and attracting clusters of high-value industries within the Gatwick Diamond area, including sectors that depend upon cargo and passenger services.
- 5.7 **TfSE Economic Connectivity Review (2018<sup>19</sup>):** Proposes focusing transport investment at economic hubs, industrial clusters, international gateways and regional growth centres.
- 5.8 **Coast to Capital Local Industrial Strategy, Draft Interventions and Logic Chains, LIS Panel, January 2020<sup>20</sup>:** Produced before the COVID-19 pandemic, the study promoted a step change in the growth of the Gatwick economy: *“Gatwick airport and the land around it will be a major driver of our region over the coming decades. We would like to partner with Government to undertake a major study into the infrastructure required to support this growth and ensure that it is sustainable.”*
- 5.9 **Gatwick Diamond, COVID-19 Impact Assessment, May 2020<sup>21</sup>:** Produced during the first COVID-19 lockdown in 2020, the assessment was predicated on an earlier return to normal living conditions. Nevertheless, the study noted that (1) flight levels at Gatwick would not return to pre-COVID levels for four years, (2) this drop would result in a reduction in local economic output of 16% in 2020, (3) it will take the Gatwick Diamond ten years to recover the GVA it is expected to lose in 2020, and (4) to recover the lost GVA in 5 years, the Diamond’s economy would need to grow by c 2.7% annually compared with a historical growth rate of only 0.4% pa over the last eight years.

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<sup>17</sup> West Sussex County Council Economic Growth Plan 2018-2023, WSCC, May 2018

<sup>18</sup> Gatwick’s Economic Contribution Through Trade and Investment, Oxford Economics for GAL, June 2018

<sup>19</sup> Economic Connectivity Review, Final Report, TfSE, July 2018

<sup>20</sup> Coast to Capital Local Industrial Strategy, Draft interventions and logic chains, LIS Panel, 14 January 2020

<sup>21</sup> Covid-19 Impact Assessment, Gatwick Diamond, Report – May 2020

- 5.10 **West Sussex County Council Economy Reset Plan 2020-2024, July 2020<sup>22</sup>**: The Plan sets out a wide range of initiatives to help the economy of the County to recover recognising that “...*Crawley is the most impacted area in West Sussex in terms of jobs affected, and indeed comes out as one of the most affected in the country primarily because of the presence of Gatwick Airport*” and that “...*Crawley is the most exposed locality [nationally] to the economic impact of the pandemic with high levels of business failure and unemployment likely*”. In response to these major impacts, the study places significant weight on the recovery of aviation activity at Gatwick Airport, the delivery of the Growth Deals (including for Crawley which focuses on strategic / sustainable infrastructure delivery) and “*Seek to ensure strategies and policies in Local Plans prepared by the local planning authorities support economic recovery*”.
- 5.11 **Crawley’s Economic Recovery Plan, March 2021<sup>23</sup>**: The Council’s Economic Recovery Plan (ERP) is a very recent economic initiative that identifies the scale of the economic impacts on Crawley and sets out the strategy to address these over the short and long term. In terms of the economic impacts, the ERP notes these as:
- Major collapse in Gatwick Airport passenger numbers – nearly 4 million per month (2019) to 850,000 per month (2020).
  - Over 7,000 redundancies “on Airport” – nearly 33% of workforce.
  - 25,800 Crawley residents “furloughed” 41% of local workforce from aviation and various other sectors (e.g. hospitality).
  - Unemployment in Crawley has trebled – 2.4% to over 8%.
  - Youth unemployment almost 13% - 1,000+ young people.
  - Tackle long term structural economic challenges.
- 5.12 The DCBLP acknowledged these issues in advance of the ERP (para 9.4) and the need for a positive response in line with the NPPF, which notes the need to plan positively to support the economic recovery from the pandemic; diversify the economy to adapt to unforeseen economic circumstances; plan to meet significant job growth, business and floorspace needs, and support upskilling, connectivity and new infrastructure (para 9.5). The ERP reinforces the DCBLP economic strategy by not only responding to the economic crisis precipitated by the COVID-19 pandemic, but also setting out a vision to 2050, recognising the need for the Borough to tackle long term structural economic challenges. The overarching aim of the ERP is to deliver a “Green Growth” economy, which, *inter alia*, includes “***new sites to provide for all Crawley’s employment growth sectors and help boost jobs for residents***”.

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<sup>22</sup> West Sussex Economy Reset Plan, WSCC, July 2020

<sup>23</sup> Crawley’s “One Town” Economic Recovery Plan, FIRST DRAFT, Crawley Borough Council, March 2021

- 5.13 The ERP identifies five Strategic Priorities, the first of which is to create a diverse and resilient economy so as to “Renew Crawley as an attractive, abundant, diverse **economic powerhouse**, founded on “**green growth**” and **digital innovation**”. The need for, and importance of, new sites to provide for Crawley’s employment growth sectors and help boost jobs for residents is therefore one of six core elements of the strategy, reflecting the economic strategy in the DCBLP, which emphasises the role and function of the Main Employment Areas and the need for a Strategic Employment Location (SEL) allocated at Gatwick Green under Strategic Policy EC1. To deliver this priority, it goes on to identify five flagship interventions, one of which to “**unlock sufficient suitable employment land to drive recovery**”.
- 5.14 The DCBLP identifies a number of sites for employment development, the key one being the SEL of **Gatwick Green – this site is therefore a core part of the Borough’s very recently strategy to address the impacts of the pandemic and underlying structural economic issues**. The ERP contains four other Strategic Priorities, three of which can be significantly advanced by Gatwick Green - a highly sustainable development as part of the town’s green transformation; on-site / off-site support for training/skills development to provide the right skills for the future; significant sustainable transport infrastructure to secure a more connected Crawley.

The pre-pandemic studies all point directly to the rationale for, and potential of, concentrating a significant level of economic activity and infrastructure investment in the Crawley/Gatwick area, taking advantage of its existing strengths and potential to build on these through sustainable economic growth. More specifically, Gatwick Airport is recognised as a key driver of the economy and as such, there should be an employment zone near the airport to focus transport investment and attract clusters of high value uses. This economic and development strategy policy cannot be realised without significant provision of integrated economic infrastructure: employment land, community transport, highways, transport interconnections, broadband, education, housing and leisure.

Whilst the pandemic has significantly reduced activity at the Airport, this will recover in the medium to long term, returning the airport to its role as an economic driver. However, the economic impacts will endure for far longer, as noted in the Gatwick Diamond and West Sussex County Council reports. More recently, the Council’s ERP has identified the need to unlock sufficient and suitable employment land to drive the recovery and address the underlying need for structural change in the economy. In this context, Gatwick Green will not only be closely aligned with the economic and spatial objectives of recent economic and transport strategies, it will also help to mitigate the longer term impacts arising from the downturn in aviation activity, the secondary economic impacts from the

pandemic and deliver structural change in, and rebalancing of, the economy. Gatwick Green also offers an opportunity for diversification in the employment market in the near to short term through high quality and varied jobs that are not directly dependent on the airport.

- 5.15 A common theme amongst the studies / strategies is a spatial strategy that includes a focus on growth and transport investment in the Crawley/Gatwick area, recognising the potential to take advantage of close proximity to the Airport and, as identified in the LIS evidence base, land within the safeguarded area for the additional wide-spaced runway that could be utilised for this purpose. Gatwick Green is proposed to be removed from the safeguarded area and allocated on the basis that it is compatible with an additional wide-spaced runway.
- 5.16 At a sub-regional level, the focus from all past and the current studies is that the Gatwick/Crawley area, at the 'Heart of the Gatwick Diamond', represents a major strength in the regional economy, albeit one that is underutilised and underperforming in terms of its potential to raise the economic value of the area to a level similar to that in East Surrey or Berkshire. The regional and sub-regional/County studies consistently single out the Crawley/Gatwick area for major growth, strategic mixed-use employment development and transport infrastructure investment.
- 5.17 Of significance, the evidence base for the LIS identifies major benefits in bringing forward about 150 ha of land near to Gatwick Airport for strategic employment, with the land east of the Airport being well placed to capture a significant proportion of the future demand in this strategic and regionally-important location. The land in question is that owned by TWG. The evidence base acknowledges the need to lift the safeguarding area for the additional wide-spaced runway to realise this potential – this opportunity is now being partly realised with the proposed allocation of Gatwick Green as a SEL in the DCBLP. It should be noted, however, that the proposed allocation will be compatible with, and not prejudicial to, any future development of an additional wide-spaced runway at Gatwick.
- 5.18 In the context of the more recent studies / plans released since the start of the COVID-19 pandemic, a very different and troublesome economic context emerges. The reliance of Crawley on Gatwick Airport has led to a disproportionate impact on the local economy, characterised by significant falls in GDV across the region; significant increases in business failure, and the number of benefits claimants. Taken together, it is predicted that it will be a minimum of five years before these impacts will be reversed. Given the prolongation of the pandemic well into 2021, it is likely that recovery will take longer. The early recommendations for action to assist the economy include supporting strategies and policies in Local Plans that support economic recovery. The strategy for the



Crawley/Gatwick area, from a range of sub-regional plans, was clear before the pandemic and has been brought forward by Crawley Borough Council with the proposed allocation of Gatwick Green as a SEL.

- 5.19 The NPPF notes that planning policies should set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration (para 81). On this basis, the regional economic evidence, combined with the clear direction in the LIS evidence base and the more recent pandemic economic recovery plans, provide a sound basis for supporting the allocation of Gatwick Green for strategic employment under Strategic Policies EC1 and EC4 alongside infrastructure and transport investment.

## **6.0 Gatwick Green: the benefits of development**

- 6.1 Gatwick Green is proposed for a comprehensive industrial-led strategic development of predominantly storage and distribution uses. Based on the conceptual site planning undertaken to date, which has been underpinned by a number of technical assessments, it is anticipated that the development could comprise the following:

- A minimum of 24.1 ha of predominantly Use Class B8 with some Use Class B2 – storage and distribution and general industrial uses.
- Ancillary / incidental uses under Use Class E – office, business and services uses.
- Supporting education uses for apprenticeships & staff training.
- An amenity hub to provide support facilities for staff.
- An integrated green infrastructure framework – landscape, biodiversity, amenity space to address the objectives of the Biodiversity Opportunity Area and the requirement for Biodiversity Net Gain.
- Sustainable mobility at the heart of the concept:
  - Two bus super hubs to facilitate modal switch and a high level of service for users.
  - A sustainable transport route through the site offering a high level of service for buses (notably the Fastway bus service), pedestrians and cyclists.
- Ancillary car parking with Electric Vehicle Charging facilities.

- 6.2 Gatwick Green represents a strategic opportunity to bring forward a highly sustainable industrial-led employment area, offering a unique opportunity to deliver significant benefits to all three of the key components of sustainability:

**Economic** – Significant economic benefits to meet the immediate and critical need for employment land in a way that has a high level of complementarity with Crawley’s Main Employment Areas, including Gatwick Airport. It can also start to redress the significant adverse economic consequences of the COVID-19 pandemic. In the medium-long term, the economic benefits will ensure that the Gatwick/Crawley area can maintain and enhance its strategic economic role and function and meet the Coast to Capital LEP strategy to optimise economic growth in the Crawley/Gatwick area so as to capitalise on its locational, economic and connectivity attributes aligned with the aims of the Gatwick Diamond initiative. Gatwick Green will therefore ensure that the potential of the Crawley/Gatwick area is realised, whilst at the same time help to restore GVA lost to the pandemic. This will ensure that Crawley/Gatwick continues as a regional economic hub of national and international significance at a major global air transport gateway.

**Social** – Significant qualitative social benefits including, for example:

- The diversification of local job opportunities through the provision of high quality skilled and semi-skilled jobs in the new-generation logistics sector.
- Employment opportunities that can take advantage of the transferrable skills of those displaced from the airport/aviation sectors.
- An increase in higher-value / professional/managerial jobs to increase career path opportunities for promotion, increase employee retention and reduce current levels of out-commuting.
- Increased apprenticeship opportunities jointly aligned with local colleges.
- Opportunities to redress long term unemployment.
- Provision of enhanced job security through a stronger diversified economy.
- Enhancement of average earnings helping to reduce deprivation and child poverty.
- Strengthened links with further and tertiary education institutions in the region to help raise skills levels.

**Environmental** – Significant environmental benefits including, for example:

- The social value of reductions in CO<sub>2</sub> emissions from zero carbon energy, building design and transport solutions.
- The incorporation of green infrastructure into the masterplan with added habitat value through enhanced connectivity and habitat enrichment.
- Habitat creation designed into the development.
- A net gain in biodiversity through a package of measures including biodiversity offsetting.

- Opportunities for environmental research and education.
- Improved urban air quality from clean transport solutions.

6.3 This assessment is borne out by the Council's Sustainability Appraisal<sup>24</sup> (SA/SEA). This evaluated three options: (1) rely on the NPPF to direct economic growth to the most appropriate locations, (2) adopt an employment land requirement based on Crawley's housing land supply and accommodate economic growth in existing employment areas and in neighbouring council areas, and (3) plan positively for growth in line with the role of Crawley and accommodate economic growth at the main employment areas and the allocation of Gatwick Green to meet industrial and warehouse requirements. Option 3 was selected as the most sustainable option as it recognised Crawley as a key employment destination with a **minimum** land requirement of 38.7 ha to be met through development in the main employment areas, small extensions to Manor Royal and the allocation of Gatwick Green. This approach enabled (page 176):

*"...Crawley to respond to market signals, planning for the specific sectors where growth is identified, and support economic recovery from the current economic challenges posed by Covid-19. In identifying new business land, the approach will help to retain and attract business and investment, both to Crawley and the wider functional economic market area. In doing so, the approach responds to NPPF requirements to plan positively for economic growth, and reinforcing and strengthening Crawley's economic role, and that of the wider area."*

6.4 This analysis was reflected in Topic Paper 5 (Employment Needs and Land Supply). Importantly, the assessment was predicated on the need to plan for a **minimum** of 38.7 ha of new employment land and a **minimum** of 77,800 sqm of employment floorspace – this underlines the positive policy response to planning for the future economic needs of the Borough, allowing for flexibility so as to future-proof the economy. Applying the employment requirements as minima was a key part of the Council's sustainability and strategic environmental assessment, demonstrating that this approach was the most sound of the options considered. More detailed evidence in this representation demonstrates that the Council's analysis is correct such that there is a sound case to support of Strategic Policy EC1.

6.5 Based on a wider assessment of the socio-economic benefits, Gatwick Green represents a unique opportunity, which offers the following overall qualitative benefits:

- The delivery of a **market-facing logistics site** which meets the urgent market and economic needs of the area in a healthy working environment.

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<sup>24</sup> Crawley Borough Council Local Plan Review | Sustainability Appraisal / Strategic Environmental Assessment, Draft Report, For the Submission Local Plan, January 2021

- A **highly-sustainable location** that offers access to a range of sustainable modes of transport – bus, Fastway, walking, cycling, and rail via Gatwick Rail Station.
- The delivery of **significant sustainable transport infrastructure** to enhance accessibility, reduce emissions and improve air quality, in an area of intense economic activity.
- The delivery of **higher-value employment opportunities** to redress out-commuting, offering career progression opportunities in an area overly dependent on skilled and semi-skilled work at Gatwick.
- Diversification of the economy around Gatwick by **transforming and rebalancing** the local and sub-regional economy.
- Provision of **enhanced apprenticeship and training** opportunities aligned with the objectives of local colleges.
- **Adjacency to Gatwick Airport** – the airport will recover in time and Gatwick Green would be complementary to its functions.
- **High visibility** and accessibility from the M23 – this is a critical locational consideration for strategic logistics sites.
- **Strong** logistics floorspace **demand**.
- Ability to attract **regional and national logistics operators** across a range of operational models.
- The **absence of any alternative opportunity** that is not safeguarded and with the same connectivity and high profile.
- Injects significant additional **long term expenditure** into the local economy.
- Adds a **significant amount to the regional GVA** and local authority revenue.
- Redresses the **shortage of high-grade logistics floorspace** in an optimum location.
- **Complementarity** with Gatwick Airport's growth plans in its Master Plan 2019 – short term use of the standby runway and possible long term second runway.
- **Complementarity** with Crawley's Main Employment Areas, especially Manor Royal and Crawley town centre and the HBP within Reigate and Banstead.

6.6 Savills Economics has undertaken an assessment of the quantitative economic benefits and social value offered by Gatwick Green and contained at **Appendix 6**. The key findings of this assessment are:

- 630 construction jobs for Crawley residents over a 2 year period.
- About 1,500 permanent on-site operational jobs.
- Local spend by the workforce of £950,000.
- Construction phase GVA - £30M.
- Operational phase GVA - £79M / annum.

- Crawley business rate income - £4.3M.
- Crawley cumulative business rate income - £55M<sup>25</sup>.
- A range of flexible job opportunities from admin/skilled trades to managers and professionals.
- Skills and employment:
  - Social value of local jobs over construction period           £19.6M
  - Social value of apprenticeships over construction period   £127k
  - Social value of new entrant job opportunities                   £200k
- Other employment benefits:
  - Value of local procurement over construction period       £114M
  - Social value of qualifications received                           £390k

6.7 The above quantitative economic and social benefits reinforce the qualitative benefits outlined at paragraphs 5.2 to 5.3 above.

6.8 In terms of deliverability, the Gatwick Green site is free of any statutory national environmental designations and benefits from a strategic and highly sustainable location, with the ability to connect with national transport networks (airport, mainline rail and SRN) and to be served by existing and expanded local sustainable transport networks (Fastway, local bus services, cycle ways and footpaths).

6.9 A number of evidence base documents have been prepared to support the allocation of Gatwick Green for strategic employment. These update previous work from 2009 and conclude that there are no significant impediments to the site's development, subject to including a range of sustainability and mitigation measures to address either policy requirements or site-specific circumstances. The reports have been included as part of the Council's evidence base for the DCBLP. Addendums to these reports have been prepared confirming the ongoing validity of the reports alongside an updated Transport Strategy. These are appended to TWG's representation on Strategic Policy EC4.

6.10 The negative consequence of failing to meet the urgent economic and social needs of the Borough's current and future population would be significant in the context of the significant and medium-term damage to Crawley's economy inflicted by the COVID-19 pandemic. Table 5.1 below sets out the benefits offered by the Gatwick Green SEL allocation in response to the key issues facing Crawley's economy and the social wellbeing of its residents.

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<sup>25</sup> Over 20 years at a NPV of 3%

**Table 5.1 – Assessment of key socio-economic issues and solutions**

<b>Socio-economic issues</b>	<b>What Gatwick Green offers</b>
Unmet demand for c 24.1-42.2 ha of employment land	A minimum of 24.1 ha of land available for a logistics employment development in a highly connected location.
Lack of high quality large format logistics floorspace	The only strategic opportunity of scale in the Crawley/Gatwick sub-region that has the locational attributes to attract new-generation, large format logistics uses.
Significant unemployment resulting from the of the COVID-19 pandemic related to ongoing lockdown and the significant and prolonged reduction in activity at Gatwick Airport	Provision of highly skilled logistics jobs suitable for former Airport employees given their highly transferable skills
The need for one or more Strategic Employment Locations (SELs)	A SEL optimally located in the adopted Area of Search for such a use.
Redressing unsustainable level of out commuting	An increase in higher quality jobs to capture out-commuters to London.
Poor prospects for employment/career progression	High quality occupiers attracted to Gatwick Green will provide jobs to enable job/career progression and higher earnings.
Productivity behind competing economic areas in the South East	The high level of connectivity combined with the ability to accommodate strategic B8 uses will offer significant productivity gains.
Lack of sustainable transport networks and alternative modes around the Airport	The scale of Gatwick Green and its critical mass offers the opportunity for significant investment in sustainable transport infrastructure and services.
Significant economic impacts arising from the COVID-19 pandemic	Strategic industrial-led predominantly logistics development offering quality 1,500 jobs over the near-term period 2022-2026.

