

# Crawley 2040

Draft Crawley Borough Local Plan 2023 – 2040

June 2023

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Regulation 19 Consultation  
Representation on behalf of  
Gatwick Green Limited



**GatwickGreen**

WHERE THE FUTURE WORKS

**Policy EC1**  
Sustainable Economic Growth  
June 2023



# Crawley Local Plan

<p><b>Ref No:</b></p>  <p><i>Office use only</i></p>
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## Crawley Submission draft Local Plan Representation

Please return your completed representation form to Crawley Borough Council.

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
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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 type="checkbox"/>            | No <input checked="" 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 response

*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 response

*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:**

*Strategic Policy EC1 is an important policy that takes forward the Council's Vision and economic strategy in planning terms. It 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. GGL supports the overall intention of the policy, but objects to Strategic Policy EC1 on the basis that it isn't sound because it has not been positively prepared. This is because it does not reflect of identify the assessed future market demand for strategic industrial and logistics uses. GGL has provide additional PPG-compliant evidence to demonstrate that the overall market-informed need for industrial and logistics land is 69 ha. GGL is therefore seeking important changes to the policy and the supporting text to address these soundness issues so as to make the policy sound in accordance with the requirements in the NPPF (para 35). It is therefore considered that the representation raises important and significant planning matters relating to implementation of the economic strategy for Crawley and the soundness of Strategic Policy EC1 and the supporting text. These matters justify the attendance of GGL 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**

20/06/2023

**Draft Crawley Borough Local Plan 2024 - 2040  
May 2023**

**Regulation 19 Consultation  
Representation on behalf of Gatwick Green Limited**

**Strategic Policy EC1**

**Strategic Policy EC1: Sustainable Economic Growth**

**June 2023**



## 1.0 Introduction

1.1 This Statement of Case is submitted on behalf of Gatwick Green Limited (GGL). For clarification, Gatwick Green Limited is a wholly owned subsidiary of the The Wilky Group (TWG), which has a long-standing interest in the promotion of strategic employment land within the Crawley Borough Council (CBC) area. Previous representations were submitted by TWG, but the land is now vested in Gatwick Green Limited. This representation relates to Strategic Policy EC1 of the Draft Crawley Borough Local Plan, 2023 (DCBLP / the Plan).

1.2 GGL owns about 48 ha (119 acres) of land east of Gatwick Airport. The plan at **Appendix 1** shows the extent of GGL's land and the proposed allocation of Gatwick Green. The land has been promoted by TWG/GGL as a strategic employment opportunity known as Gatwick Green, most of which forms a proposed allocation as a Strategic Employment Location (SEL) of 44 ha (108.7 acres) (the Site) under Strategic Policy EC4 in the DCBLP. The proposed allocation is for a comprehensive industrial-led development of predominantly storage and distribution uses under use class B8.

1.3 This representation is divided into four further sections:

**Section 2.0** – provides a summary of the representation, setting out the element of Strategic Policy EC1 to which GGL is objecting, the basis of that objection in terms of soundness and what changes are being sought to policy to address the objection.

**Section 3.0** – provides the detailed evidence in support of a more robust approach to economic needs and a higher requirement for employment land.

**Section 4.0** – provides evidence that supports the spatial element of Strategic Policy EC1 and the role of Crawley in the Council's economic strategy.

**Section 5.0** – sets out the basis for GGL's objection based on the evidence, why Strategic Policy EC1 is considered not to be sound, and what changes are required to make the policy sound.

## 2.0 Summary of representation

### Employment land needs

2.1 Strategic Policy EC1 sets out the strategy for sustainable economic growth and has three elements – it identifies (1) the economic role of Crawley within the sub-region, (2) the future minimum need for employment land to 2040, and (3) the spatial strategy, which focuses on the Main Employment Areas (MEAs) and an industrial-led Strategic Employment Area (SEL) at Gatwick Green to deliver economic growth. Whilst Strategic Policy EC1 is consistent with the role of strategic policies in the National Planning Policy

Framework (NPPF - paras 20-23 and 11b), the second element of the policy is not sound, (NPPF, para 35), as it is not positively prepared and fails to identify the demonstrable and higher level of need for additional employment land for industrial and logistics (I&L) purposes.