6.11 This representation outlines a range of socio-economic and environmental benefits that Gatwick Green offers. The precise level of development across the Site will be determined following a masterplan exercise. Whilst not traditionally seen as offering the same level of socio-economic benefits as grade A offices (proposed at the Horley Business Park), research<sup>26</sup> demonstrates that high quality B8 / industrial uses can deliver the following benefits:

- Logistics is a crucial element of industrial real estate and an essential component of UK infrastructure, supporting supply chains across the country and providing

<sup>26</sup> DELIVERING THE GOODS, The economic impact of the UK logistics sector, Turley for British Property Federation, December 2015 and What Warehousing Where?, Understanding the Relationship between Homes and Warehouses to Enable Positive Planning, Turley for British Property Federation, March 2019

large numbers of high quality and flexible employment opportunities to local people.

- Successful communities need to include a mix of uses that make sustainable places where people can live, work, and enjoy leisure time.
- Industrial development forms part this mix by offering a range of employment opportunities, including highly skilled, well paid jobs to those living within the local area.
- As well as supplying local employment, infrastructure and training, the logistics sector's economic productivity makes a huge contribution to UK plc and supports businesses and people up and down the country through the timely delivery of goods and services.
- Provides a comparatively lower percentage of part-time jobs and higher wages when compared with the national average.

6.12 The research also concludes that the logistics sector has very specific locational and land requirements that must be taken into account by LPAs in making their local plans. Gatwick Green closely matches the optimum site profile for logistics.

## 7.0 The policy response

7.1 Strategic Policy EC1 of the DCBLP sets out the Council's approach to planning for sustainable economic growth by identifying the need to protect and enhance Crawley's key role as the economic driver for the Coast to Capital and Gatwick Diamond. The Policy goes on to identify a **minimum** need for 38.7 ha of new business land. The Council's approach to expressing the employment land requirements as a 'minimum' is fully supported. This representation has justified this approach based on national planning policy and local priorities to plan positively and flexibly so the Council can adapt to unforeseen circumstances and in so doing, future-proof the local economy in the face of long-standing needs and the impacts of the COVID-19 pandemic.

7.2 It is noted that Strategic Policy EC1 translates the overall employment land requirement to an outstanding requirement of 24.1 ha of new industrial land to 2036, but does not express this as a 'minimum' – this creates an inconsistency within policy. This needs to be remedied for the following reasons:

- (1) The overall requirement is stated as a 'minimum' in Strategic Policy EC1, so the outstanding requirement should also be expressed as such.
- (2) The outstanding requirement is stated as a 'minimum' in Strategic Policy EC4.

7.3 Strategic Policy EC1 also identifies that Crawley's economic role and function will be maintained and enhanced through a range of initiatives and provisions:

- Identifying Manor Royal as the key mixed business location in Crawley.
- Protecting the Main Employment Areas as locations for sustainable economic growth.
- Encouraging the redevelopment / intensification of under-utilised sites in the Main Employment Areas employment use.
- Supporting small extensions to Manor Royal outside the Safeguarded Land in a manner that would be consistent with other Local Plan policies.
- The allocation of an industrial-led Strategic Employment Location at Gatwick Green on land east of Balcombe Road and south of the M23 spur.

7.4 TWG fully supports Strategic Policy EC1 and its focus on protecting and enhancing the role of Crawley as the key economic driver of the Coast to Capital LEP and the Gatwick Diamond. A minor adjustment to the policy detailing how the outstanding requirement of 24.1 ha is expressed is noted at para 6.1 above. Compared with the CBLP 2020, the policy now acknowledges Crawley as the key economic driver for the Coast to Capital LEP area, which places the town at the centre of regional economic policy. This not only recognises its current economic profile, but also its future potential to help deliver the LEP's economic and industrial strategy.

7.5 The policy retains the broad range of provisions from the CBLP 2020 designed to optimise the economic potential of the existing employment areas, but adds the allocation of Gatwick Green as a SEL for industrial-led development. Gatwick Green falls within the Area of Search (AoS) identified on the Key Diagram for a SEL under Strategic Policy EC1 of the adopted CBLP (2015) – Gatwick Green is the only significant part of the AoS that the Council has concluded can be excluded from the Safeguarded Land for the additional wide-spaced runway at Gatwick Airport, enabling its allocation for strategic employment. TWG agrees with the Council's findings in this regard, which are consistent with TWG's previous representations, which are supported by aviation/safeguarding evidence on behalf of TWG by Mott Macdonald (see separate representation on Policy GAT2).

7.6 The issue of when and by what means land should be allocated for strategic employment is a matter that was addressed by the previous Local Plan Inspector, who recommended an early review of the current Plan to address employment need. That review was being advanced towards the removal of blanket safeguarding followed by an Area Action Plan (AAP) to address those needs, but advice from the Planning Inspectorate that the unmet needs needed to be addressed, followed by the severe economic impacts flowing from the COVID-19 pandemic, led the Council to revise its approach to economic development, thereby addressing the urgent needs of the Borough through the DCBLP.



7.7 Land east of Balcombe Road has been blighted by safeguarding since about 2004, which has had the effect of preventing strategic development within the area. Gatwick Green has been consistently promoted for employment use by TWG, throughout this period, with its potential acknowledged through the Area of Search (AoS) in 2015 (adopted Policy EC1) and the proposed Area Action Plan (AAP) in the DCBLP 2020 (proposed Policy SD3).

7.8 The Council has now responded positively to the shortfall in employment land availability in Crawley and to critical challenges facing the Crawley economy as a result of the COVID-19 pandemic by allocating Gatwick Green for strategic employment development under Strategic Policies EC1 and EC4. This allocation has been made recognising that retaining the Site for possible long term airport-related surface car parking would represent “*an inefficient use of the land*” in the context of:

(1) The Airport’s plans for decked and robotic parking to serve its expansion plans under the proposed Development Consent Order (DCO).

(2) The increasing switch to more sustainable modes of transport under its Surface Access Strategy (para 3.4.1, Topic Paper 2: Gatwick Airport, January 2021).

7.9 TWG therefore fully supports Strategic Policy EC1, but with a proposed minor amendment to ensure consistency with the Council’s position that the ‘outstanding’ employment land need represents a ‘minimum’ requirement as noted in respect of the ‘overall’ employment land need stated in Policies EC1 and EC4.

## 8.0 Conclusions

8.1 It is concluded that against the tests of soundness at para 35 of the NPPF, **Strategic Policy EC1 is sound** as it responds pro-actively to the evidence on economic needs and advances a positive employment strategy that addresses the urgent and long-term needs of the Crawley economy. More specifically, Strategic Policy EC1 is sound for the following reasons:

- **Positively prepared** – The policy meets the Borough’s minimum objectively assessed employment land requirements in a sustainable manner having regard to development proposals in adjoining council areas.
- **Justified** – The policy advances the vision for Crawley and the strategy for the economy contained in the DCBLP, having taken account of the absence of any reasonable alternatives, such that are constrained by safeguarding for critical airside and landside airport infrastructure related to a possible second runway at Gatwick.

- **Effective** – The Gatwick Green allocation is deliverable over the Plan period as evinced in separate representations by TWG on the Employment Land Trajectory and is also the most effective option in the context of the Council’s collaborative approach to assessing the needs of the economy across the North West Sussex area (Crawley Borough and Mid-Sussex and Horsham Districts).
- **Consistent with national policy** – The policy allocates Gatwick Green as a SEL: the Site represents a highly sustainable location and can be development in a sustainable manner to deliver significant socio-economic and environmental benefits to Crawley Borough.

8.2 Whilst Strategic Policy EC1 is sound, there are some minor changes to the DCBLP text and the policy to ensure that the policy is interpreted in a way that can reflect the full range of objectively assessed employment land needs in the EGA CU and to ensure consistency across the DCBLP policies. These minor changes are referred to in this representation, and include:

1. **Amended Strategic Policy EC1 to reflect that the outstanding requirement of 24.1 ha of new industrial land is a ‘minimum’.** Strategic Policy EC1 expresses the labour-demand forecast of overall employment land need as a ‘minimum’, but the outstanding requirement of 24.1 ha is not expressed as such. This represents an inconsistency within the policy and is also inconsistent with Strategic Policy EC4, which states the 24.1 ha as a ‘minimum’ outstanding requirement.
2. **Amend paragraphs 9.13, 9.20 and 9.23 of the supporting text to Strategic Policy EC1 to reflect that the overall and outstanding requirements of 38.7 ha and 24.1 ha of new industrial land are a ‘minimum’.** The employment land requirements are expressed as a ‘minimum’ in relation to the overall requirement of 38.7 ha (Strategic Policy EC1) and the outstanding requirement of 24.1 ha (Strategic Policy EC4), but this is not reflected in the supporting text where these requirements are not expressed as minima. This represents an inconsistency between the text and the policies of the DCBLP and should be amended to ensure a coherent approach to the provision of employment land and achieve consistency across Plan.

8.3 In relation to the proposed changes to the DCBLP at 1 and 2 above, revisions to the supporting text to Strategic Policy EC1 have been made and are attached at **Appendix 7**.

# Appendix 1

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Site Plan





**GatwickGreen**

WHERE THE FUTURE WORKS

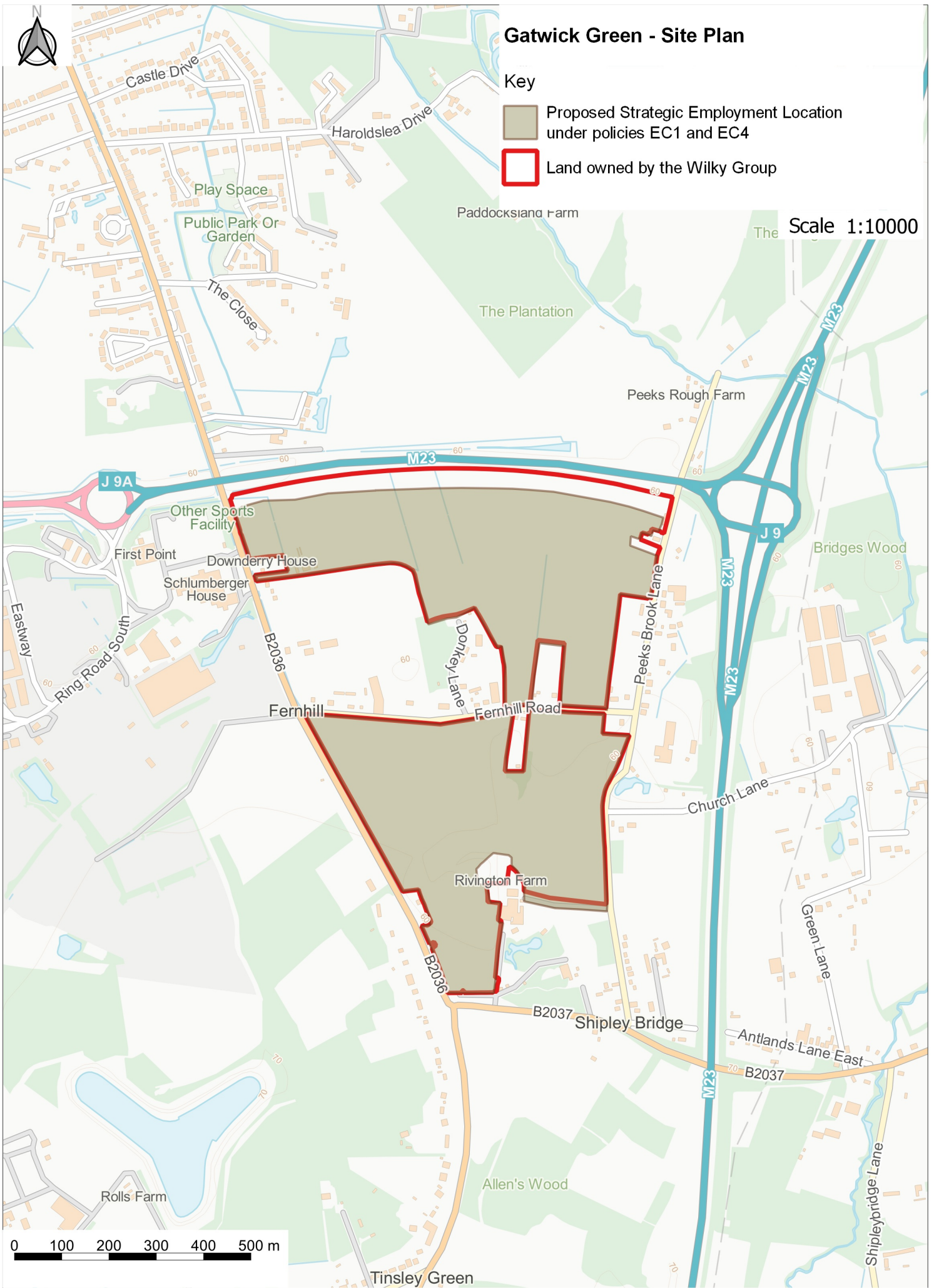


# Gatwick Green - Site Plan

## Key

-  Proposed Strategic Employment Location under policies EC1 and EC4
-  Land owned by the Wilky Group

Scale 1:10000



# Appendix 2

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Gatwick Green – Employment Land Context







**GatwickGreen**

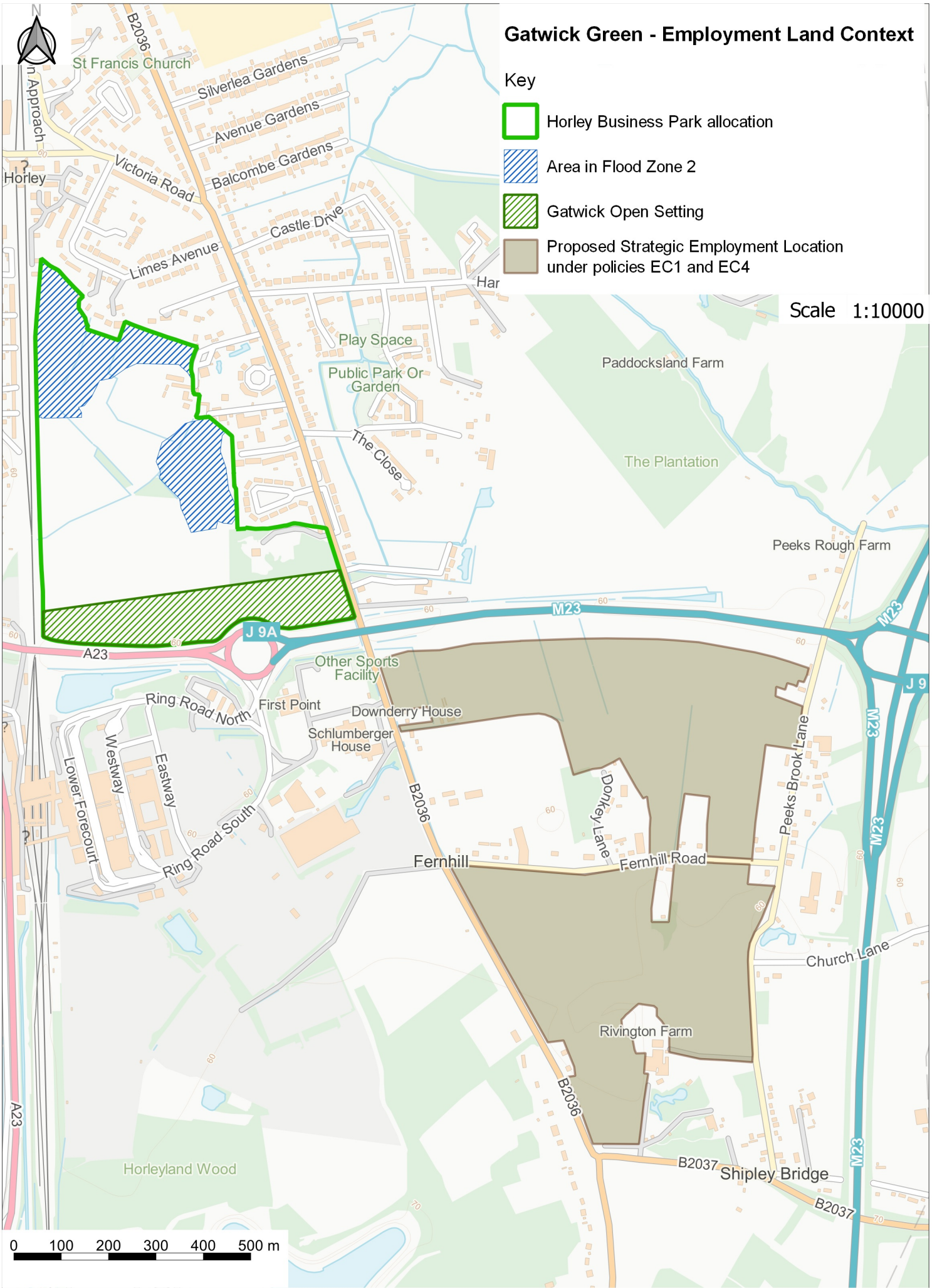
WHERE THE FUTURE WORKS

# Gatwick Green - Employment Land Context

## Key

-  Horley Business Park allocation
-  Area in Flood Zone 2
-  Gatwick Open Setting
-  Proposed Strategic Employment Location under policies EC1 and EC4

Scale 1:10000



# Appendix 3

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Market Assessment: Industrial & Logistics



**GatwickGreen**

WHERE THE FUTURE WORKS

# **Appendix 3 – Market Assessment: Industrial & Logistics**

**Savills Economics**

**June 2021**





## **1.0 Introduction**

- 1.1 This Appendix has been prepared on behalf of the Wilky Group (TWG) and discusses the sub-regional importance of the proposed Gatwick Green allocation in helping to meet strong I&L demand within Crawley and the wider sub-region. It is an Appendix to representations on behalf of TWG on Strategic Policy EC1 in the draft Crawley Borough Local Plan, January 2021 (DCBLP).
- 1.2 We also outline the importance of the I&L sector to the UK and Crawley economy via the provision of a diverse range of well-paid occupations that can usefully replace job losses in other sectors of the economy as a result of the Covid pandemic.
- 1.3 We review the various scenarios used in the Council's employment evidence to estimate future employment land need. We accept the minimum 24.1ha for I&L land need taken forward in the Submission Version Local Plan based on our review of the logistics sector and the strength of the market around Crawley/Gatwick.
- 1.4 The strength of this market demand clearly indicates the proposed Gatwick Green allocation will become an important economic cluster for Crawley. It will generate significant new jobs for the local economy at a time when many other sectors are struggling after the Covid Pandemic.
- 1.5 This Appendix supersedes Appendix 3 to Savills' representations on behalf of TWG on Strategic Policy EC1 in the draft Crawley Borough Local Plan, January 2020 (DCBLP 2020).

## **2.0 Reader Note**

- 2.1 When we refer to the industrial and logistics (I&L) sector we mean Light Industrial (formally B1c use class now part of class E), General Industrial (B2 use class) and Storage and Distribution (B8 use class). Effectively the primary use classes that require shed-type units (including ancillary offices) and associated yard spaces. These use classes typically cover the diverse range of industrial, manufacturing and logistics companies that operate within England.

## **3.0 The Proposed Gatwick Green Allocation**

- 3.1 The proposed Gatwick Green allocation represents a regionally significant I&L location by virtue of its adjacency to the M23, the 2<sup>nd</sup> largest airport in the UK and a major railway hub.

- 3.2 Despite these favourable credentials, Crawley has not benefited from large scale commercial investment in recent times, primarily due to the lack of available land.
- 3.3 Crawley is surrounded by ANOB and Green Belt and much of the remaining urban area is already built out with the best greenfield sites for commercial development falling within airport safeguarding. As a result, new commercial investment and the new jobs this investment would bring has been severely restricted in Crawley.
- 3.4 This historic imbalance between low supply and high demand has resulted in exponential rental growth of 67% in Crawley since 2011. Over this period, passenger numbers at Gatwick Airport have risen by 39% prior to the Covid pandemic, while Crawley's stock of I&L floorspace has grown by only 6%.
- 3.5 This clearly indicates economic opportunities have not been leveraged adequately in response to a growing airport. The lack of available land is the primary reason for this.

#### 4.0 The Importance of the I&L Sector

*The I&L sector is a major contributor to the national economy*

- 4.1 The I&L sector employs at least 3.4 million people in England, accounting for over a tenth of the country's total employment (BRES ONS), and represents 14%, or £268 billion, of the total economy in GVA terms (ONS Annual Accounts).

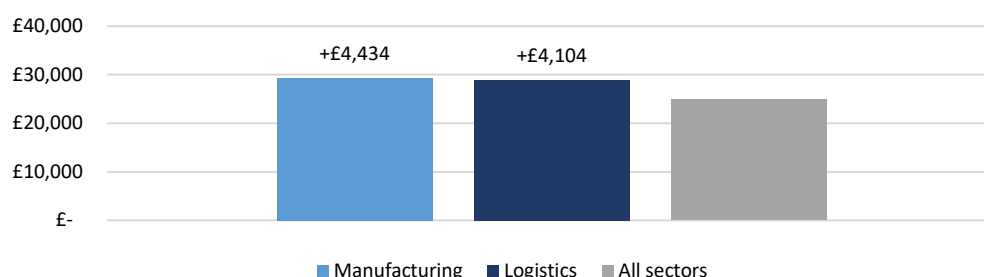


Source: BRES, ONS, Oxford Economics Savills 2020

- 4.2 High level sector data on Jobs, GVA, Wages and Occupations mentioned in this report are generally sourced from ONS SIC 2007 Industrial Sections of *Manufacturing* and *Transport & Storage*. However, the wider supply chain of these activities goes beyond this strict classification of production and movements of goods, to include activities such as product design, research & development, and engineering, part of the professional services sectors. Therefore the jobs and GVA figures are an underestimate of the sector's true impact.

- 4.3 Notwithstanding its importance in terms of Employment and GVA contribution, the sector is subject to a number of misconceptions about average pay levels, skills required and types of spaces provided.
- 4.4 Firstly, average pay is higher than average. As illustrated in **Figure 4.1**, data from ONS show wages above average at +£4,400 for Manufacturing and +£4,100 for Logistics.

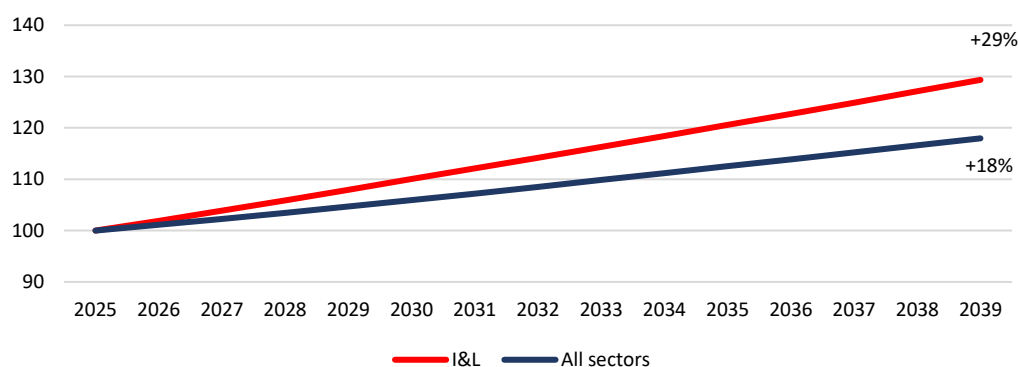
**Figure 4.1 Median annual salary in the UK (2019)**



Source: ASHE, Savills 2020

- 4.5 Secondly, I&L has a productivity of £58,000 of GVA per job, which is 12% higher than the average of all sectors. As shown in **Figure 4.2**, after 2025, productivity of I&L is expected to grow at a faster pace than the rest of the economy, increasing by 29% (vs 18%) over the 13-year period to 2039.

**Figure 4.2 Growth in Productivity (GVA per job) in UK**



Source: Oxford Economics, Savills 2020

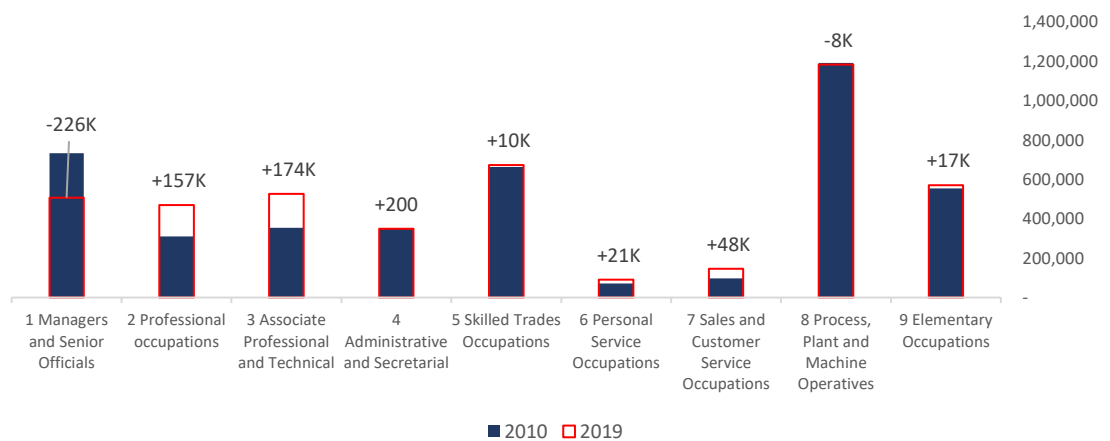
***I&L jobs are becoming increasingly diverse***

- 4.6 The sector is facing an era of unprecedented change. The past decade has seen the industry undergo a remarkable transformation, reshaping operating models and occupier requirements in ways that are only starting to become recognisable as an industry-wide phenomenon.
- 4.7 New technologies have significantly impacted the sector, changing the way tasks are

performed and businesses operate. If on the one hand technology is replacing the most routine jobs through automation, self-driving vehicles and drone deliveries, it is also accelerating the shift towards a higher skilled labour force in the sector, effectively creating new roles and inducing an occupational shift.

4.8 **Figure 4.3** shows the change in the share of occupations in I&L in 2010 and 2019. While at the beginning of the decade we see a much more polarised distribution, with a higher share of managers at one end of the spectrum and more routine occupations at the other end, we now see a higher share of Professional and Associate Professional and Technical roles, which can be both associated with high-skilled engineering and technological professions. Similarly, there’s a slightly lower share of more routine occupations such as Process, Plant and Machine Operatives.

**Figure 4.3 Occupational Distribution in Manufacturing, Transport & Storage**



Source: ONS APS, Savills 2020

4.9 As manual and routine operations are replaced by machines, those same machines are programmed and controlled by engineers (**Figure 4.4**). This also implies a shift to higher wage employment opportunities, as engineers, programmers, data analysts and drone pilots become crucial.

**Figure 4.4 Amazon technicians setting up a robot**



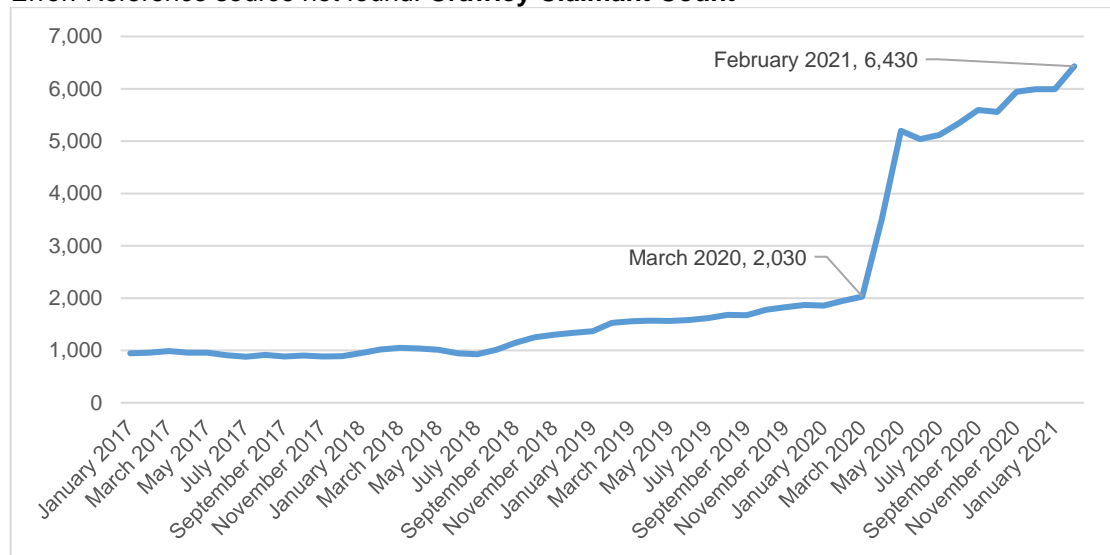
Source: Aboutamazon.com

***I&L growth can replace job losses elsewhere in the Crawley economy***

4.10 The growth in I&L jobs and the diversity of occupations on offer will create opportunities for local people, including those who may lose their jobs in other sectors as a result of the Covid Pandemic.

4.11 This is an extremely important point considering local Crawley residents claiming benefits has increased three fold since the start of the pandemic as illustrated in Error! Reference source not found..

Error! Reference source not found. **Crawley Claimant Count**



Source: Nomis 2021

4.12 Unfortunately, further jobs losses are likely given 11,800 Crawley residents are on

furlough as of the 28<sup>th</sup> February 2021.<sup>1</sup> This is 20% take-up which is higher than the England and South East averages of 15%.

- 4.13 As we detail in **Appendix 6 – Economic Benefits & Social Value**, the proposed Gatwick Green allocation will employ a minimum of 1,470 jobs alongside a range of additional economic and social value benefits.

***Modern I&L premises are much more than just sheds***

- 4.14 New production and storage spaces are being designed to be modern, technologically advanced (**Figure 4.5**), to meet high environmental standards and provide workers amenities (**Figure 4.6**).

**Figure 4.5 The automated system operated by the ‘Ocado Smart Platform’**



Source: [ocadogroup.com](http://ocadogroup.com)

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<sup>1</sup> CJRS extension: furloughed employments by country, region, local authority and gender  
Representation on Strategic Policy EC1

**Figure 4.6 Gateway14 in Stowmarket with large landscaped areas**



Source: [ocadogroup.com](http://ocadogroup.com)

- 4.15 Office spaces are increasingly being co-located with production and logistics operations (**Figure 4.7**). This arises both as a consequence of occupational shifts and as a viability necessity given new office development is difficult to deliver in most locations due to high build costs.

**Figure 4.7 Office space in a warehouse**



Source: [299lighting.co.uk](http://299lighting.co.uk)

- 4.16 As the sector becomes more technologically advanced and requires higher skilled workers such as data scientists and engineers, it is convenient for these people to be closer to the operations they control and analyse. This co-location is also more practical from a delivery point of view.

**Current trends are providing a boost to I&L demand**



- 4.17 The UK logistics market has traditionally been focused in and around the centre of the UK. This stems from the fact that retailers could locate their distribution warehouses here and reach a large proportion of the population within four-hour drive time.
- 4.18 This model evolved in the 1980s and 90s as the major supermarkets grew in size. It was also cost effective as the consumer, in the most part, would use a private vehicle to go to the store and then return home with their shopping.
- 4.19 With the onset of internet shopping however, this model has become increasingly dated. Internet shopping relies on increased choice for the consumer and also increased delivery speeds to a location of people's choosing. This means that more inventory is required to be located nearer to the general population.
- 4.20 This in turn has meant that more and more warehouse space is required both by online retailers such as Amazon and Ocado (**Figure 4.8**), but also traditional bricks and mortar retailers who are adapting their supply chains to compete.



**Figure 4.8 Amazon Warehouse**

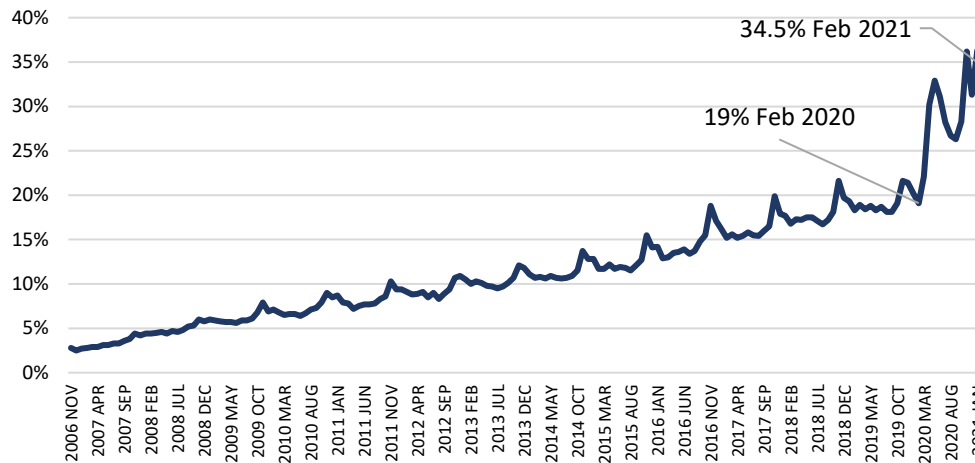
- 4.21 Over time, the warehouse property market has expanded its geographical footprint and locations once considered unsuitable for warehouse development are now key markets. Key locational drivers for occupiers of warehouse space include proximity to markets as well as workforce, good accessibility to the strategic road network, but also, increasingly, the availability of energy.
- 4.22 Occupiers are more willing to locate in new areas where a good supply of labour is available as this often can lead to a competitive advantage. Other locational drivers also need to be in place such as edge of a settlement locations and close to a motorway or junction. Many of the locations that meet all of these criteria are located in the Green Belt, meaning the aims of this designation need to be weighed against the I&L sector's key role in securing the nation's economic future.
- 4.23 A number of positive trends such as increasing on-line shopping, automation, restructuring of supply chains that were pre-dating the pandemic have now been accelerated by Covid-19 and looming Brexit. These trends are expected to increase demand for the UK logistics sector and its floorspace needs.

***Covid has resulted in an exponential increase in online shopping***

- 4.24 Online shopping, including grocery shopping, has been on the rise for over a decade due to digital innovations and changing consumer habits. Data from the ONS (**Figure 4.9**) shows that over the last decade internet sales have accounted for an increasing proportion of total retail sales, from around 6-7% in 2010 to around 20% in early 2020.

4.25 The Covid-19 pandemic and country-wide lockdown measures following the outbreak have accelerated the rise of online shopping. The most recent data shows the impact of the country-wide lockdown following the outbreak, with figures for February 2021 indicating that over third (34.5%) of all retail sales have been conducted online.

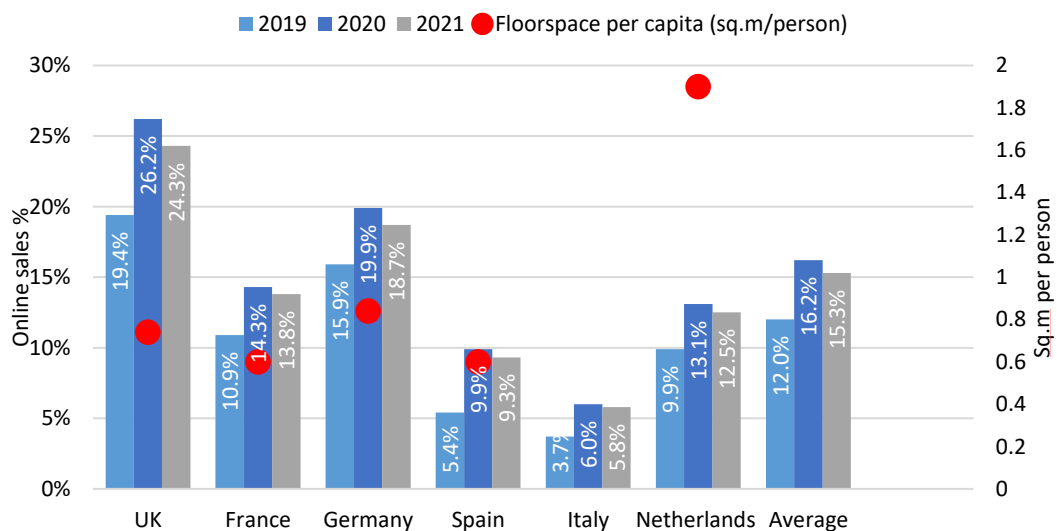
**Figure 4.9 Internet sales as a percentage of total retail sales (UK)**



Source: ONS, Retail Sales Index Time Series, Savills 2021

4.26 According to Savills research, by 2021 the share of all online sales is expected to normalise at 24.3% in the UK (Figure 4.) well above the pre-Covid trend, and continue growing from this higher base. This compares to 15.3% on average in Western Europe,<sup>5</sup> while in the US the 2020 share is expected to rise to 20%, compared to a pre-Covid forecast of 16.9%.<sup>2</sup>

**Figure 4.11 Online retail sales as a percentage of total**



Source: Savills research, Centre for Retail Research

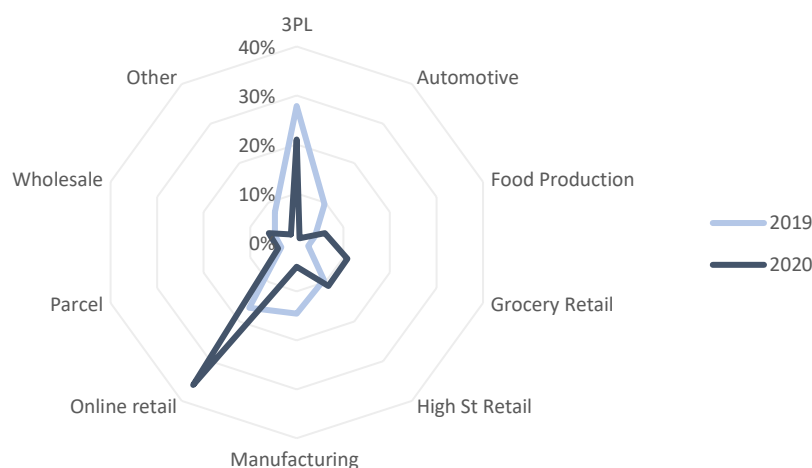
4.27 Also of interest, with reference to Figure 4.11, is that the UK has a lower level of I&L

<sup>2</sup> Savills (2020) European Logistics Outlook Summer 2020

floorspace per capita compared to a number of European countries such as Germany and Netherlands despite having much higher levels of online sales. This indicates that further floorspace growth is likely in response to the recent increase in online sales in the UK. Also, given the UK is more density populated with tighter available land compared to much of Europe, it is even more important to adequately plan for the future availability of sufficient industrial land.