- 2.2 The Council relies on two parts of its evidence base to justify the minimum level of need in Strategic Policy EC1. These are, (1) a quantitative economic assessment by Lichfields contained in the Council's Economic Growth Assessment Supplementary Update for Crawley (EGA SU)<sup>1</sup>, and (2) a qualitative overview of market signals and indicators contained in Topic Paper 5 (TP5)<sup>2</sup>. The EGA SU contains econometric / demographic-based forecasts of employment land based on labour demand, labour supply and past take-up methods. Lichfields recommend that the labour demand forecast is adopted as a minimum for planning purposes, namely 26.2 ha of I&L and office land, of which 22.9 ha is for I&L. However, the EGA SU forecasts provide only one part of the evidence base that is required by Planning Practice Guidance (PPG). The missing part is an assessment of future property market requirements<sup>3</sup>, with particular reference to the need for land for logistics<sup>4</sup>.
- 2.3 The qualitative evidence in TP5 indicates that the national and regional market for I&L uses is significant and will continue to grow, but the Council has not undertaken the property-based analysis to identify what that quantum should be. Consequently, the full extent of future employment land needs for I&L uses has not been established. This shortcoming in the Council's evidence means that Strategic Policy EC1 has not been positively prepared as it fails to identify and demonstrate the full objectively assessed need as NPPF requires (para 11b). In defining a minimum need, the policy is not sound in terms of the requirements of the NPPF (para 35).
- 2.4 The missing element in the evidence base has been undertaken by Savills<sup>5</sup> (**Appendix 2 - Savills Market Demand Forecast report**) using its industry-standard suppressed demand model to quantify the future land need for I&L uses, adopting the same Functional Economic Market Area (FEMA) as that adopted by Lichfields. This results in a market-informed assessment of future market needs of 69 ha for I&L uses to 2040. This is considered to represent a robust assessment and supports the qualitative market signals and indicators contained in TP5 and Savills Market Demand Forecast report.

<sup>1</sup> Northern West Sussex Economic Growth Assessment Supplementary Update for Crawley, Final Report, Lichfields, January 2023

<sup>2</sup> Topic Paper 5, Employment Needs and Land Supply, Crawley Borough Council, May 2023

<sup>3</sup> Paragraph: 027 Reference ID: 2a-027-20190220

<sup>4</sup> Paragraph: 031 Reference ID: 2a-031-20190722

<sup>5</sup> Gatwick Green, Crawley – Strategic Industrial & Logistics – Market Demand Forecast for Crawley, Savills, June 2023



- 2.5 In short, Strategic Policy EC1 contains the right spatial strategy and land use response to the available evidence, but is not considered to be positively prepared with regard to how the level of future need has been determined and expressed. To be positively prepared, the policy should identify a future need figure that is market-informed and justified by a property-based market assessment. Savills has provided this assessment, so the evidence base is complete and can form the basis of an amendment to Strategic Policy EC1 so as to ensure it can be assessed as being positively prepared. The amendment being sought by GGL is to substitute the need figure of a minimum of 26.2 ha with 69 ha.
- 2.6 An amendment to the identified need figure will have implications for Strategic Policy EC4. These are addressed in a separate representation by GGL. In summary, Strategic Policy EC4 no longer needs to identify the future need or the related provision for additional floorspace based on 'appropriate evidence': the policy can simply identify Gatwick Green and state its gross site areas as 44 ha towards meeting the future need established in Strategic Policy EC1.
- 2.7 The representation also cites evidence contained in GGL's representation on Policy GAT2 (Safeguarded Land), which supports the policy by confirming that there is no evidence to show that the Gatwick Green site is required for car parking as part of a possible future southern wide-spaced runway at Gatwick Airport. This is important in that it demonstrates that the Council has correctly weighed up the pressing and immediate economic needs of its area and has come to a clear conclusion that the evidence for a SEL at Gatwick Green is overwhelming, whereas in contrast there is no robust evidence for continuing to safeguard the Site for airport landside surface car parking.

### **The role of Crawley and the spatial strategy**

- 2.8 This representation puts forward evidence that supports the role of Crawley in the sub-region and the spatial element of Strategic Policy EC1. This evidence demonstrates that the location of a SEL at Gatwick Green is justified by a range of evidence on the locational drivers for strategic I&L development. In summary, Crawley is correctly identified as the economic driver of the Coast to Capital and Gatwick Diamond areas and that locationally, Gatwick Green is the optimum location within the FEMA and the M23/A23 corridor.

### 3.0 Economic needs and employment land – the evidence for higher requirements

- 3.1 This part of the representation provides evidence on the higher scale of economic and business needs that forms a robust basis for Strategic Policy EC1. It deals firstly with the different approaches to forecasting for future employment land needs and the importance of an assessment of future market demand for I&L land. Secondly, it sets out the basis of the market assessment by Savills and why this provides the most robust assessment of future needs as required by PPG.
- 3.2 Strategic Policy EC1 identifies that there is an overall need for a minimum of 113,390 sqm (26.2 ha) of new business land in the borough. Once the supply of land identified in the Council's Employment Land Trajectory (ELT) has been taken into account, the policy identifies a need for a minimum of 41,315 sqm (13.73 ha) of land for B8 industrial, principally storage and distribution land to 2040. The Council's EGA SU includes forecasts based on labour demand, labour supply and past take-up rates, which produce a range of overall employment land requirements between 26.2 ha (labour demand) and 26.1 ha (labour supply - based on 314 dpa).
- 3.3 The Savills Market Forecast report (**Appendix 2**) notes that these assessments reflected more contemporary macroeconomic factors when compared to the forecasts considered in previous versions of the EGA. The updated scenarios generate gross employment floorspace requirements that range from 113,351 sqm (or 26.2 ha) to 299,362 sqm or (69.0 ha) over the 2023-2040 period (para 3.2.6). Lichfields recommended that the Experian baseline job growth projections was the most appropriate basis for planning for future employment land requirements from a labour demand perspective, and significantly within the industrial sector from which the overall gross land need was identified as 22.9 ha.
- 3.4 The Savills Market Forecast report then outlines some important observations on the Lichfields forecasts (paras 3.3.2 – 3.3.12). In summary, Savills has identified the following limitations in the forecasts used by Lichfields:

**Economic restructuring** – The labour demand method used by the EGA (2023) often reflect the continued restructuring of the economy away from industry towards services, which underestimate the I&L sector's performance. Conversely, growth in floorspace/land is not accurately predicted in changes in jobs.

**Changing business models** – I&L companies are increasingly co-locating office, research and development, and administrative functions with I&L operations. Such co-

located employment is not well captured by labour demand models, as these assume I&L activities are wholly accommodated within a narrow set of Standard Industrial Classification ('SIC') codes.

**Historic job growth has outstripped the econometric projections** – The underestimation of future demand from the labour demand model is apparent when historic jobs growth in the logistics sector are compared with future job projections from major statistics houses. Logistics jobs nationally have grown 23% over ten years. However, labour forecasting products<sup>6</sup> predict much lower levels of growth, including negative growth, over the next 20 years.

**Current and future growth drivers are not accounted for** – The EGA's primary reliance on historic trends inevitably results in its future demand estimates underestimating future need, as it has not taken into account of modern day growth drivers, e.g. increasing online retailing, growing freight volumes, increased desire for next day/same day deliveries etc. These factors are explained in more detail at paragraphs 3.3.7-3.3.12 of the Savills market demand report.

- 3.5 A high-level review of the above evidence base documents is contained at **Appendix 3** – this shows very clearly that the EGA SU and TP5 do not provide all the evidence that is required by PPG in order to comprehensively define the future need for employment land. The table shows that EGA SU has fully or partly covered some of the PPG requirements, with the gaps being plugged by the Savills demand report.
- 3.6 To address these shortcomings, Savills uses a suppressed demand model, which is explained at paragraphs 3.3.13-3.3.16 of the Market Forecast report. When supply, as signalled by floorspace availability, is low, demand is 'suppressed' as prospective tenants cannot find space in a market. A figure of 8% is typically referred to as the equilibrium level, nationally, when supply and demand are broadly in balance. Below this level, available supply becomes tight and rents increase, as occupiers compete for limited available stock. These indicators are a clear sign of market failure, characterised by the constrained or suppressed supply of land for I&L uses in the FEMA and significantly in Crawley.
- 3.7 Crawley has experienced availability below this equilibrium level between 2012 and 2021 as has the Lichfields FEMA between 2013 and 2022. This clearly indicates that Crawley, the Lichfields FEMA and Savills wider FEMA have been supply constrained for a large part of the last decade, with insufficient supply for the market to accommodate efficiently.

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<sup>6</sup> Experian, East of England Forecasting Model ('EEFM') and Oxford Economics

Rental growth outpacing inflation by a significant margin is another indicator of limited supply and Figure 4.7 in Section 4 of the Savills Market Forecast report shows the impact for Crawley. Strong rental growth is a by-product of strong occupier demand as they compete for limited available stock and rents increase. The EGA has taken no account of demand that has been lost due to supply constraints and therefore it presents a demand profile based on a supply-constrained historic trend (or ‘suppressed demand’).

- 3.8 Savills has developed a methodology for estimating future I&L demand that addresses the issues raised above. Savills methodology is NPPG-compliant, as it builds upon historic take-up (demand), adjusting past trends for historic supply shortages and the subsequent loss in demand where needed.
- 3.9 Overall, the EGA SU has identified a range of forecasts. TP5 acknowledges that past trends indicate an overall need for 28.9 ha; as such, the selected labour demand forecast of 26.2 ha must be treated as a “minimum” (para 4.77). However, the EGA SU is missing evidence required by PPG – namely a market assessment of general future employment land requirements and, more specifically, for those related to logistics. Whilst PPG requires an assessment of future property market requirements, it is a requirement that this includes logistics given its crucial role in enabling efficient, sustainable and effective supply of goods for consumers, and its specific locational requirements<sup>7</sup>.
- 3.10 The EGA SU therefore only presents part of the picture. Additional evidence is presented in Section 5 of TP5 on wider market indicators and signals, including the demand and supply position in Crawley based on reliable industry market research and the Council’s knowledge of supply from its own records. From the EGA SU and the limited market assessment in TP5, the conclusion is that *“...there is a clear and consistent message across multiple Economic Growth Assessments, reiterated by market analysis, that Crawley has not been able to meet its employment needs in full, and there remains significant demand for new industrial and storage & distribution land”*. However, TP5 does not provide any market-informed assessment of future property market requirements as sought in PPG.
- 3.11 Savills Market Forecast report sets out a full and robust assessment of the future property market requirements based on its suppressed demand model. This takes account of past demand that wasn’t fulfilled due to a severe historic / current constraint on land supply (past net absorption), due largely to the ongoing safeguarding of land at Crawley for a possible future wider-spaced southern runway. That demand has been historically, and is currently, constrained as acknowledged in the EGA SU and TP5. Savills Market