- 4.28 Illustrated in **Figure 4.10**, Savills' research on the UK logistics market found that in 2020, 36% of space transacted has been from online retailers. Third-party logistics (3PLs) have accounted for a further 21% of space transacted followed by Grocery Retailers and High Street Retailers accounting for 11% of take-up each. 29% of the total take-up has been from Amazon.

**Figure 4.10 3PLs were dominant in 2019, online retailers are leading in 2020**



Source: Savills 2020

- 4.29 In parallel to the rise in online shopping, consumers' expectations for same-day or next day delivery are reshaping operating models of logistics companies. This is expected to increase demand for logistics space away from brick-and-mortar shops as reduced delivery times are expected to benefit online retailers.<sup>3</sup>
- 4.30 Research<sup>4</sup> has suggested that e-commerce requires around 3 times the logistics space of traditional brick-and-mortar retailers (**Figure 4.11**). The decline of bricks-and-mortar shops is likely to be accelerated by the pandemic, having a negative impact on warehouse floorspace demand. However, we expect this is going to be more than counter-balanced by the sustained growth in online sales which have a higher space

<sup>3</sup> McKinsey & Company (2014), Same-day delivery: The next evolutionary step in parcel logistics

<sup>4</sup> Prologis (2016), Global E-Commerce Impact on Logistics Real Estate. Online Article: <https://www.prologis.com/about/logistics-industry-research/global-e-commerce-impact-logistics-real-estate>

requirement than traditional retail.

- 4.31 Analysing the impacts of the Covid-19 pandemic, recent research by Knight Frank<sup>5</sup> estimates that every additional £1bn of online sales leads to a demand for 1.36m sqft of logistics space. Using forecasts of online sales, this research also concludes that by 2024 an additional 92m sqft of warehouse space will be required, across the UK, to meet the demands of the online retail sector alone.

**Figure 4.11 E-commerce has 3 times the space requirement of traditional retail**



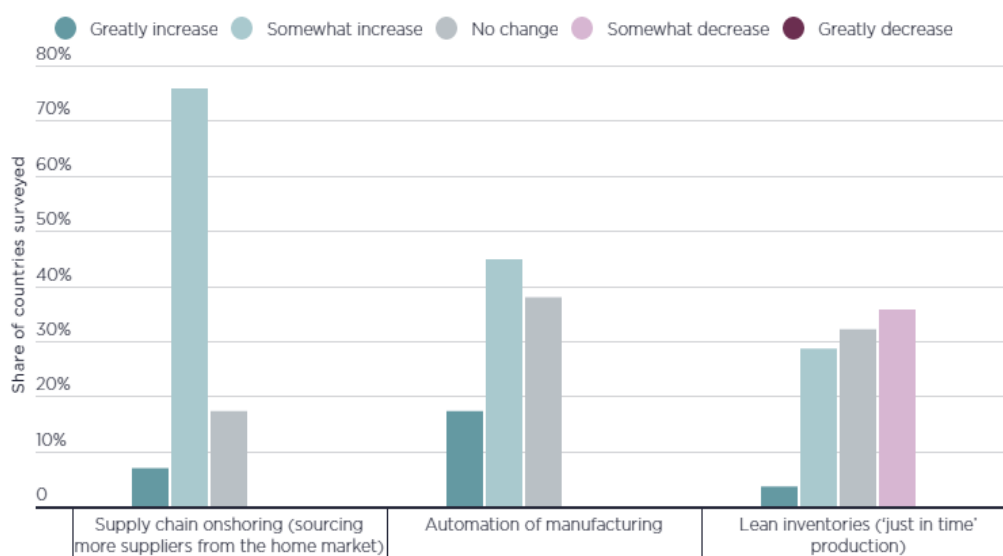
***Potential supply chain shocks have created a focus on near-shoring/re-shoring***

- 4.32 Covid-19 has also highlighted the level of interconnectedness of existing international supply chains and their fragility when one or more links break. Companies have started building up greater resilience in their operating models and are preparing to minimise future supply-chain-induced disruptions. This is expected to accelerate near-shoring or re-shoring trends, which 20% of firms are planning to do or have already started, according to a survey carried out in July 2020 by the Institute for Supply Management.
- 4.33 This is likely to lead to higher domestic inventory requirements, further increasing long-term demand for warehousing and logistics space. Surveys<sup>6</sup> carried out by Savills also suggest that it is widely expected that Covid-19 will 'Somewhat Increase' supply-chain on-shoring (**Figure 4.12**).

<sup>5</sup> Knight Frank (2020) How will rising online sales volumes impact on demand for distribution and logistics space? Online article: <https://www.knightfrank.co.uk/research/london-report/2020-10-07-how-will-rising-online-sales-volumes-impact-on-demand-for-distribution-and-logistics-space>

<sup>6</sup> Savills (2020) The impact of Covid-19 on Real Estate. Online Article: <https://www.savills.com/impacts/market-trends/the-impact-of-covid-19-on-real-estate.html>

**Figure 4.12 Impact of Covid-19 on supply chains and manufacturing after pandemic has passed**



Source: Savills Research 2020

- 4.34 Brexit is likely to add uncertainty surrounding the strength of the supply chains, influencing the need for further logistics space. If, in the short term, companies adopt nearshoring policies to insulate themselves from future supply chain disruption, it is likely that European manufacturing will increase which in turn will create a ripple effect for warehouse demand.
- 4.35 The additional requirements to import and export goods could lead to significant delays in Southern ports in the UK, and freight could potentially be redirected through Northern airports and harbours with spare capacity.<sup>7</sup> This would put pressure on local logistics space markets and require the development of more floorspace in those areas, and more generally along transport routes.

<b>Near-shoring definition</b>	<b>Re-shoring definition</b>
Transferring a business operations to a nearby country as opposed to a more distant one (i.e. off-shoring)	Moving a business that had gone overseas back to the country from which it had originally relocated

***Increased stockpiling as a means to strengthen supply chains***

- 4.36 The cumulative impacts of online shopping, Covid-19 and Brexit could potentially lead to shifts in demand and occupancy, due to higher levels of stockpiling.<sup>8</sup>

<sup>7</sup> Duncan T. (2019), Brexit Effects on Logistics. Online Article: <https://www.propertyweek.com/insight/brexit-effect-on-logistics/5105162.article>

<sup>8</sup> Hatmill (2020), Will a post covid-19 supply chain generate different property requirements? – Online article

- 4.37 With Covid-19, temporary shortages have led to stockpiling (**Figure 4.13**), a phenomenon already initiated by Brexit and the uncertainty around future international trade agreements. To strengthen supply chains, and prepare for any interruption in the flow of goods or ensure that delivery times can be maintained, some businesses might stockpile their inventory, mainly in sectors where little spare stock was held before the pandemic.<sup>9</sup>

**Figure 4.13 Supermarkets ask shoppers to be ‘considerate’ and stop stockpiling**



Source: BBC.com

- 4.38 While this can be regarded as a short-term demand factor, it may also have long-term implications as, for example, businesses may find it too risky to have a single warehouse serving their customer base compared to a multiple stocking solution. Therefore, instead of concentrating in one location, some firms might seek to spread their inventory over different regions, but in smaller spaces.
- 4.39 This could for instance be the case of a British firm spreading its stocks between its production in England and its customers in the EU<sup>10</sup> – and vice versa – or a firm seeking to reduce delivery time to various locations throughout England.

## 5.0 EGA Employment Need Methodology

- 5.1 The Northern West Sussex Economic Growth Assessment Focused Update for Crawley (EGACU) estimates future employment land need via the following three scenarios –

<sup>9</sup> Prologis (2020) COVID-19 Special Report #5: Supply Chain Shifts Poised to Generate Substantial New Demand. Online article

<sup>10</sup> Watson, S (2019) Brexit and the logistics Market. Online article: <https://www.perenews.com/brexit-logistics-market/>

- Forecasts of Jobs Growth using Experian and Oxford Economics estimates
- Past Development Rates (or completions)
- Future Labour Supply

5.2 The Forecast of Jobs Growth based on Experian and Oxford Economics 2018 forecasts where both subjected to a Covid-19 sensitivity test. Both sensitivity tests were ultimately discounted in the EGA as they reduced forecast job growth by 40-50% compared to the earlier 2018 forecasts prepared before the pandemic. The EGACU rightly concludes that whilst they are a necessary sensitivity check at the current time, they do not appear a sensible basis for long-term planning in the Borough given the high degree of uncertainty (and therefore significant caveats) associated with them. Savills agrees with this conclusion.

5.3 The gross and net land requirements for I&L floorspace across the 3 scenarios applied in the EGACU are summarised in **Table 5.1** below. The EGACU notes the close correlation in the results of the Baseline Job Growth (2018 forecast) and Past Take-Up scenarios. Based on this correlation, the Submission Version of the Local Plan takes forward the net 24.1 ha employment land requirement (as a minimum benchmark) to justify the proposed Gatwick Green allocation.

**Table 5.1 EGACU Demand Scenarios relating to I&L Floorspace**

	Baseline Growth	Job Past Take-Up	Labour Supply (347 dpa)	Labour Supply (597 dpa)
Manufacturing (B1c/B2)	-0.6	33.4	4.8	12.5
Distribution (B8)	33.4		14.7	38.4
<b>Industrial Requirement (ha)</b>	<b>32.8</b>	<b>33.4</b>	<b>19.5</b>	<b>50.9</b>
Available Employment Space (ha)	8.7			
<b>Surplus/Shortfall (ha)</b>	<b>-24.1</b>	<b>-24.7</b>	<b>-10.8</b>	<b>-42.2</b>

Source: Northern West Sussex Economic Growth Assessment: Focused Update for Crawley

5.4 Based on our assessment of the future market for I&L uses, we accept the 24.1 ha as a minimum net I&L land requirement.

5.5 We discuss below market demand for I&L floorspace within Crawley in the following section (**Section 6**), and how it reinforces the findings of the EGACU and the Council's policy response by allocating Gatwick Green for a **minimum** of 24.1 ha of primarily I&L floorspace.

## 6.0 Market Indicators

6.1 Crawley's I&L market has been supply constrained historically with demand exceeding supply. When demand (net absorption) exceeds supply two things typically occur.

6.2 Firstly, rents begin to rise as strong tenant demand competes for limited available stock pushing up rents. Rents in Crawley have increased exponentially between 2011-2021 by 67%. This is significantly higher than other key I&L markets within the UK as outlined in **Table 6.1**, clearly indicating the acute supply situation that exists within Crawley. Crawley also has the highest headline rent compared to the other key I&L markets at £12.60 psqft. This tight supply and exponential growth in I&L rents creates a number of wider implications, namely -

- New companies aren't able to move into the area, nor are existing companies able to find new space if their floorspace needs change, for instance due to expansion; and
- Some companies get priced out of the market as they can't afford the increasing rents.

**Table 6.1 Rental Growth Across Key I&L Markets**

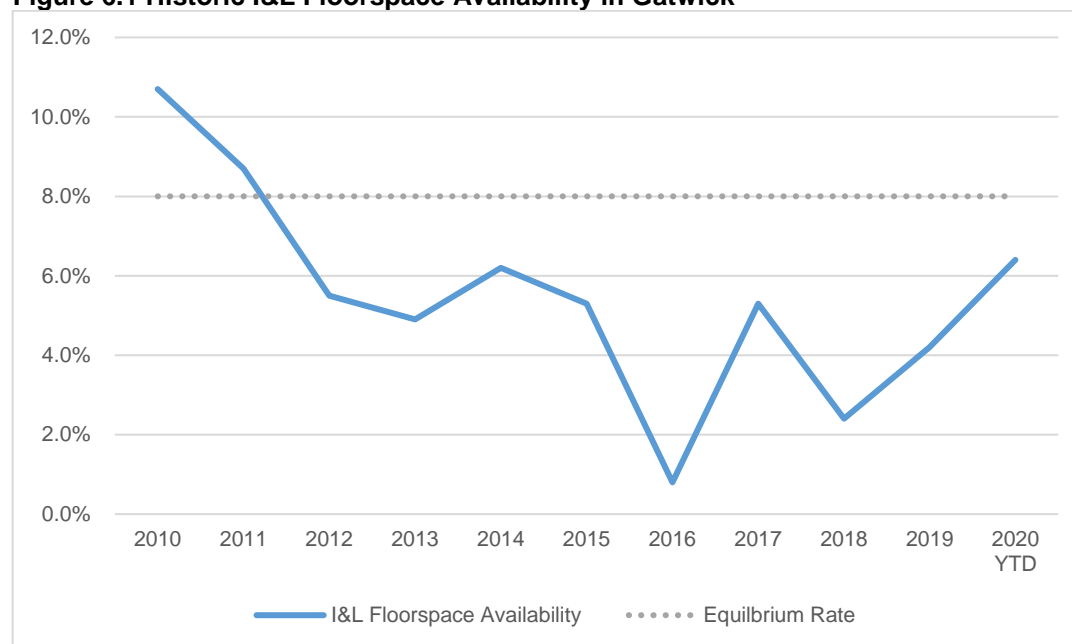
Rank	Rental Growth (2010-2020)	Headline Rent £/sqft
1	Crawley (67%)	Crawley (£12.60)
2	Manchester (57%)	Thames Valley (£10.62)
3	Liverpool (52%)	Cambridge (£8.15)
4	Northampton (49%)	Southampton (£8.10)
5	Oxford (48%)	Oxford (£7.49)
6	Thames Valley (48%)	Luton (£7.34)
7	Peterborough (47%)	Milton Keynes (£6.94)
8	Birmingham (46%)	Bristol (£6.71)
9	Milton Keynes (45%)	Coventry (£6.23)
10	Luton (45%)	Northampton (£5.77)



Rank	Rental Growth (2010-2020)	Headline Rent £/sqft
11	Leicester (45%)	Leicester (£5.60)
12	Sheffield (37%)	Corby (£5.50)
13	Corby (36%)	Peterborough (£5.41)
14	Leeds (36%)	Birmingham (£5.37)
15	Bristol (35%)	Manchester (£5.18)
16	Warrington (35%)	Warrington (£5.08)
17	Southampton (35%)	Liverpool (£4.98)
18	Coventry (33%)	Nottingham (£4.97)
19	Nottingham (28%)	Sheffield (£4.80)
20	Cambridge (24%)	Leeds (£4.80)
21	Cardiff (24%)	Derby (£4.10)
22	Newcastle (16%)	Cardiff (£4.05)
23	Stoke-On-Trent (13%)	Stoke-On-Trent (£3.93)
24	Derby (10%)	Newcastle (£3.87)

Source: CoStar 2021, Savills analysis

6.3 Secondly, when demand exceeds supply for a prolonged period, availability drops to low levels as is the case in Crawley. 8% availability is typically regarded as the threshold when demand and supply are broadly in balance. This rate is consistently referred to in evidence base documents such as the GLA's SPG Land for Industry and Transport (2012). As shown in **Figure 6.1** below, I&L floorspace availability in Crawley has been below the 8% equilibrium threshold since 2012. This partly explains the exponential rental growth discussed above and further emphasises Crawley's critical need for new I&L land and floorspace.

**Figure 6.1 Historic I&L Floorspace Availability in Gatwick**

Source: CoStar, Savills analysis

- 6.4 The proposed Gatwick Green allocation will deliver new supply in an ideal location adjacent to the M23 and the UK's 2<sup>nd</sup> largest airport. It will also offer a scale of development that can focus on large and very units.
- 6.5 This is an important consideration given Crawley currently has a significant undersupply of larger I&L units above 100,000 sqft (9,290 sqm) in size when compared to the national average and other key I&L markets. Nationally 44% of all I&L floorspace is within large units above 100,000 sqft. In Crawley the proportion is much lower at only 30% or 2,483,121 sqft of floorspace.
- 6.6 Other UK airports also have much higher quanta of I&L floorspace within larger units within a 3km radius, including –
- Birmingham Airport - 3,687,990 sqft in large units above 100,000 sqft
  - Manchester Airport - 2,599,522 sqft in large units above 100,000 sqft
  - East Midlands Airport - 11,021,105 sqft in large units above 100,000 sqft
- 6.7 These airports are also much smaller than Gatwick Airport indicating there is a mismatch between the size of Gatwick Airport and the number of larger I&L units found nearby. This supports the conclusion outlined in **paragraph 3.4** that economic opportunities in the I&L sector haven't been leveraged adequately in response to Gatwick Airport's growth. As stated Gatwick Airport has grown in size (passengers) by 39% yet Crawley's I&L stock has grown by only 6% since 2011. However, it's not just growth at Gatwick

Airport that makes Crawley such an in-demand market for I&L investment, but equally importantly, the M23 and convenient links to London and the south coast.

- 6.8 The under provision of larger units in Crawley is due to the lack of large employment sites, including at Manor Royal where available capacity is dominated by smaller opportunities for redevelopment / intensification for industrial uses. The proposed Gatwick Green allocation will help address this. It is vitally important Crawley increases its stock of larger units given demand for units over 100,000 sqft represented 54% of total I&L leasing demand in the UK between 2015 to 2020, up from 51% between 2010 to 2015. The manufacturing and logistics companies which occupy larger units are major employers, many of whom are keen to locate within Crawley, but can't find the available space to do so currently.

## 7.0 Conclusions on the I&L sector

- 7.1 The I&L sector is experiencing significant growth throughout the UK. Online retailing, Brexit and the Covid Pandemic have further accelerated its growth. It is also more productive than many other parts of the UK economy, meaning its continued growth will be critical for a post-Brexit Britain.
- 7.2 The sector is also a diverse employer that pays competitive salaries. The diversity of professions means it can usefully re-employ people in other sectors that may have lost their jobs as a result of the Covid Pandemic.
- 7.3 Based on our assessment of the future market for I&L uses, we accept the 24.1 ha as a **minimum** net I&L land requirement for Crawley. Rents have been growing in Crawley and availability has remained tight indicating demand has been exceeding supply.
- 7.4 The proposed Gatwick Green allocation will deliver new supply in an ideal location adjacent to the M23 and the UK's 2<sup>nd</sup> largest airport. It will also offer a scale of development that can include larger units.
- 7.5 This is an important consideration given Crawley currently has a significant undersupply of larger I&L units above 100,000 sqft (9,290 sqm) in size when compared to the national average and other key I&L markets. Nationally, 44% of all I&L floorspace is within large units above 100,000 sqft. In Crawley the proportion is much lower at only 30% or 2,483,121 sqft of floorspace.
- 7.6 Other UK airports also have much higher quanta of I&L floorspace within larger units within a 3km radius, including:

- Birmingham Airport - 3,687,990 sqft in large units above 100,000 sqft
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- East Midlands Airport - 11,021,105 sqft in large units above 100,000 sqft

7.7 The under provision of larger units in Crawley is due to the lack of large employment sites, which the Gatwick Green allocation will address.

# Appendix 4

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Gatwick Green's complementarity with existing employment areas



**GatwickGreen**

WHERE THE FUTURE WORKS

# **Appendix 4 - Gatwick Green's complementarity with existing employment areas**

**Savills Economics**

**June 2021**



## 1.0 Introduction

1.1 This Appendix has been prepared to consider how Gatwick Green will complement rather than compete with Manor Royal, Crawley Town Centre and the planned Horley Business Park (HBP) allocated under Policy HOR9<sup>1</sup>. The HBP is an employment land designation which lies adjacent to the Crawley Borough Council administrative boundary, but in Reigate and Banstead Borough.

1.2 To consider Gatwick Green's complementarity with these existing employment areas we compare:

- The Local Plan policy context;
- The size and quantum of office and industrial and logistics (I&L) units;
- The recent profile of demand by size of unit and business sector;
- Recent development and planning applications; and
- Crawley's Employment Land Trajectory (ELT).

1.3 **Reader Note** - When we refer to the industrial and logistics (I&L) sector we mean Light Industrial (formally B1c use class now part of class E), General Industrial (B2 use class) and Storage and Distribution (B8 use class) combined. Effectively the primary use classes that require shed-type units (including ancillary offices) and associated yard spaces. These use classes typically cover the diverse range of industrial, manufacturing and logistics companies that operate within England.

## 2.0 Policy Context

2.1 Within this section we summarise the key policies and supporting text governing the type of development considered appropriate and likely to come forward at Gatwick Green, Manor Royal, Crawley town centre and the HBP employment land allocation.

2.2 For Crawley, we focus on the Submission Draft Crawley Local Plan (2021) (DCBLP) and for the HBP, the Reigate and Banstead adopted Local Plan Development Management Plan (DMP, 2019).

2.3 Based on the summaries from **Table 2.1** below, it is clear the policy context for Manor Royal is aimed at continuing its role as a mixed office and I&L location. This is very different from Gatwick Green, which is being promoted as a strategic industrial-led location aimed at addressing Crawley's historic under supply of land for large I&L units. For Crawley town centre, the policy context concerns its continuation as a main

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<sup>1</sup> Policy HOR9 of the Reigate and Banstead Local Plan Development Management Plan, adopted September 2019

employment area and competitive sub-regional town centre. The town centre will also be the focus of neighbourhood facilities to support a growing residential population. Finally, HBP is a strategic office location with limited supporting retail and leisure facilities.

**Table 2.1 Summary of relevant employment policies**

Employment Area	Local Plan	Employment Policy
Gatwick Green	Submission Draft Crawley Local Plan (2021)	<ul style="list-style-type: none"> <li>- Gatwick Green is allocated as an industrial-led Strategic Employment Location.</li> <li>- It is the only location in Crawley that is capable of providing the required quantum of industrial land and floorspace without prejudicing the possible future delivery of Gatwick Airport's southern runway on the Safeguarded Land.</li> <li>- The Strategic Employment Location (SEL) will be expected to meet, as a <b>minimum</b>, Crawley's outstanding industrial land requirement of 24.1 ha.</li> <li>- Gatwick Green will support the growth of existing Crawley businesses and attract new investment to the Borough, enabling market demand for industrial and warehouse space in Crawley, which to date has been frustrated by a constrained land supply position.</li> <li>- This offer will be complementary to the mixed business function of Manor Royal, and the office-led development of the Horley Business Park, which is allocated in the DMP.</li> </ul>
Manor Royal	Submission Draft Crawley Local Plan (2021)	<ul style="list-style-type: none"> <li>- Manor Royal will remain the economic heart of the Gatwick Diamond, and will remain a focus for business-led economic growth for office and industrial uses, and other employment use that supports and does not undermine its core mixed business function.</li> <li>- Development that is compatible with the area's economic function and role in the wider sub-region will be permitted where it falls within the business sectors of office, research and development, light industry, general industrial and storage or distribution and would result in the reuse, intensification, or change of use of the land or buildings.</li> </ul>
Crawley Town Centre	Submission Draft Crawley Local Plan (2021)	<ul style="list-style-type: none"> <li>- Crawley town centre represents a key economic location and is identified as a Main Employment Area.</li> <li>- Development that enhances the vitality and viability of Crawley town centre as a competitive sub-regional town centre will be supported.</li> <li>- To facilitate the changing role of Crawley town centre, development of town centre neighbourhood facilities to meet the needs of its growing residential population will be supported. Such Town Centre neighbourhood facilities fall broadly within Use Classes E (commercial business and service), F1 (non-residential) and F2 (local community uses).</li> </ul>
HBP Employment Land Designation	Reigate and Banstead Local Plan Development Management Plan (2019)	<ul style="list-style-type: none"> <li>- The 31 ha site is allocated for a strategic business park of predominantly offices with limited B1b, B1c, B8 and non-B Class uses including appropriate airport-related Sui Generis uses.</li> <li>- A complementary range of commercial, retail and leisure facilities to service and facilitate the main business use of the site.</li> <li>- At least 5 ha of new high quality public open space, including parkland and outdoor sports facilities.</li> <li>- Complementary uses could include on-site catering, limited retail provision, hotel and conference facilities, gym, crèche and medical services and similar provision, but not at a scale likely to significantly divert trade from the wider area or to detract from the prime focus of the site as a Strategic Business Park.</li> </ul>

Source: Savills 2021

### 3.0 Size of Units

3.1 Within this section we seek to compare and contrast the size of office and I&L units that



exist within Manor Royal and Crawley town centre and compare this with the Local Plan policies governing Gatwick Green.

## Offices

- 3.2 Manor Royal is a mixed commercial location comprising 19% industrial (former B1c now E Class/B2) floorspace, 58% logistics (B8) floorspace and 22% office (former B1a now Class E) floorspace<sup>2</sup>. **Table 3.1** presents Manor Royal's industrial, logistics and office floorspace.

**Table 3.1 Manor Royal's Industrial, Logistics and Office Floorspace (sq.ft)**

Use Class	% of Inventory
Industrial (B1c/B2)	19%
Logistics (B8)	58%
Office (B1a)	22%
<b>Total</b>	

Source: CoStar 2021, Savills 2021

- 3.3 Crawley Town Centre, typical of a major town centre, provides an array of mainly retail alongside office, leisure, community and a growing residential population. Manor Royal has a total office inventory of over 1.8 million sq.ft. Crawley Town Centre has a much smaller office inventory of circa 800,000 sq.ft. Its retail inventory is much higher at 1.9 million sq.ft, consistent with its town centre designation<sup>3</sup>.
- 3.4 **Table 3.2** and **Figure 3.1** compare the quantum and size split of office units at Manor Royal and Crawley Town Centre. As can be seen, the largest proportion (43%) of Manor Royal's office stock is in buildings of more than 100,000 sq.ft, whereas Crawley Town Centre does not have any office buildings within this size bracket, indicating that Manor Royal caters for larger office occupiers than Crawley Town Centre.
- 3.5 The largest percentage of Crawley Town Centre's office stock is within the 20,000-50,000 sq.ft size bracket at 63% of total inventory versus only 29% within this size category at Manor Royal. Crawley Town Centre also has a higher percentage of total office inventory in smaller stock than Manor Royal, with 13% of stock less than 10,000 sq.ft compared to only 7% in Manor Royal. This again demonstrates Crawley Town Centre's greater slant towards smaller office buildings compared to Manor Royal.

<sup>2</sup> CoStar, 2021

<sup>3</sup> CoStar, 2021

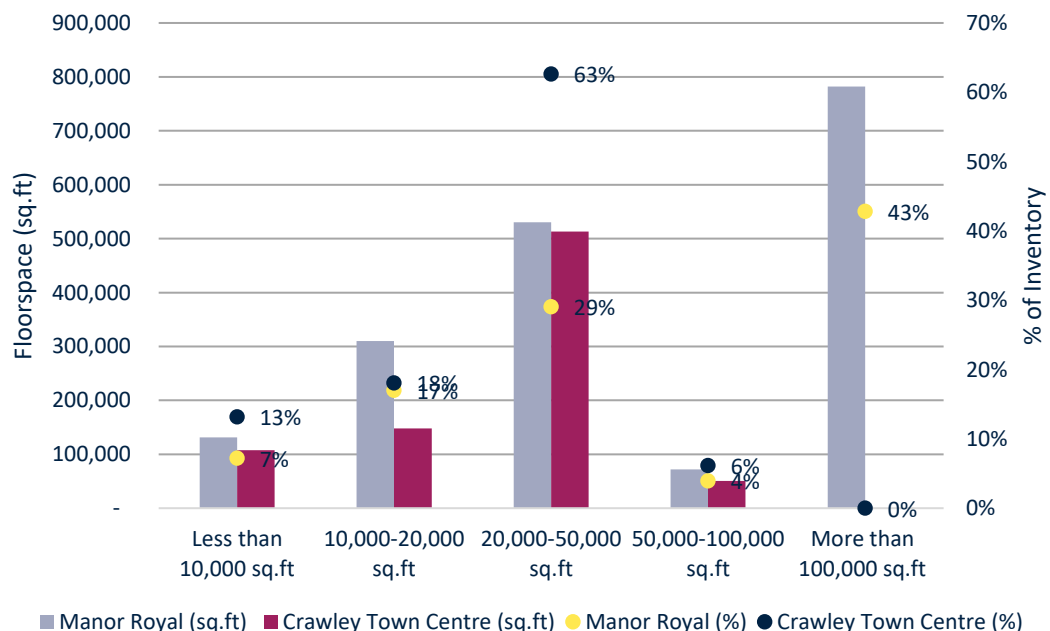
3.6 In terms of office provision, Gatwick Green based on planning policy provisions would not compete with Manor Royal’s or Crawley Town Centre’s office provision. It is being allocated for predominately B8 storage and distribution warehouse (Class B8) uses, potentially supported by light industrial and general industrial, and a limited amount of complementary ancillary uses that support the principal storage and distribution function<sup>4</sup>. Any office provision will be ancillary, usually as small scale mezzanine space within the I&L units.

**Table 3.2 Size of Office Buildings at Manor Royal and Crawley Town Centre**

Classification	Office Size Category	Manor Royal		Crawley Town Centre	
		Sq.ft	% of Inventory	Sq.ft	% of Inventory
Small	Less than 10,000 sq.ft	131,575	7%	107,705	13%
	10,000-20,000 sq.ft	310,121	17%	147,859	18%
Medium	20,000-50,000 sq.ft	530,351	29%	512,837	63%
	50,000-100,000 sq.ft	71,781	4%	50,353	6%
Large	More than 100,000 sq.ft	781,946	43%	0	0%
<b>Total</b>		<b>1,825,774</b>		<b>818,754</b>	

Source: Costar 2021, Savills 2021

**Figure 3.1 Size of Office Units at Manor Royal and Crawley Town Centre**



Source: Costar 2021, Savills 2021

<sup>4</sup> Draft Crawley Borough Local Plan 2021-2037 (January 2021)

### Industrial and Logistics

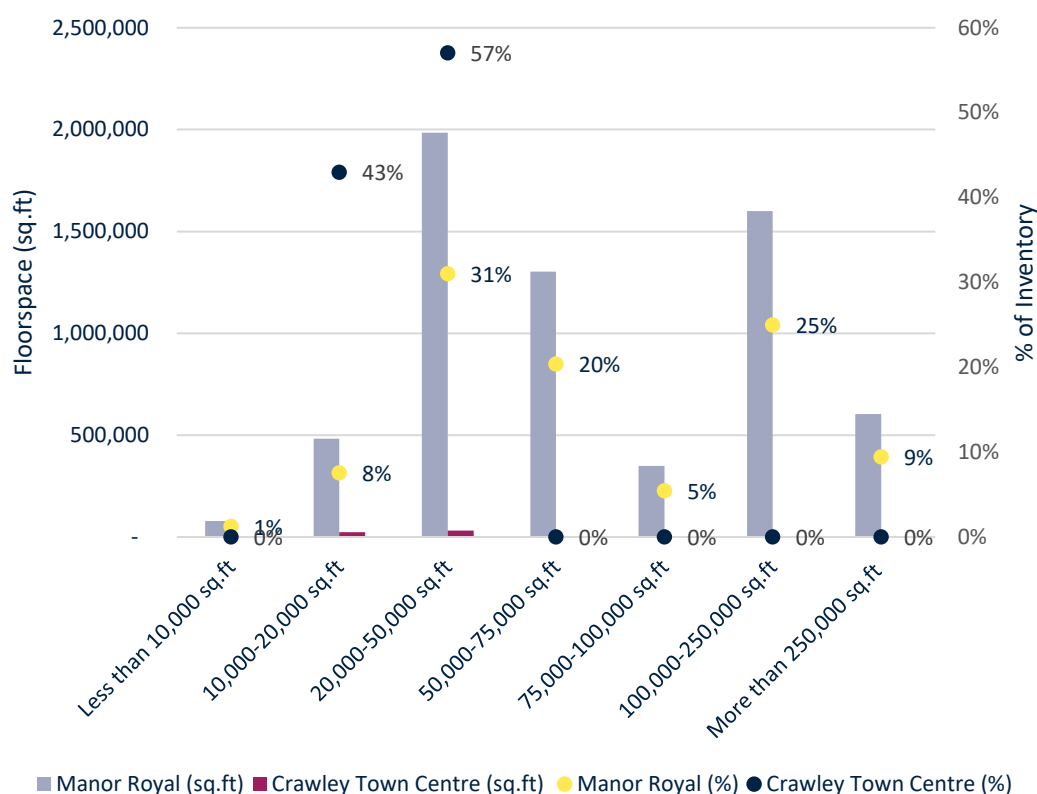
- 3.7 Manor Royal has a total inventory of over 6 million sq.ft of I&L floorspace, compared to Crawley Town Centre's much lower provision of only circa 55,000 sq.ft. Crawley Town Centre is clearly not an I&L location of note with its main focus on retail and other town centre related uses, as you would expect of a sub-regional town centre.
- 3.8 **Table 3.3** and **Figure 3.2** compare the size split of I&L units at Manor Royal and Crawley Town Centre. As can be seen, Manor Royal provides a range of different sized I&L units which further reinforces its mixed commercial nature. Most of its stock is included within the two medium size categories of 20,000-50,000 sq.ft (31%) and 50-100,000 sq.ft (26%) as well as the large unit category of 100,000-250,000 sq.ft (25%). Smaller units of less than 20,000 sq.ft and very large units above 250,000 sq.ft are less well represented at only 9% of total inventory respectively. This highlights that Manor Royal caters for a wide range of I&L occupiers with different space requirements, with a particular prevalence in the medium size category followed by some large units (100,000-250,000 sq.ft), but few very large units above 250,000 sq.ft (with only 2 units above this threshold).

**Table 3.3 Size of Industrial and Logistics Units at Manor Royal and Crawley Town Centre**

Classification	Industrial & Logistics Size Category	Manor Royal		Crawley Town Centre	
		Sq.ft	% of Inventory	Sq.ft	% of Inventory
Small	Less than 10,000 sq.ft	79,433	1%	0	0%
	10,000-20,000 sq.ft	481,812	8%	23,483	43%
Medium	20,000-50,000 sq.ft	1,984,963	31%	31,161	57%
	50,000-75,000 sq.ft	1,302,966	20%	0	0%
	75,000-100,000 sq.ft	348,709	5%	0	0%
Large	100,000-250,000 sq.ft	1,599,471	25%	0	0%
Very Large	More than 250,000 sq.ft	603,314	9%	0	0%
	<b>Total</b>	<b>6,400,668</b>		<b>54,644</b>	

Source: CoStar 20201, Savills 2021

**Figure 3.2 Size of Industrial and Logistics Units at Manor Royal and Crawley Town Centre**



Source: CoStar 2021, Savills 2021

3.9 Gatwick Green has been allocated predominately to cater for strong demand from larger logistics and warehouse occupiers (i.e. over 75,000 sq.ft only<sup>5</sup>). As discussed in **Appendix 3 – Market Assessment: Industrial & Logistics**, Crawley has a relative under provision of large units, particularly very large units above 250,000 sq.ft, when compared to the national average and other UK airport economies. Gatwick Green, via its location directly adjacent to the M23 and Gatwick Airport, is ideally placed to service this under presented segment of the market. Given the site is currently undeveloped, Gatwick Green’s economic impact via new jobs and investment will be purely additional.

3.10 This contrasts markedly with Manor Royal. According to CoStar<sup>6</sup> only 17 of its 151 I&L premises are over 75,000 sq.ft, with only 2 of these above 250,000 sq.ft. For it to cater for large unit demand significantly above its current provision, it would require the amalgamation of smaller sites. This would create a number of implications:

- Firstly, amalgamation is likely to be complex given the multiple ownerships that exist in Manor Royal;

<sup>5</sup> Crawley Borough Local Plan Topic Paper 5: Employment Needs and Land Supply (January 2021)

<sup>6</sup> CoStar is a leading commercial database tracking commercial lease and sale transactions, space available to the market, quality of stock, tenant information and market trends

- Secondly, amalgamating smaller sites for redevelopment would likely displace existing I&L occupiers meaning existing jobs will be lost. This is not the case with Gatwick Green where the new jobs and investment are purely additional given the site is undeveloped; and
- Thirdly, this could weaken the current diversity of occupiers and unit sizes in Manor Royal, contrary to proposed Local Plan Policy (EC3), which seeks to promote development that supports Manor Royal's mixed site balance, and Manor Royal's function to meet a range of market needs in the Crawley area.

3.11 In terms of the final bullet point, the Manor Royal Economic Impact Study (2018) prepared by Lichfield's on behalf of the Manor Royal BID Company Limited in partnership with Crawley Borough Council and West Sussex County Council, also recommends that Manor Royal should mitigate the potential impacts of Brexit by 'maintaining its diverse mix of businesses to avoid being reliant on a few sectors that could significantly decline due to Brexit' (Paragraph 4.28). The report's vision for Manor Royal (Paragraph 8.9) states:

*'By 2026 Manor Royal will have evolved into the South East's leading mixed-activity employment hub, providing modern business accommodation, a range of supporting amenities, and achieving environmental excellence to drive the growth of Crawley and the Gatwick Diamond economy'.*

3.12 In conclusion, the proposed Gatwick Green allocation is considered complementary to Manor Royal in its current diverse form. Manor Royal provides a diverse range of unit sizes, mainly in the medium size categories, but also with some large units. As we have evidenced in **Appendix 3 – Market Assessment: Industrial & Logistics**, Crawley needs significantly more large I&L units to bring it in line with the national average and other UK airport markets. Gatwick Green will help address this under provision, including for very large units above 250,000 sq.ft. By doing so, Gatwick Green will also help protect the diversity of offer at Manor Royal and thereby support the objectives of draft policy EC3.

### **Retail**

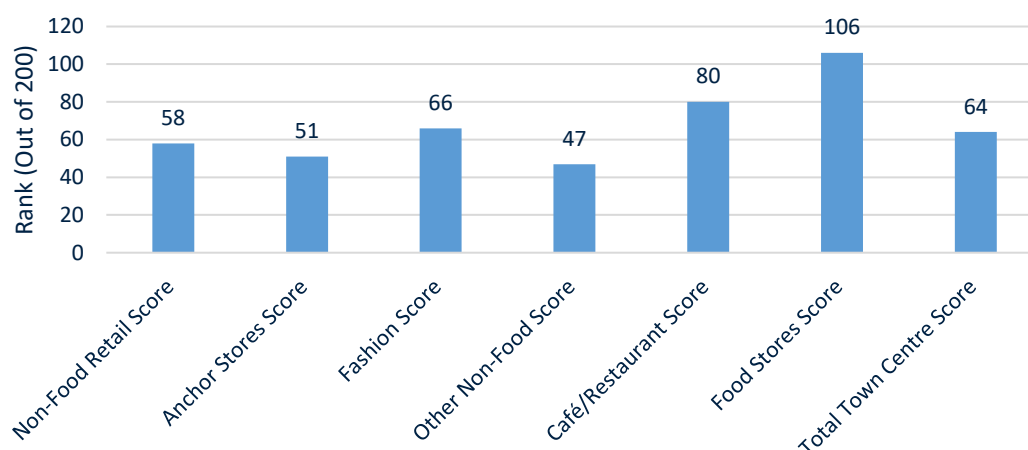
3.13 Neither Manor Royal nor the proposed Gatwick Green allocation will compete with Crawley Town Centre in terms of retailing. Crawley Town Centre is the Council's primary retail destination with over 1.8 million sq.ft of retail floorspace. It represents a sustainable location with excellent public transport accessibility, and is serviced by a number of rail and bus links. As a result, it has 2.3 times more retail space than it has offices and over 30 times more retail than I&L floorspace.