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<sup>7</sup> Paragraph: 030 Reference ID: 2a-030-20190220 and Paragraph: 031 Reference ID: 2a-031-20190722

Forecast report sets out an assessment of the future market demand for I&L land to 2040 in Crawley based on the Lichfields FEMA (details in Section 5). The assessment provides two future market demand figures, one based on the Lichfields FEMA, and the other based on a larger Savills FEMA that includes areas north of Crawley in recognition the market connections to that area. The results are shown in Figures 5.4 and 5.5 of the market demand report and summarised below:

EGA SU	22.9 ha
Savills larger FEMA	118 ha
Lichfields FEMA	69 ha

3.12 Savills estimate of I&L demand in Crawley over the 18 year plan period is between 69 ha to 118 ha, significantly higher than the EGA (2023) estimate of 22.9 ha for industrial uses. In order to maintain geographic consistency with the Lichfields FEMA, the future need of 69 ha is considered to represent the most appropriate assessment, but the larger Savills FEMA also illustrates the possible scale of need if the larger FEMA were adopted.

3.13 The evidence base documents produced by Crawley BC and Savills represent the full range of assessment approaches identified in PPG. However, it is the Savills assessment of future market demand that provides a robust and industry-approved understanding of the future market need for land for I&L land. Savills forecast, therefore, presents the most robust basis for future planning, based as it is on future market requirements. The EGA SU, TP5 and the Savills market demand report collectively comprise the suite of evidence that meets in full the requirements of PPG. Whilst the EGA SU indicates some higher levels of future need, it is the Savills market-informed assessment that represents the most robust view of future needs, which is also PPG-compliant and accords with the need for local plans to be ‘positively prepared’ so as to be sound (para 35a).

3.14 Of interest is that the Savills future demand figure is very similar to Savills forecast in its market report<sup>8</sup> dated February 2020 of a minimum of 70.2 ha, albeit based on a somewhat different model. This report forms part of the Council’s evidence base to the DCBLP (Consultation statement appendix 5b:Wilky Group appendices combined). The strength of the future UK market for I&L uses is corroborated in a number of industry research papers by Lambert Smith Hampton, CBRE and Colliers, as noted in Savills market demand report (Section 6.7).

3.15 The Savills Market Forecast report outlines further evidence that supports the need to provide for a significant amount of land for I&L uses, namely the lack of land supply in

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<sup>8</sup> Appendix 3 to TWG’s representations on the DCBLP (Jan 2020) – Employment Land Needs in Crawley, Savills, February 2020

Crawley which is constraining growth, with related consequences (Section 4). This evidence, and the assessment of future market demand for I&L land, informs an assessment of the reasons why growth should be facilitated at Crawley (Section 6).

### **Lack of supply**

- 3.16 As noted in this representation, the availability and rent indicators for the FEMA and Crawley point to a historically very tight market. Further, the lack of larger unit supply in the FEMA and Crawley, coupled with the strong occupier demand for these size bands, has led to there being critically low availability. The FEMA and Crawley have a lack of supply of larger units relative to the England average. There is effectively no availability in the 250,000 to 500,000 sq.ft and 500,000 plus sq.ft size bands. Gatwick Green offers a large strategic site in a prime location that can facilitate the delivery of new high specification units above 250,000 sq.ft, and the 75,000 sq.ft+ gap in the market identified in the Council's previous Topic Paper 5 (January 2021).

### **Why should I&L growth be facilitated**

- 3.17 Chapter 6 of the Savills Market Forecast report sets out the important reasons why facilitating strategic I&L development at Crawley is critical to the economy. The sector has been outperforming other commercial sectors in the UK for some time, but it is also 'critical national infrastructure' supporting the functioning of our economy and the way we live our lives. Current demand within the I&L sector is at unprecedented levels being supported by a number of key growth drivers. Given the current macro-economic challenges, it is vital to support those sectors which are proving to be resilient (such as I&L) and are therefore well-placed to provide new employment opportunities and mitigate job losses in other sectors.
- 3.18 Given the current economic challenges, it is vital to support those sectors which are proving to be resilient (such as I&L) and are, therefore, well-placed to provide new employment opportunities to mitigate job losses in other sectors and underpin economic recovery. The growth in I&L is structural rather than temporary, with e-commerce growth expected to be 65% by 2050, or before. Consumer expectations for same-day or next-day delivery have reshaped the operating models of logistics companies. It is extremely unlikely that we are going to see a U-turn on such expectations. As the UK economy grows in terms of population and number of businesses, so will the need for I&L – these fundamental growth drivers (population plus business growth) are strong in Crawley with expected growth in Crawley's resident population set to increase by 4% (+ 4,800 people) over 2023 – 2043 (sub-sections 6.2, 6.3, 6.4).