3.14 Property Market Analysis (PMA) PROMIS Retail Report (June 2021) ranks prominent UK town centres based on their mix of uses and quality of provision relative to competing retail destinations. The scores are out of 200, with 1 representing the best. Crawley Town

Centre ranks 58 on the basis of its Non-Food Retail Score, 66 on the Fashion Score, 51 on the Anchor Stores, 47 on the Other Non-Food Score, 80 on the Café/Restaurant Score and 106 on the Food Store Score. This generates an overall total Town Centre Score of 64 out of 200, indicating that Crawley has a slightly above average volume and quality of retail provision relative to the size and affluence of the shopping population.

3.15 **Figure 3.3** presents Crawley's scores from the PROMIS Retail Report (2021).

**Figure 3.3 PROMIS Crawley Town Centre Retail Score (2021)**



Source: *Property Market Analysis 2021, Savills 2021*

3.16 The PROMIS scorecard for Crawley Town Centre corroborates the conclusions from Crawley's Retail, Commercial Leisure and Town Centre Neighbourhood Assessment (2020) namely –

- The town centre is considered a key shopping destination for people living in the wider sub-region, with a range of jobs, entertainment and recreational uses, and cafes, restaurants and bars, making it attractive to visitors.
- Crawley has a comprehensive and diverse offer of retail and services, and this was recognised during the Household Surveys, with 'Choice and range of shops' being the most common response when asked what visitors liked most about Crawley.

3.17 Further business growth at Manor Royal and Gatwick Green, alongside further housing growth in Crawley, will help generate additional consumer spending in Crawley Town Centre. As detailed in **Appendix 6 – Economic Benefits & Social Value**, it is estimated that the Gatwick Green would generate nearly £1 million per annum of local spend from the new workers.

## 4.0 Profile of Demand

4.1 Within this section, we seek to compare and contrast the profile of office and I&L demand experienced within Manor Royal and Crawley Town Centre. Understanding, the profile of demand is based on leasing activity across various size bands and the types of business sector behind the leasing activity. We compare the results for Manor Royal and Crawley Town Centre to the policy context governing the proposed Gatwick Green allocation and the types of occupiers it is likely to attract.

### Office Leasing

4.2 **Table 4.1** presents Manor Royal's and Crawley Town Centre's office leasing activity over the last 5 years (2016-2021). For Manor Royal and Crawley Town Centre, small offices of less than 10,000 sq.ft have experienced the most leasing demand, in floorspace terms, at 45% and 54%, respectively. For Manor Royal, this is followed by 37% in the 10,000-20,000 sq.ft size category, but in Crawley Town Centre the 20,000-50,000 sq.ft bracket comprises the second largest size category at 28%. Limited leasing activity has been seen recently for large offices in both Manor Royal and Crawley Town Centre. Gatwick Green will not compete with either location as offices are not proposed to come forward as part of the allocation.

**Table 4.1 Manor Royal and Crawley Town Centre's Office Leasing Demand (2016-2021)**

Classification	Size Category	Manor Royal		Crawley Town Centre	
		Sq.ft	% of Lease Comps	Sq.ft	% of Lease Comps
Small	Less than 10,000 sq.ft	136,151	45%	115,208	54%
	10,000-20,000 sq.ft	111,489	37%	39,178	18%
Medium	20,000-50,000 sq.ft	56,476	19%	60,114	28%
	50,000-100,000 sq.ft	0	0%	0	0%
Large	More than 100,000 sq.ft	0	0%	0	0%
	<b>Total</b>	<b>304,116</b>		<b>214,500</b>	

Source: CoStar 2021, Savills 2021

### Industrial and Logistics Leasing

4.3 We do not consider I&L leasing activity for Crawley Town Centre given the small size of its inventory. It is much smaller than the existing I&L provision at Manor Royal and that proposed for Gatwick Green and is therefore not considered to compete with these locations in anyway.

- 4.4 **Table 4.2** and **Figure 4.1** present Manor Royal's I&L leasing activity over the last 5 years (2016-2021). These show a balanced profile of leasing demand consistent with Manor Royal's role as a diverse commercial area with a range of different types and size of companies.
- 4.5 As touched on previously, small I&L units are typically considered to be less than 20,000 sq.ft in size, while medium sized units are 20-100,000 sq.ft, and large units in excess of 100,000 sq.ft. Based on these broad categories, 32% of leasing demand in Manor Royal has been for smaller units over the last 5 years; 39% for medium size and 29% for large units.
- 4.6 Within these broad categories, the most prevalent sub categories are the 20,000-50,000 sq.ft size band and the 100,000-250,000 sqft size band. It is not surprising these size bands attract the most demand as these units size represent the greatest proportion of Manor Royal's existing premises as detailed in **Table 3.3** and **Figure 3.2**. However, in terms of the number of lease deals, the less than 10,000 sq.ft category dominates, totalling 63% of deals (47 of 75 deals). This is followed by the 10,000-20,000 sq.ft and 20,000-50,000 sq.ft size categories, at 17% and 15% of deals respectively.
- 4.7 This leasing activity again clearly demonstrates Manor Royal is a diverse employment area that caters for a range of occupiers with different size demands. As discussed previously in **Section 3**, if Manor Royal was to seek to increase its provision of large units, smaller sites would need to be amalgamated and redeveloped. This would result in job losses from existing smaller and medium sized occupiers and ultimately the dilution of its mixed and diverse commercial character. In any event, the fragmented and multiple ownership of Manor Royal tends to militate against such development at Manor Royal.

**Table 4.2 Manor Royal's Industrial and Logistics Leasing Demand (2016-2021)**

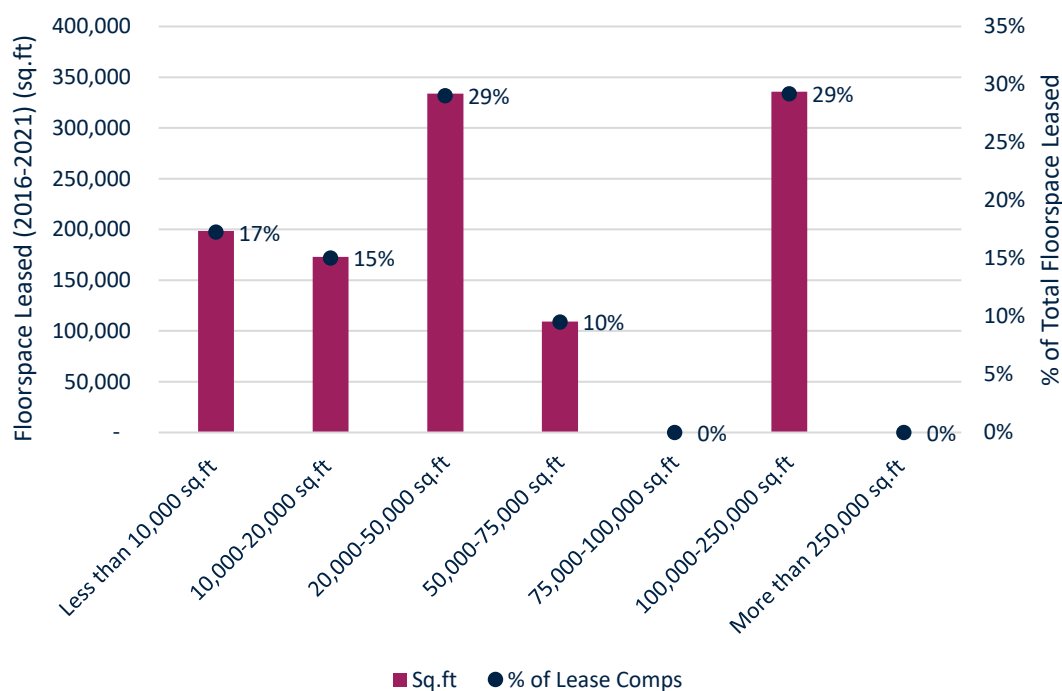
Classification	Size Category	Sq.ft	% of Lease Comps	No of Deals
Small	Less than 10,000 sq.ft	198,519	17%	47
	10,000-20,000 sq.ft	172,921	15%	13
Medium	20,000-50,000 sq.ft	333,871	29%	11
	50,000-75,000 sq.ft	109,404	10%	2
	75,000-100,000 sq.ft	0	0%	0
Large	100,000-250,000 sq.ft	335,747	29%	2



Classification	Size Category	Sq.ft	% of Lease Comps	No of Deals
Very Large	More than 250,000 sq.ft	0	0%	0
	<b>Total</b>	<b>1,150,462</b>		<b>75</b>

Source: CoStar 2021, Savills 2021

**Figure 4.1 Manor Royal’s Industrial and Logistics Leasing Demand (2016-2021)**



Source: CoStar 2021, Savills 2021

### Office Business Sectors

4.8 **Table 4.3** and **Figure 4.2** present take-up by business sector in Manor Royal and Crawley Town Centre over the last 5 years (2016-2021), as well as the number of deals signed.

4.9 The dominant business sector demanding office space in Manor Royal and Crawley Town Centre is the Professional, Scientific and Technical services sector at 22% and 43%, respectively (office floorspace leased between 2016-2021). In Manor Royal, this is followed by the Health Care and Social Assistance sector (13%) and Finance and Insurance sector (11%). In Crawley Town Centre, this is followed by the Finance and Insurance sector (19%) and Public Administration sector (8%).

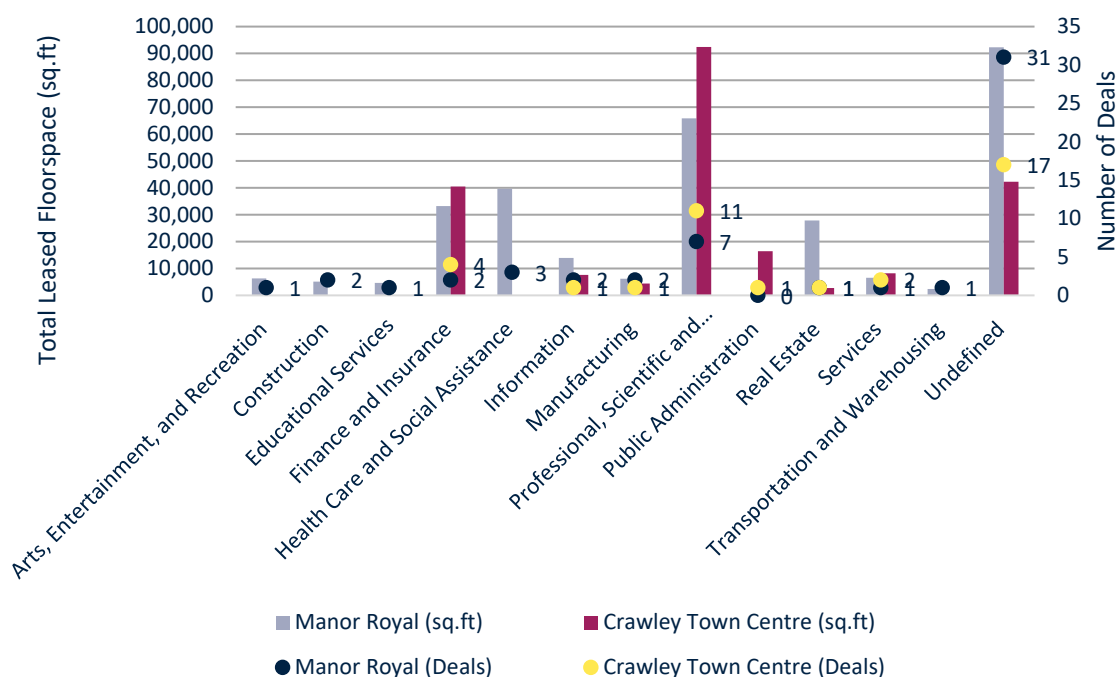
4.10 In terms of the number of deals signed between 2016 and 2021, the dominant industry sector in both Manor Royal and Crawley Town Centre is the Professional, Scientific and Technical services, at 13% and 29% of deals signed, respectively.

**Table 4.3 Take Up by Business Sector in Manor Royal's and Crawley Town Centre's Office Units (2016-2021)**

Business Sector	Manor Royal			Crawley Town Centre		
	Total Leased Floorspace (2016-2021)		% of Deals	Total Leased Floorspace (2016-2021)		% of Deals
	Sq.ft	%		Sq.ft	%	
Arts, Entertainment, and Recreation	6,329	2%	2%	0	0%	0%
Construction	5,108	2%	4%	0	0%	0%
Educational Services	4,606	2%	2%	0	0%	0%
Finance and Insurance	33,244	11%	4%	40,436	19%	11%
Health Care and Social Assistance	39,696	13%	6%	0	0%	0%
Information	13,902	5%	4%	7,602	4%	3%
Manufacturing	6,174	2%	4%	4,402	2%	3%
Professional, Scientific and Technical Services	65,859	22%	13%	92,399	43%	29%
Public Administration	0	0%	0%	16,404	8%	3%
Real Estate	27,908	9%	2%	2,758	1%	3%
Services	6,570	2%	2%	8,215	4%	5%
Transportation and Warehousing	2,415	1%	2%	0	0%	0%
Undefined	92,305	30%	57%	42,284	20%	45%
<b>Total</b>	<b>304,116</b>			<b>214,500</b>		

Source: CoStar 2021, Savills 2021

**Figure 4.2 Take Up By Business Sector in Manor Royal's and Crawley Town Centre's Office Units (2016-2021)**



Source: CoStar 2021, Savills 2021

### Industrial and Logistics Business Sectors

4.11 **Table 4.4** and **Figure 4.3** present take-up by business sector in Manor Royal's I&L units over the last 5 years (2016-2021) as well as the number of deals signed. Again we have not considered leasing demand by I&L occupiers in Crawley Town Centre given it has very little I&L floorspace.

4.12 The dominant business sector demanding I&L space in Manor Royal is the Professional, Scientific, and Technical Services sector, with 305,126 sq.ft leased between 2016 and 2021. This equates to 27% of all lease transactions. This is followed by the Wholesaler and Retailer sectors, at 175,656 sq.ft (15%) and 127,432 sq.ft (11%), respectively.

4.13 In terms of the number of deals signed between 2016 and 2021, the dominant business sector is the Wholesaler sector, with 14 deals signed, accounting for 19% of deals. This is followed by the Manufacturing sector with 13 deals, totalling 17% of deals.

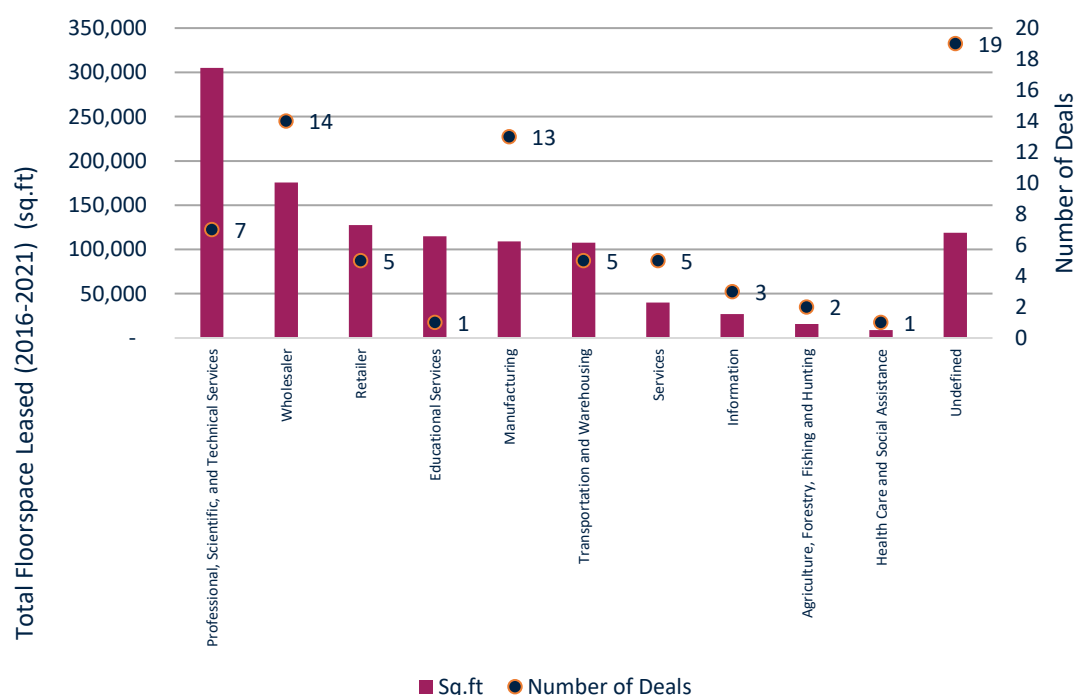
4.14 This analysis again demonstrates the diversity of demand Manor Royal facilitates within the I&L sector.

**Table 4.4 Take Up by Business Sector in Manor Royal’s Industrial and Logistics Units (2016-2021)**

Business Sector	Total Leased Floorspace (2016-2021)		Number of Deals (2016-2021)	
	Sq.ft	%	Number	%
Agriculture, Forestry, Fishing and Hunting	15,981	1%	2	3%
Educational Services	114,710	10%	1	1%
Health Care and Social Assistance	9,032	1%	1	1%
Information	27,176	2%	3	4%
Manufacturing	108,934	9%	13	17%
Professional, Scientific, and Technical Services	305,126	27%	7	9%
Retailer	127,432	11%	5	7%
Services	39,887	3%	5	7%
Transportation and Warehousing	107,578	9%	5	7%
Undefined	118,950	10%	19	25%
Wholesaler	175,656	15%	14	19%
<b>Total</b>	<b>1,150,462</b>		<b>75</b>	

Source: CoStar 2021, Savills 2021

**Figure 4.3 Take Up by Business Sector in Manor Royal’s Industrial and Logistics Units (2016-2021)**



Source: CoStar 2021, Savills 2021

4.15 The Gatwick Green allocation has yet to be developed, meaning it is not possible to analyse historic leasing deals to understand the type of companies being attracted to the

development. By way of a proxy, we have considered business sectors taking up I&L space across the wider South East region. We have limited this search to units over 75,000 sq.ft, consistent with the size of units earmarked for Gatwick Green.