3.19 Other critical factors in favour of developing I&L uses include (sub-sections 6.5 and 6.6):

- **Wider supply chain employment is overlooked** – I&L development delivers far more jobs in areas it is located than just the on-site jobs arising from the lower job densities associated with logistics development.
- **Indirect GVA** – This captures the impact that the logistics sector has on other segments of the economy. These inputs and outputs generate economic value that logistics has played a vital role in helping to realise.
- **Earnings** - In the South East, **jobs in logistics pay +£4,800 more than average per annum**, and jobs in manufacturing pay +£5,300 more.
- **Quality and diversity of jobs** – Jobs in the I&L sector are becoming increasingly diverse: the share of higher-skill roles has increased by 39%, with the biggest increase being in Professional Occupations, where the number of roles has increased by 97%. There has been an increase in office-based roles in the I&L sector, with occupations going up by 15% over the last decade. Office-based roles are increasingly co-locating alongside production and logistics uses as it is convenient for these people to be closer to the operations they control and analyse.

3.20 In summary, there has been a historical paucity of supply of land for I&L uses in Crawley and the wider FEMA, which has led to levels of availability below the market equilibrium and higher than average levels of rent - all characteristic of a long-standing tight market. Evidence also suggest a lack of supply of large and very large I&L units (75,000 sq.ft – 250,000 sq.ft+) across the FEMA, and particularly in Crawley. This suppressed demand has been used as the basis for developing a market demand forecast for I&L business land in line with the advice in PPG. The resultant forecast for I&L land is **69 ha over the 18-year period to 2040.**

3.21 There are a number of other critically important reasons why I&L growth should be facilitated in Crawley, but perhaps the strongest is the delivery of a diverse range of quality jobs. This is of major importance given Crawley’s overreliance on jobs arising from Gatwick Airport, which tend to be lower skilled, of limited variability and with limited prospects for career progression / increased earnings. This was highlighted in the pandemic, when Crawley was disproportionately affected by the significant contraction in Gatwick Airport. I&L growth will therefore deliver significant benefits to Crawley and the wider FEMA, these being more significant because of the locational benefits offered by

Gatwick Green's close proximity to a major international airport, the M23 motorway and the London to Brighton mainline rail.

- 3.22 GGL's representation on Strategic Policy GAT2 contains a statement highlighting the key reasons why the Council was correct in removing the Gatwick Green site from airport safeguarding and instead allocating it for a Strategic Employment Location so as to fulfil the Council's Vision and economic strategy, and deliver benefits across the region.

#### **4.0 The role of Crawley and the spatial strategy**

- 4.1 Savills Economics has prepared a Strategic Industrial and Logistics report<sup>9</sup> on the locational drivers of logistics uses. The report is attached at **Appendix 4**. This evidence is presented as it reinforces the strong locational credentials of the Gatwick Green SEL.

- 4.2 The key findings of the report are reproduced here and succinctly demonstrate why Gatwick Green is a prime location for strategic I&L development that can leverage a range of key benefits to the local economy. The key findings of the report are:

- National, regional and local policy guidance and strategies all variously identify the key factors that drive the location of strategic I&L uses, such as accessibility to the M23, customers and suppliers, a large labour pool, freight handling infrastructure (including Gatwick Airport) and proximity to London.
- When policy and guidance is applied to the regional/local context, it points directly to the Crawley/Gatwick area as the prime location for such uses to leverage various economic benefits.
- UK airports are a major locational driver for strategic I&L development – by comparison with several benchmark airports, it is clear that the hinterland of Gatwick Airport is significantly under-providing for I&L uses, and especially very large units (above 250,000 sq.ft).
- A range of property-based evidence clearly shows that Gatwick Green would complement Manor Royal, other MEAs in Crawley and beyond and the Horley Business Park, offering different and mutually supportive opportunities for large and very large I&L units that cannot be accommodated at Manor Royal without harming its mixed business profile.

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<sup>9</sup> Strategic Industrial and Logistics – Location and Complementarity, Savills, June 2023



- The agglomeration benefits of Gatwick Green further strengthen the complementarity between the Site and the other MEAs.

4.3 These factors underline the significant attributes of the location of the SEL east of Gatwick Airport. The location of Gatwick Green is therefore fully aligned with the key location drivers identified in national planning policy, regional strategies and occupier requirements. This confirms beyond any doubt that the spatial element of Strategic Policy EC1 is robust and represents the best options in economic, social and environmental terms compared with the other options looked at for addressing Crawley growth needs in the SA/SEA<sup>10</sup>.

4.4 The economic benefits and social value that would be derived from Gatwick Green have been calculated based on the Site's nominal capacity of 77,800 sqm<sup>11</sup> (837,439 sq.ft) taken from the Council's transport assessment for the DCBLP. The infographic at **Appendix 5** contains all the headline figures, the key ones being:

- 1,290 jobs for the residents of Crawley.
- £79m of GVA per annum to the local economy.
- £30m GVA during the construction phase.
- 630 jobs during the construction phase.
- Business rates revenue of £4.3 million per annum.
- A broad range of occupations with c 30% being managers, directors or professional occupations.
- Significant support for apprenticeships, new entrants, qualifying the local workforce and construction careers events.

4.5 These economic and social value deliverables underline the wider benefits that Gatwick Green would deliver. This will ensure that the vision for Crawley in the DCBLP and the economic strategy and recovery plan for the town can be delivered in full, including the wider catalytic benefits identified in this representation.

## 5.0 Implications for Strategic Policy EC1

5.1 GGL objects to Strategic Policy EC1 on the basis that the overall minimum land need of 26.2 ha and the outstanding need of 13.73 ha does not reflect the assessment of future

<sup>10</sup> Sustainability Appraisal / Strategic Environmental Assessment, draft report for the submission Local Plan, Crawley Borough Council, May 2023

<sup>11</sup> 77,800 sqm is a nominal capacity that has been tested in Crawley's transport model, with sensitivity testing of higher levels of development.

market demand as PPG requires. The policy has not therefore been 'positively prepared' as the NPPF requires (NPPF, para 35a).

- 5.2 Whilst the policy provides for a minimum need of 13.73 ha of new I&L land, the evidence shows that a higher level of need can be robustly justified by market evidence, as PPG requires. On the basis that local plans should be 'positively prepared' in order to be sound, it is considered that there is merit in this context and to provide clarity and robustness, for Strategic Policy EC1 to reflect the full amount of overall and outstanding need as noted in this representation (**overall need: 69 ha; outstanding need: 59.8 ha**). GGL is therefore seeking a change to Strategic Policy EC1 to make the policy sound. **Appendix 6** set out the proposed change to Strategic Policy EC1.
- 5.3 The Inspector is asked to consider this matter in light of the evidence presented in this representation.
- 5.4 In the event the Inspector considers that Strategic Policy EC1 should be amended as noted above, or to accommodate some other evidenced higher level of need, there will be a need for consequential changes to the supporting text of the policy (9.13 - 9.27).
- 5.5 As noted at paragraph 4.3 above, it is considered that the change to Strategic Policy EC1 noted above will have no consequences for the outcome of the DCBLP SA/SEA. The options assessed in the SA/SEA in relation to Strategic Policy EC1 were not predicated on any scale of development, so it follows that the outcome remains robust, even if the level of need noted on the evaluation changes.