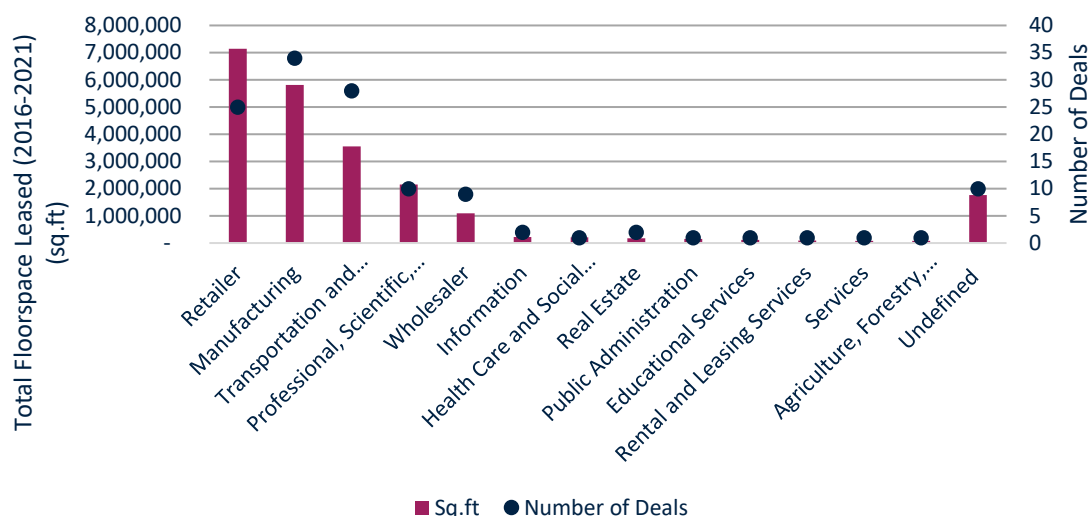
- 4.16 With reference to **Table 4.5** and **Figure 4.4**, the dominant industry sector in the South East for large I&L units are Retailers at over 7.1 million sq.ft leased, which equates to 32%. This is followed by the Manufacturing sector, at 5.8 million sq.ft leased (or 26%), and the Transportation and Warehousing Sector at 3.6 million sq.ft leased (or 16%). These sectors are also the most prevalent in terms of the number of lease deals signed.
- 4.17 We would expect Gatwick Green to be seen as an attractive location for these business sectors. The strength of the Retail and Transportation and Warehousing sectors is a direct response to the growth in online retailing discussed in **Appendix 3 – Market Assessment: Industrial & Logistics**. These business sectors require convenient access to the motorway and access to major population centres, which the proposed Gatwick Green allocation provides. Given manufacturing uses require similar sites, Gatwick Green is considered attractive to this business sector as well.

**Table 4.5 Take Up by Business Sector in the South East’s Industrial and Logistics Units over 75,000 sq.ft (2016-2021)**

Business Sector	Total Leased Floorspace (2016-2021)		Number of Deals (2016-2021)	
	Sq.ft	%	Number	%
Agriculture, Forestry, Fishing and Hunting	82,000	0%	1	1%
Educational Services	114,710	1%	1	1%
Health Care and Social Assistance	213,986	1%	1	1%
Information	223,882	1%	2	2%
Manufacturing	5,810,396	26%	34	27%
Professional, Scientific, and Technical Services	2,147,222	9%	10	8%
Public Administration	153,258	1%	1	1%
Real Estate	175,945	1%	2	2%
Rental and Leasing Services	94,944	0%	1	1%
Retailer	7,138,801	32%	25	20%
Services	83,000	0%	1	1%
Transportation and Warehousing	3,557,848	16%	28	22%
Undefined	1,759,982	8%	10	8%
Wholesaler	1,090,445	5%	9	7%
<b>Total</b>	<b>22,646,419</b>		<b>126</b>	

Source: CoStar 2021, Savills 2021

**Figure 4.4 Take Up by Business Sector in the South East’s Industrial and Logistics Units over 75,000 sq.ft (2016-2021)**



Source: CoStar 2021, Savills 2021

4.18 In conclusion, the above analysis demonstrates Manor Royal attracts a diverse range of business sectors within its I&L premises. While Professional, Scientific, and Technical Services is the most dominant, Education Services, Manufacturing, Retailer, Transportation and Warehousing and Wholesalers are also prevalent. This diversity of demand is inextricably linked to the diverse range of I&L unit sizes that exist at Manor Royal as shown in **Table 3.3** and **Figure 3.2**.

4.19 Based on leasing demand for the South East, the large units proposed for Gatwick Green will likely cater for large companies in the online retailing and third party logistics (3PL) sectors as well as manufacturing. While some of these sectors exist in Manor Royal, they are in lower quantities and typically for smaller occupiers. Based on our high-level analysis, it is unlikely two of Manor Royal’s most prevalent sectors, Professional, Scientific, and Technical Services and Education Services, will locate at Gatwick Green further indicating it is unlikely to compete directly with Manor Royal in terms of business types (sectors).

**Agglomeration Benefits**

4.20 Through expanding the range and quantum of business floorspace within Crawley, Gatwick Green will support the growth of existing Crawley businesses and attract new investment to the Borough. This will bring key agglomeration benefits. The UK Regions: A Framework for Growth report by KPMG (2020), states that business agglomeration is vital to accelerate regional growth, reporting that greater emphasis is needed to maximise agglomeration benefits that accrue from the concentration of businesses and

people, such as input sharing, knowledge/technological spill overs, output sharing, and improved productivity. The industrial-led growth at Gatwick Green will therefore further enhance Crawley's recognised role and function as the key economic driver for the Coastal to Capital and Gatwick Diamond areas.

## 5.0 Recent Development Activity

- 5.1 Within this section, we seek to understand the nature of office and I&L developments that have recently been completed or are proposed to come forward via planning applications. We focus on Manor Royal and Crawley Town Centre and compare the types of development coming forward in these locations with the relevant policy contexts for Gatwick Green and the HBP.


### Recent Developments & Planning Applications at Manor Royal

- 5.2 **Table 5.1** presents recent office and I&L developments that have been delivered at Manor Royal over the last 5 years (2016-2021). Most of the I&L schemes fall within the medium size categories (20,000-100,000 sq.ft) along with one smaller scheme (sub 20,000 sq.ft) and one large scheme above 100,000 sq.ft. This again indicates that Gatwick Green's focus on large / very large I&L units will be complementary rather than compete with Manor Royal.
- 5.3 In terms of recent office developments at Manor Royal, the delivery of large units at 72,000 sq.ft and 130,000 sq.ft further establishes Manor Royal as an important office location that attracts significant investment. Gatwick Green is not intending to provide offices other than smaller ancillary spaces, which is commonplace within I&L units of all sizes. The only area that may compete with Manor Royal for office demand in the longer term is HBP. However, this is unlikely to be built until there is sufficient demand, well beyond that which can be accommodated in Manor Royal, and rents are deemed attractive enough to bring forward significant new office investment.

**Table 5.1 Recent Office and I&L Developments in Manor Royal (2016-2021)**

Property Address	Year Built	Description	Image	Floorarea (sq.ft) (NIA)
<b>Industrial and Logistics</b>				
Gatwick 33, London Road, Crawley, RH10 9XX	2019	4 star industrial warehouse		33,258 sq.ft
Centron, Crompton Way, Crawley, West Sussex, RH10 9QR	2019	4 star industrial warehouse		56,014 sq.ft
Space Gatwick, Crawley, RH10 9LW	2018	4 star industrial warehouse		116,584 sq.ft
Gatwick 55, Rutherford Way, Crawley, RH10 9AF	2017	4 star industrial warehouse		56,316 sq.ft



Property Address	Year Built	Description	Image	Floorarea (sq.ft) (NIA)
Gatwick Make Ready Centre, Farady Road, Crawley, RH10 9BJ	2016	3 star industrial warehouse		19,223 sq.ft
<b>Office</b>				
Cornerstone, Fleming Way, Crawley, West Sussex, RH10 9RR	2017	4 star office		132,000 sq.ft
Nexus, Gatwick Road, Crawley, West Sussex, RH10 9AZ	2016	4 star office		71,781 sq.ft

Source: CoStar 2021, Savills 2021

5.4 **Table 5.2** presents recent planning applications, both approved and awaiting a decision, at Manor Royal. These paint a similar picture to the recent development analysis above. Namely, the planning applications for I&L premises cover a range of sizes, mainly in the medium size categories alongside some smaller and larger units. For offices, there has been a planning application submitted and approved for an office premises totalling 60,000 sq.ft.

**Table 5.2 Recent Planning Applications in Manor Royal (2016-2021)**

Application Number	Location	Status	Proposal
<b>Industrial and Logistics</b>			
CR/2021/02 49/FUL	Former GSK Manor Royal, Telecoms Metals and Carpenders Technology Site, Napier Way, Northgate, Crawley	Received 7 April 2021	<ul style="list-style-type: none"> <li>Erection of 3 warehouse units</li> <li>Unit 1 87,834 sq.ft, Unit 2 46,931 sq.ft and Unit 3 26,027 sq.ft</li> </ul>

Application Number	Location	Status	Proposal
CR/2021/02 47/FUL	The Office, Crawley Business Quarter, Manor Royal, Northgate, Crawley	Received 6 April 2021	<ul style="list-style-type: none"> <li>Redevelopment for storage and distribution warehouse within Use Class B8.</li> <li>Total GIA is 81,671 sq.ft</li> </ul>
CR/2021/01 74/FUL	Faraday Road, Manor Royal, Crawley, West Sussex, RH10 9JX	Received 10 March 2021	<ul style="list-style-type: none"> <li>Construction of a new warehouse building with ancillary offices</li> <li>79,621 GIA sq.ft</li> </ul>
N/A	Metcalf Way, Crawley, West Sussex, Rh11 7XX	Captured 8 February 2021	<ul style="list-style-type: none"> <li>Construction of 3 mid-box warehouse units totalling 159,000 sq.ft.</li> </ul>
CR/2020/07 19/FUL	Vanguard House and Victory House, Manor Royal, Crawley, West Sussex, RH10 9LU	Permitted 6 April 2021	<ul style="list-style-type: none"> <li>Construction of 2 commercial buildings (Use Classes E (light industrial), B2 and B8)</li> <li>Unit 100 will provide 63,346 sq.ft GIA</li> <li>Unit 200 will provide 17,610 sq.ft GIA</li> </ul>
<b>Office</b>			
CR/2017/02 42/FUL	Unit C, Manor Court, Manor Royal, Northgate, Crawley	Permitted 4 April 2017	<ul style="list-style-type: none"> <li>Change of use from industrial on ground floor with first floor offices to solely office use.</li> <li>The change of use was sought since the industrial unit has remained unlet and unsold for a number of years. 3,250 sq.ft</li> </ul>
CR/2016/00 30/FUL	Land at Crompton Way, Manor Royal, Northgate, Crawley	Permitted 6 January 2016	<ul style="list-style-type: none"> <li>Erection of a three storey office building providing 58,889 sq.ft GIA floorspace</li> </ul>

Source: Crawley Borough Council Planning Register 2021, Glenigans 2021, Savills 2021

### Recent Developments & Planning Applications at Crawley Town Centre

5.5 **Table 5.3** presents a number of recent planning applications submitted within Crawley town centre. Recent planning applications are dominated by residential use, including changes of use from office to residential. There appears to be no planning activity associated with I&L uses, which is not surprising given Crawley Town Centre has a limited supply.

5.6 This again clearly indicates that the I&L uses proposed for Gatwick Green will not compete with Crawley Town Centre, nor will it compete with its office stock as offices are not proposed for Gatwick Green. As discussed, Crawley Town Centre is major retail destination with an increasing residential population, which is further evidenced in that most of the planning applications are for residential.

**Table 5.3 Recent Planning Applications in Crawley Town Centre**

Application Number	Location	Status	Proposal
CR/2021/02 11/CND	37-43 Queensway, Crawley, West	Detailed Plans Submitted.	Prior approval for the construction of a part single and part 2 storey upward extension to create 27 flats.

Application Number	Location	Status	Proposal
	Sussex, RH10 1EG	Received date 6 May 2021	
CR/2021/01 37/FUL	15 Queensway, Crawley, West Sussex, RH10 1EB	Detailed Plans Submitted. Received date 25 February 2021	Scheme comprises change of use from vacant bank to an adult gaming centre use.
N/A	The Boulevard, Crawley, West Sussex, RH10	Pre-planning. Captured 4 July 2019	Scheme comprises a change of use from office buildings to proposed residential development for 50 units.
N/A	19-21 Queensway, Northgate, Crawley, West Sussex, R10	Pre-planning. Captured 4 July 2019	Scheme comprises change of use form 3 storey retail and office units for 10 units.
CR/2020/01 11/FUL	12-13 Queens Square, Crawley, West Sussex, RH10 1DY	Permitted 19 May 2020	Scheme comprises change of use from B1 office to D2 assembly and leisure.
N/A	Brittingham House, Orchard Street, Crawley, West Sussex, RH11	Pre-planning. Captured 5 July 2019	Scheme comprises change of use from retail offices and restaurants to proposed residential development for 24 units.
CR/2019/04 94/FUL	Sterling House, Part Ground Fl, High Street, Northgate, Crawley, West Sussex, RH10 1GE	Permitted 21 October 2019	Scheme comprises the construction of a three storey rear extension with undercroft parking to be used as additional office space.
CR/2017/05 52/FUL	8-9 Queens Square, Northgate, Crawley, West Sussex, RH10 1DY	Permitted 21 December 2018	Scheme comprises change of use to A1 retail/office space over first and small area of second floor to form 9 C3 residential units.

Source: Crawley Borough Council Planning Register 2021, Savills 2021

## 6.0 Employment Land Trajectory

6.1 Savills considers strategic employment sites to be those over 20ha in size. In this regard, Gatwick Green is the only strategic employment allocation included within the DCBLP which can facilitate large scale new investment in Crawley. With reference to Crawley's Employment Land Trajectory (ELT), the next largest sites after Gatwick Green are redevelopment opportunities in Manor Royal, being sites C(i) and C(ii), both of which are about 3ha in size.

6.2 Manor Royal has historically been successful at redeveloping and rejuvenating itself to match prevailing market demand at the time. This is seen in terms of the recent developments and planning applications noted above. The ELT is further evidence of

this, with a number of existing brownfield sites to be subject to either redevelopment, changes of use, and intensification for both I&L and office uses. It is also worth noting that redevelopment and intensification opportunities often deliver only a limited net gain in floorspace, so adding limited additional floorspace to the overall inventory.

## 7.0 Conclusion

- 7.1 Based on the above analysis the following key conclusions can be drawn.
- 7.2 **Manor Royal** has a diverse mix of office and I&L premises. As a result the profile of recent demand has been diverse both in terms of the size of office and I&L premises leased and the type of occupiers leasing space. A range of new office and I&L developments have come forward in recent times although most of the recent planning activity has been in I&L given the sector's current strength. Most of this planning activity has been in what Savills define as the medium (or mid-box) segment of the market (20,000-100,000 sq.ft).
- 7.3 **Crawley Town Centre** is a sub-regionally important town centre. The majority of its commercial space is retail. It also has reasonable supply of offices, but some of this is being converted to residential to accommodate strong demand in this sector. Its office market is considered secondary to Manor Royal in that it is much smaller and has attracted less investment and occupier demand historically. The new Local Plan requires the provision of new neighbourhood facilities to support the growing residential community.
- 7.4 **Gatwick Green** is proposed as a strategic allocation primarily for larger logistics and warehouse occupiers. As outlined in **Appendix 3 - Market Assessment: Industrial & Logistics**, Crawley has a relative undersupply of larger I&L units compared to the national average and other UK airport markets. In this regard, Gatwick Green will supplement Manor Royal's existing provision of large I&L units, and by doing so put Crawley on the map for larger scale investors and occupiers. Gatwick Green is intended to focus on providing mainly large / very large units (over 100,000 sq.ft), rather than medium sized (or mid-box) units (20,000-100,000 sq.ft) where most of Manor Royal's existing stock and recent planning activity is focused. Given Gatwick Green will not provide purpose built office space, it will not compete with Manor Royal or Crawley Town Centre.
- 7.5 **HBP** has been allocated as a strategic office location along with supplementary retail and leisure facilities. While on the face of it this may compete with Manor Royal's office provision, HBP will likely only come forward when market demand increases to a level

beyond which Manor Royal can accommodate.

- 7.6 Overall, based on all the evidence, there is considered to be a high degree of complementarity between Gatwick Green, Manor Royal, Crawley Town Centre and the HBP in Reigate and Banstead Borough. There is already a degree of interdependency between the existing employment areas in Crawley, and the evidence points towards this extending to business linkages between Gatwick Green, Manor Royal and the Town Centre and between Gatwick Green and the HBP. Such business synergies arise from the effects of agglomeration and will ensure that Gatwick Green will help to strengthen Crawley overall economic base.

# Appendix 5

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Addendum to: Review of Sub-regional Studies and Strategies relevant to the Crawley/Gatwick area



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## Appendix 5 - Addendum

### Update on regional and sub-regional strategies relevant to the Crawley/Gatwick area

#### Introduction

- 1 Appendix 2 (2020 Appendix) to TWG's representation on Policy EC1 of the DCBLP (2020) forms part of the Council's evidence base (Consultation appendix 4b: Wilky Group appendices combined). It summarises the various regional and sub-regional strategies and studies that provide qualitative and spatial guidance in relation to the distribution of employment land, economic and transport infrastructure.
- 2 This Addendum provides a summary of the relevant points from studies and strategies not addressed in the 2020 Appendix, some of which provide more recent findings in relation to economic growth and related transport infrastructure. It should be read in conjunction with the 2020 Appendix. It should be noted that the additional strategies largely pre-date the COVID-19 Pandemic, but there are some early indications of the impacts of the pandemic and how economic and transport policy should respond.
- 3 The strategies reported in the 2020 Appendix 2 remain broadly relevant to the development of planning policy for the next 15 years or so. This is because these strategies are largely concerned with long term trends and planning for the future, most of which remain pertinent, notwithstanding the economic impacts of the pandemic. Clearly, the pandemic will lead to additional policy initiatives and investment not previously foreseen, but the fundamental direction of economic and infrastructure planning is likely to remain valid in spatial and qualitative terms.
- 4 In summary, the 2020 Appendix 2 generally pointed to the rationale for, and potential of, concentrating a significant level of economic activity in the wider Crawley/Gatwick area, taking advantage of its existing strengths and potential to build on these through sustainable economic growth. The studies also indicated that this policy direction relies on the significant provision of integrated economic infrastructure: employment land, sustainable transport, highways, transport interconnections, broadband, education, housing and leisure.

### **The Gatwick Diamond Initiative: Local Strategic Statement 2016 (LSS, 2016<sup>1</sup>)**

- 5 The LSS 2016 is largely superseded by the emerging Local Industrial Strategy (LIS). Nevertheless, it did identify some issues and themes that remain valid in relation to the future economy/Crawley, which include:
- The crucial need to identify a flexible supply of employment land and premises to meet the varying needs of the Diamond’s economy (paras 2.23-2.24).
  - The need to maintain safeguarding at Gatwick Airport as directed by national policies.
  - The delayed decision over a new runway at Gatwick Airport which has affected the availability of employment land.

### **Coast to Capital Local Industrial Strategy, Draft Interventions and Logic Chains, LIS Panel, January 2020**

- 6 Produced before the COVID-19 pandemic, the study included an intervention to promote a step change in the growth of the Gatwick economy: *“Gatwick airport and the land around it will be a major driver of our region over the coming decades. We would like to partner with Government to undertake a major study into the infrastructure required to support this growth and ensure that it is sustainable.”*

### **Gatwick Diamond, COVID-19 Impact Assessment, May 2020**

- 7 The impact assessment was produced during the first COVID-19 lockdown in 2020, so its forecasts and predictions were predicated on a far earlier return to normal living conditions which is now proven not to be the case. However, even in this context, the study noted that (1) Gatwick Airport has predicted that flight levels will not return to pre-COVID levels for four years, (2) this drop would result in a reduction in local economic output of 16% in 2020, (3) it will take the Gatwick Diamond ten years to recover the GVA it is expected to lose in 2020, and (4) to recover the lost GVA in 5 years, the Diamond’s economy would need to grow by c 2.7% annually compared with a historical growth rate of only 0.4% pa over the last eight years.