# Appendix 1

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## Site Plan



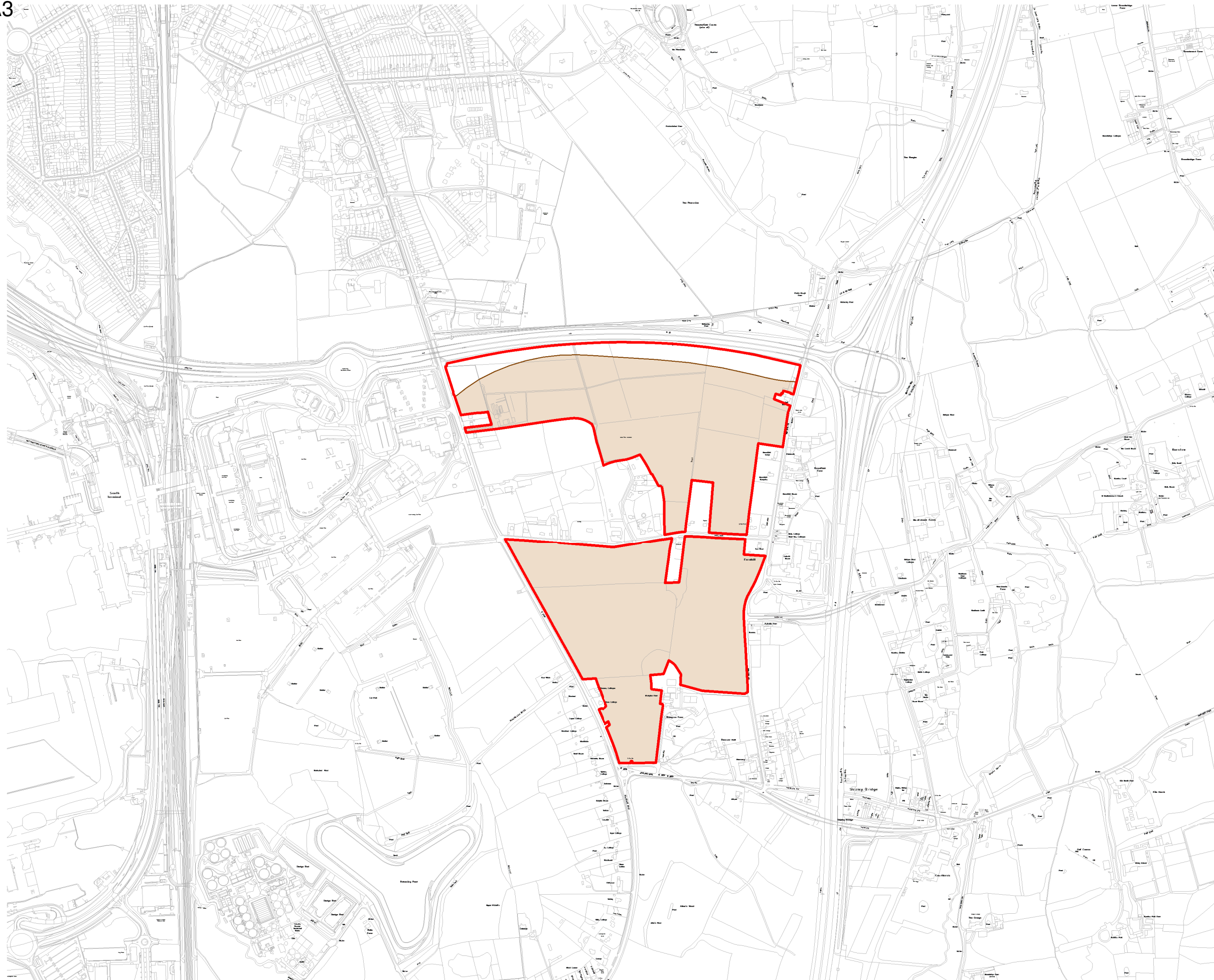
**GatwickGreen**

WHERE THE FUTURE WORKS

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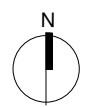
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**LEGEND**

- GATWICK GREEN LIMITED OWNED LAND
- PROPOSED STRATEGIC EMPLOYMENT LOCATION UNDER POLICIES EC1 AND EC4



APPROXIMATE NORTH

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Date	Director	Author	Check
16/06/2023	JA	AH	--

Job  
GATWICK GREEN

Drawing  
Reg 19 (2023) - Appendix 1 - Site Plan

NOTE: All figures are approximate and have been measured and expressed in a manner as defined by the current edition of the RICS Code of Measuring Practice, unless otherwise stated. Figures relate to the current stage of the project and any development decisions to be made on the basis of this information should include due allowance for the increases and decreases inherent in the design and building processes. Reproduced from Ordnance Survey mapping under Licence Numbers 10002432 & 100018493

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# Appendix 2

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Strategic Industrial & Logistics – Market-demand forecast for  
Crawley



**GatwickGreen**

WHERE THE FUTURE WORKS

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# Gatwick Green, Crawley

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Strategic Industrial & Logistics – Market Demand Forecasts for  
Crawley

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# 1 Introduction

## 1.1 Purpose

- 1.1.1 This report has been prepared on behalf of the Gatwick Green Limited (GGL) and provides an evidence-based overview of the need for new industrial and logistics (I&L) development (the Proposed Development) at Gatwick Green. The report has been prepared in accordance with the latest advice contained in the Planning Practice Guidance (PPG, 2019 updates) relating specifically to market and property considerations.
- 1.1.2 As part of our work, we review Crawley Borough Council's employment evidence. The selected labour demand method used in the Economic Growth Assessment (EGA) Supplementary Update for Crawley (2023) fails to account for current day market drivers which has led to an underestimation of 'true' market demand for I&L uses in Crawley.
- 1.1.3 We have considered supply and demand factors in the I&L markets of Crawley, the Lichfields Functional Economic Market Area (FEMA) (Crawley, Horsham and Mid Sussex), and the Savills FEMA (Crawley, Horsham, Mid Sussex, Mole Valley, Reigate & Banstead and Tandridge), to gauge the relevant market strength for I&L units of different sizes at the Subject Site.
- 1.1.4 After building up our own picture of market demand and supply within the Lichfields FEMA and the Savills FEMA, we detail Savills' methodology for estimating future demand. Our approach is considered to build on the Council's employment evidence by quantifying the impact historic supply constraints have had on 'suppressing' demand. As we explain within, we consider our approach to estimating future I&L demand to be NPPF/NPPG compliant and industry best practice having been endorsed by the British Property Federation (BPF) in our recent publication '*Levelling-Up – The Logic of Logistics*'. This report is also mentioned in the DfT's recently published '*Future of Freight Plan*', and was shortlisted for an RTPI Award for Research Excellence 2022.
- 1.1.5 We then consider some of the key sectorial trends and reinforce the economic characteristics of the I&L sector and counter common misconceptions. We draw upon analysis from Savills' recent publication of the BPF '*Levelling-up – The Logic of Logistics*', Savills' *Big Shed Briefings*, and other relevant research.