### **West Sussex County Council Economy Reset Plan 2020-2024, WSCC, November 2020**

- 8 The Plan sets out a wide range of initiatives to help the economy of the County to recover recognising that *“...Crawley is the most impacted area in West Sussex in terms of jobs affected, and indeed comes out as one of the most affected in the country primarily because of the presence of Gatwick Airport”* and that *“...Crawley is the most exposed locality [nationally] to the*

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<sup>1</sup> Gatwick Diamond Local Strategic Statement, Gatwick Diamond Local Authorities [excluding Tandridge DC], June 2017



*economic impact of the pandemic with high levels of business failure and unemployment likely*<sup>2</sup>. In response to these major impacts, the study places significant weight on the recovery of aviation activity at Gatwick Airport, the delivery of the Growth Deals (including for Crawley which focuses on strategic / sustainable infrastructure delivery) and the need to “*Seek to ensure strategies and policies in Local Plans prepared by the local planning authorities support economic recovery*”.

### **Crawley’s Economic Recovery Plan, March 2021<sup>3</sup>**

9 The Council’s Economic Recovery Plan (ERP) is a very recent economic initiative that identifies the scale of the economic impacts on Crawley and sets out the strategy to address these over the short and long term – consultation on the ERP is planned over May-June 2021. In terms of the economic impacts, the ERP notes these as:

- Major collapse in Gatwick Airport passenger numbers – nearly 4 million per month (2019) to 850,000 per month (2020)
- Over 7,000 redundancies “on Airport” – nearly 33% of workforce
- 25,800 Crawley residents “furloughed” - 41% of local workforce - from aviation and various other sectors (e.g. hospitality)
- Unemployment in Crawley trebled – 2.4% to over 8%
- Youth unemployment almost 13% - 1,000+ young people

10 The ERP not only responds to the economic crisis precipitated by the COVID-19 pandemic, but also sets out a vision for the longer term to 2050 with associated initiatives and actions recognising the need for the Borough to tackle long term structural economic challenges. It also brings together the pandemic-related initiatives, with the pre-existing regeneration programmes and economic growth proposed through the emerging Local Plan review. The rationale is stated as providing:

- A vision for Crawley’s future socio-economic prosperity.
- A clear path for recovery from COVID-19 economic crisis.
- A marker to Crawley’s formidable reputation for economic productivity.
- One strategic framework for recovery.

11 The vision for Crawley over the next 30 years is identified as:

“A modern, vibrant and healthy exemplar digital town; transformed net zero carbon economy; the south east’s leading digitally enabled and mixed use innovative Business Park at Manor Royal; an empowered

<sup>2</sup> <https://www.centreforcities.org/blog/what-does-the-covid-19-crisis-mean-for-the-economies-of-british-cities-and-large-towns/>

<sup>3</sup> “One Town” Crawley’s Economic Recovery Plan, FIRST DRAFT, Crawley Borough Council, March 2021

resident workforce; high quality amenities, bustling neighbourhood parades; extensive sustainable homes, transport, business.”

12 To deliver this vision, the overarching aim of the ERP is to deliver a “Green Growth” economy, the key elements of which are identified as (Savills’ emphasis):

- Renowned for innovation excellence
- With a stunning digital business park
- Resident skills driving business success
- Gatwick Airport a sustainable aviation exemplar
- **New sites to provide for all Crawley’s employment growth sectors and help boost jobs for residents**
- Bold and vibrant Town Centre community; successful professional services hub

13 In relation to tackling structural change in the Borough’s economy, the ERP also notes, *inter alia*, the ‘limited overall available employment land supply’. To address this and other issues, the ERP identifies five Strategic Priorities, the first of which is to create a diverse and resilient economy so as to “Renew Crawley as an attractive, abundant, diverse **economic powerhouse**, founded on “**green growth**” and **digital innovation**” (Savills’ emphasis). To deliver this priority, it goes on to identify five flagship interventions (Savills’ emphasis):

- “Manor Royal Renaissance” programme to transform Manor Royal into an attractive and digitally advanced business park.
- Establish the Fusion Centre – the Crawley Innovation Centre – to boost Manor Royal’s advanced engineering and digital base.
- Inward investment programme to attract new manufacturing to Manor Royal and professional services to the Town Centre.
- A brand new “Eastern Gateway” Town Centre commercial quarter
- **Unlock sufficient suitable employment land to drive recovery.**

# Appendix 6

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## Economic Benefits and Social Value



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# Gatwick Green

## Savills Economic Benefits and Social Value

Savills have been commissioned by the Wilky Group to undertake an assessment of the economic benefits and social value of the Gatwick Green development proposals in the administrative area of Crawley Borough Council.

This infographic summarises the key findings.

This document presents the minimum economic benefits and social value generated by the proposals based on the minimum floorspace of 77,800 sqm as per Strategic Policy EC4 from Draft Crawley Borough Local Plan 2021 – 2037.

These figures are based on our understanding of the scheme and a range of assumptions. Estimates of benefits are subject to uncertainties. Our assumptions and calculations are based on good practice, guidance and available data. We estimate that actual impacts are likely to be in a range of +/- 20% of figures given.

Please note that the current Coronavirus crisis will have a major impact on demand and values in the short to medium term. The analysis and conclusions should be considered as potentially relevant to the situation once the UK economy has recovered from the most significant impacts of Coronavirus. It is too early to estimate how the crisis will impact on trends, and for example how strong the rebound will be and to what degree there is a change in the composition of demand and activities in the post Coronavirus crisis world. Our findings should be kept under review as the situation evolves.

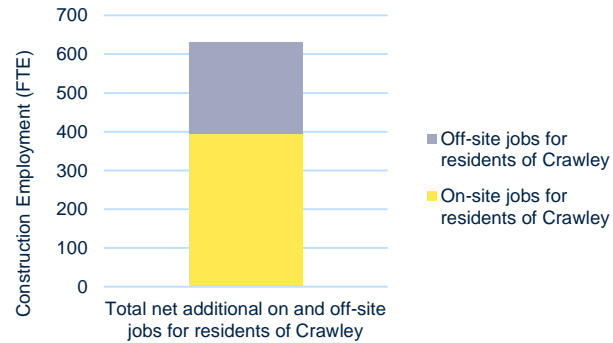
## The Proposal



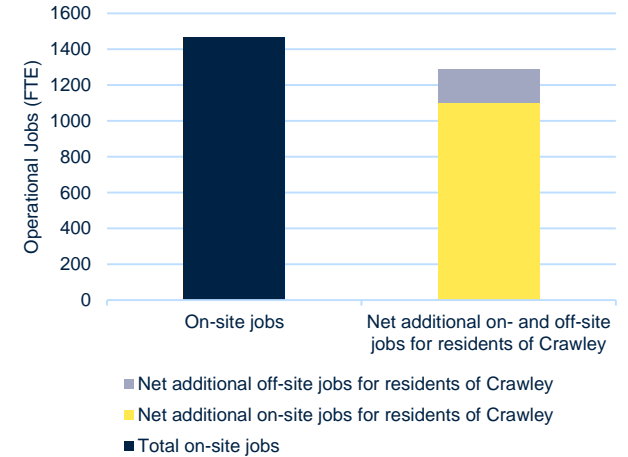
Gatwick Green includes a minimum of 77,800 sqm of floorspace across warehouse and industrial uses as follows:

	<b>WAREHOUSE (B8)</b> 54,460 (GIA) sqm
	<b>INDUSTRIAL (B2)</b> 23,340 (GIA) sqm

## Economic Benefits



The scheme would provide on-site and off-site job employment opportunities. These include temporary jobs created during the construction period as well as permanent jobs once businesses move into the scheme.



### TOTAL CONSTRUCTION JOBS

**630 JOBS** on and off-site jobs that are expected to be generated for Crawley residents, over 2 years

### ESTIMATED CONSTRUCTION COST

**£115 MILLION**

### GROSS VALUE ADDED

**£30 MILLION**

net additional Gross Value Added (GVA) generated during the construction phase

### TOTAL OPERATIONAL JOBS

**1,470** permanent on-site jobs (gross) | **1,290** permanent on- and off-site jobs for residents of Crawley

### LOCAL SPEND OF WORKERS

**£950,000** per annum

Assuming 40% of employees buy lunch and drinks locally

### GROSS VALUE ADDED

**£79 MILLION** per annum

net additional Gross Value Added (GVA associated with the additional number of jobs)

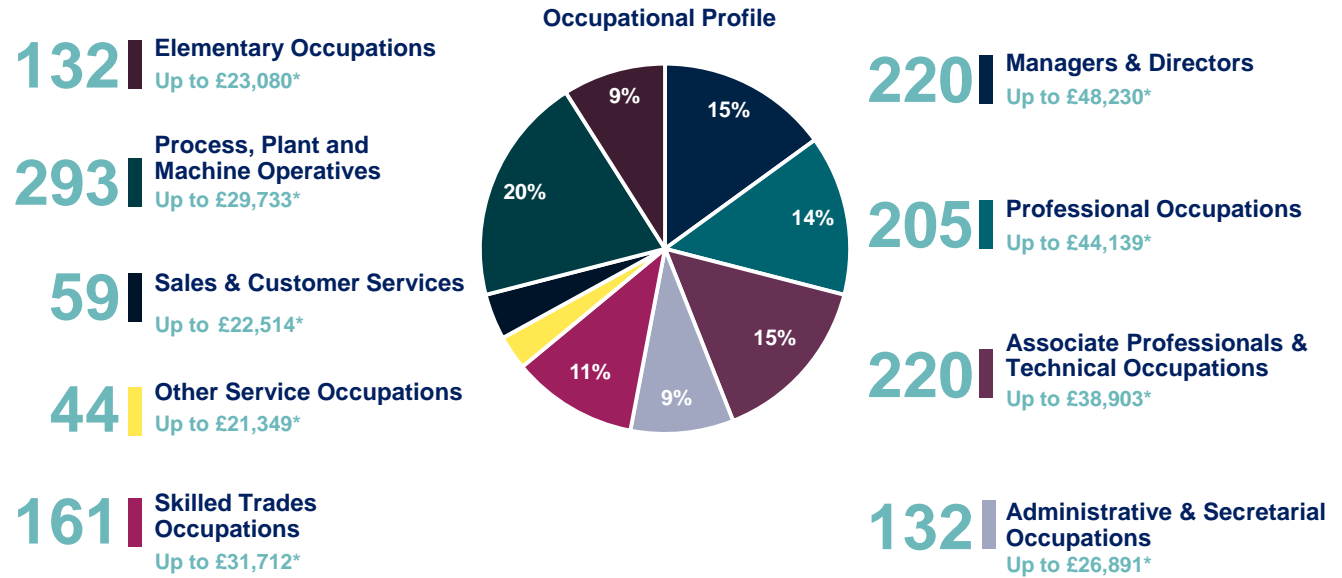
# Gatwick Green

Savills Economic Benefits Summary

## Economic Benefits

### JOBS AND OCCUPATIONS

We estimate the number of on-site jobs and types of occupations that could be generated by the current proposals for Gatwick Green - a total of 77,800 sqm of employment floorspace comprising 70% warehousing and 30% manufacturing.



Number of on-site jobs → **X** \*Gross average annual salaries based on logistics and manufacturing sector

### CORPORATION TAX

**£15.8 MILLION** per annum

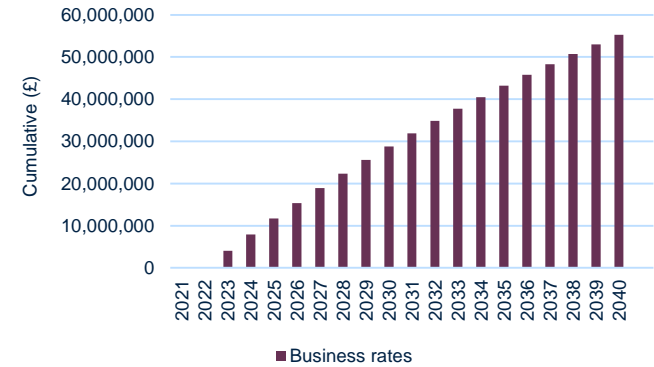
Based on an estimated turnover and 19% corporation tax rate

### PRIVATE INCOME

**£49 MILLION** per annum

Accounting for permanent on-site workers

## Public Sector Revenues (NPV)



Crawley Council will benefit from the business rates revenue of £4.3 million per annum, accounting to £55 million net present value (NPV) over the period of 20 years.

Business Rates Income:

**£4.3 million PER ANNUM**

Cumulative Income:

**£55 million OVER 20 YEARS**  
\* Net present value at 3.5%

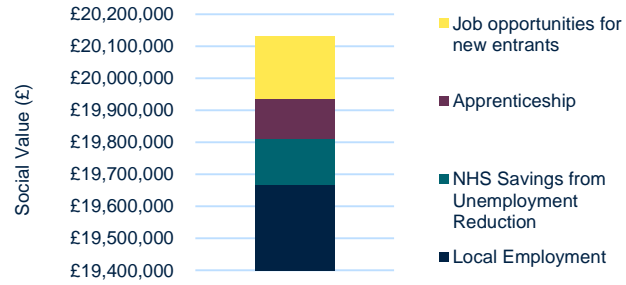
## Gatwick Green

### Savills Social Value Summary

The Social Value Assessment considers the benefits for the local community resulting from the Proposed Development according to the following themes:

- Skills and Employment - benefits from returning to work, apprenticeship opportunities and NHS Savings;
- Community benefits – such as local procurement opportunities

## Skills and Employment



The construction of the proposed development would have a positive social value impact delivering multiple benefits to the local community including local employment opportunities. An assumption can be made regarding the number of construction workers who have been previously unemployed (60) per annum based on similar projects and number of Job Seeker's Allowance (JSA) claimants. NHS savings associated with returning to work are estimated. The scheme would also deliver training opportunities for young people and positions for new entrants which are estimated based on benchmarks from the National Skills Academy for Construction. The social value of employment and training opportunities is estimated based on the National Themes Output Measures (TOMs) proxies (2020).

### LOCAL CONSTRUCTION JOBS

**£19.6m** Estimated social value of local jobs created during the construction period (2 years)

### NHS SAVINGS FROM UNEMPLOYMENT REDUCTION

**£143k** Estimated NHS saving assuming that expenditure on unemployed person is double the average NHS expenditure during the construction period (2 years)

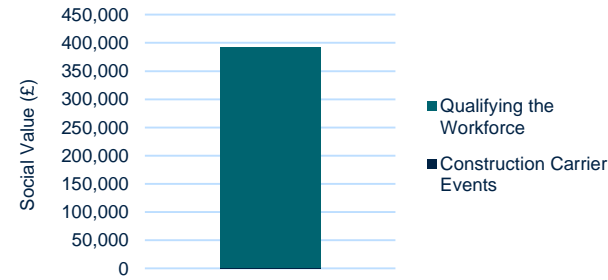
### APPRENTICESHIPS

**£127k** Estimated social value of apprenticeships (23) delivered during the construction period (2 years)

### NEW ENTRANTS

**£200k** Estimated social value of job opportunities for new entrants into the sector (14) delivered during the construction period (2 years)

## Community Benefits



The scheme would deliver community benefits due to local procurement during the construction phase. Local businesses will be supported, ensuring that the local community will benefit from the investment in the area. The estimate of local procurement (10%) is based on the best practice being achieved in comparable areas. The local community would benefit also from Construction Careers Information, Advice & Guidance Events held in the local educational establishments and qualifications achieved during the construction of the proposed development.

### SUPPORTING LOCAL BUSINESSES

**£114m** Estimated total value of local procurement during the construction period assuming 10% of all monies spent locally

### CONSTRUCTION CAREERS EVENTS

**£1,000** Estimated total social value of Construction Careers Information, Advice & Guidance Events in local schools (8 events)

### QUALIFYING THE WORKFORCE

**£390k** Estimated total social value of Qualifications achieved (equiv. NVQ2 or above)



Source: <https://www.foodmanufacture.co.uk/Article/2015/07/14/Food-industry-skills-gap-apprenticeships-vital>



Source: [https://www.bluearrow.co.uk/communities/warehouse/national-apprenticeship-week\\_why-do-an-apprenticeship](https://www.bluearrow.co.uk/communities/warehouse/national-apprenticeship-week_why-do-an-apprenticeship)



Source: <https://www.intofilm.org/news-and-views/articles/into-films-latest-industry-visits>

# Appendix 7

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Proposed changes to Strategic Policy EC1 and supporting text



**GatwickGreen**

WHERE THE FUTURE WORKS

# Proposed changes to the Draft Crawley Borough Local Plan 2021-2037 (January 2021)

## Savills on behalf of the Wilky Group

### Changes to policy / text

Proposed changes to the policies and text of the DCBLP are set out below and are indicated by the following means:

Additions: underlined

Deletions: crossed out

### Strategic Policy EC1

*“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 38.7 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 24.1 hectares new industrial land over the period to 2036.....”*

### Supporting text

*“9.13 The identified need is significantly within the industrial sector (32.8ha), with office needs accounting for 5.9ha of the total. Crawley’s Employment Land Trajectory (September 2020) identifies an available employment land supply pipeline of 17.6ha, which comprises 8.8ha office land and 8.7ha industrial land. The existing available office land supply meets identified quantitative office needs, though as discussed under Policy EC6, there remains a broader qualitative office need. In addition to new office land coming forward in Crawley, the Horley Strategic Business Park site allocation in Reigate and Banstead Borough will further add to the sub-regional offer. Therefore, Crawley’s employment land needs are substantially of an industrial nature, principally in relation to B8 storage and distribution use. With an existing available industrial land supply pipeline of 8.7ha, there remains outstanding need for a minimum of 24.1ha new industrial land.”*

### Reasoned Justification

*“9.20 The Local Plan approach is to plan for sustainable economic growth based on the 2018 Experian Baseline Growth forecast of 38.7ha business land as a minimum over the 15 years to 2036. This is considered to represent the most sustainable and appropriate basis on which to plan for the minimum economic growth in Crawley. It is based on up-to-date economic information, assuming strong job growth in Crawley, albeit at a slower rate when compared with past trends. It identifies need for a minimum of 38.7ha new business land which is closely aligned with the Past Take-Up figure of 39ha, and greater than the Labour Supply (supply-led) 347dpa figure of 21.7ha. The higher Labour Supply (597dpa) figure of 56.9ha employment land does factor in the possibility of an urban extension to Crawley. However, it is recognised that such an extension would not meet solely Crawley’s housing needs, and would also meet those from the adjoining district. Therefore, it is anticipated that, although some employment needs arising from an urban extension would need to be met in Crawley, remaining employment need arising from the development may be accommodated within the urban extension itself, or if necessary, elsewhere within neighbouring districts. The Oxford Economics 2018 Baseline forecast of negative growth does not factor in actual*



*market performance or demand in Crawley and, therefore, does not represent an effective basis for planning positively for economic growth. Initial economic forecasts following the outbreak of COVID-19 are subject to a high degree of uncertainty and are also not considered to represent an appropriate basis for long-term planning. As such, the Experian Baseline Growth forecast requirement for a minimum of 38.7ha business land represents a sound basis on which to plan for economic growth in Crawley.*

*9.23 However, this approach alone will not be sufficient to meet the outstanding need for a minimum additional 24.1ha industrial land. Therefore land at Gatwick Green is allocated for the delivery of a high-quality industrial-led Strategic Employment Location. The Strategic Employment Location will be expected to meet, as a minimum, Crawley's outstanding minimum industrial land requirement of 24.1ha, and must be planned in a manner that is complementary to the established role of Manor Royal as a strong and competitive mixed business district and also the office-focused Horley Strategic Business Park allocation in Reigate & Banstead Borough."*