## 1.2 Report Structure

- 1.2.1 The report is structured as follows:
- **Section 2** provides a summary of the scope of economic and property market assessment work required under Planning Practice Guidance (PPG);
  - **Section 3** reviews Crawley Borough Council's employment evidence, specifically its approach to estimating future I&L demand;
  - **Section 4** presents the market demand and supply analysis which confirms that Crawley has historically been supply constrained, especially for larger units, resulting in a historical constraint on growth which needs to be addressed in the Local Plan;
  - **Section 5** presents Savills' future I&L demand estimates for the Lichfields FEMA, the Savills FEMA, and Crawley specifically, as required in PPG (Paragraph: 027 Reference ID 2a-027-20190220 and Paragraph: 031 Reference ID: 2a-031-20190722), and compares this against the Council's employment evidence;



- **Section 6** summarises some of the key trends and economic characteristics of the I&L sector, and why its growth should be facilitated in Crawley at Gatwick Green; and
- **Section 7** outlines the report’s key conclusions.

### 1.3 Report’s Key Findings

#### 1.3.1 The report’s key findings include:

- Our review of the Council’s employment evidence highlights a number of observations. The selected labour demand method fails to account for current day market drivers which we consider has led to an underestimation of ‘true’ market demand for I&L land in Crawley;
- Crawley, the Lichfields FEMA, and the Savills FEMA all have been supply constrained historically, with availability having been below the 8% equilibrium rate for much of the last decade. Another confirming factor of demand outstripping supply is the high rental growth, which has been three times the rate of inflation across all geographies;
- This demand/supply imbalance is particularly stark with regards to larger units above 250,000 sq.ft in the Lichfields FEMA and Savills FEMA, where availability is effectively zero;
- Based on Savills’ demand methodology, over an 18 year period which is consistent with the Council’s employment evidence, the first run of the model using the Lichfields FEMA estimates I&L demand within Crawley to be 69 ha of land. The second run of the model using the Savills FEMA estimates I&L demand within Crawley to be 118 ha of land.
- Savills’ estimate is significantly higher than the EGA (2023) estimate of 22.9 ha for industrial uses over the period 2023 to 2040, referenced in the Draft Crawley Borough Local Plan (2023); and
- There are a number of reasons why I&L growth should be facilitated. I&L is critical to Crawley’s economy, accounting for 32% of total employment in the area, which is over two times higher than the sector’s share across England and Wales (13%). Current demand within the logistics sector is at unprecedented levels and is proving to be resilient, and is therefore well-placed to provide new employment opportunities to mitigate job losses in other sectors. On-site job density is only a small part of I&L’s economic contribution, and the I&L sector supports well-paid and diverse jobs.

### 1.4 Reader Note

- 1.4.1 When we refer to the I&L sector we mean Light Industrial (formerly B1c use class now part of Class E), General Industry (B2 use class) and Storage and Distribution (B8 use class). Effectively the primary use classes that require warehouses and factories (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 National Planning Policy and Guidance

### 2.1 Introduction

- 2.1.1 Within this section we consider the key requirements of the Planning Practice Guidance (PPG, updated 2019) in relation to assessing a range of data on the supply of, and demand for, labour, the business economy, and the property market, to arrive at a robust assessment of the future needs for employment land in quantitative and qualitative terms.
- 2.1.2 The review of this guidance forms the basis of an assessment in Chapter 3 of the scope and outputs of the Crawley Borough Council's 2023 update to the Economic Growth Assessment (EGA), and the additional work by Savills to provide the market-informed elements of the overall assessment of future needs.

### 2.2 Evidence Base<sup>1</sup>

- 2.2.1 The PPG requires that future needs are assessed on the basis of a Functional Economic Market Area (FEMA). For Crawley, this has been defined as the North West Sussex area, comprising the local authorities of Crawley Borough, Horsham District, and Mid Sussex District. This was defined by Lichfields as the basis for its assessment, and is also the basis of Savills' future demand estimates (**Section 5**).
- 2.2.2 The PPG requires an assessment of the existing stock of land and floorspace, and the patterns of recent land supply and loss. A review of the evidence of market demand is then required, utilising a variety of market intelligence from known data sources and engagement with the business sector. It is noted that wider market signals around trends in growth, diversification, and innovation can inform the assessment. Evidence of market failure within the FEMA may also be of relevance, which could include current/past constraints on the supply of employment land which has interrupted the normal operations of market forces.

### 2.3 Market Signals and Forecasting Future Needs<sup>2</sup>

- 2.3.1 The PPG requires an assessment of future needs based on current and robust data. Four approaches are identified:
1. An econometric-based forecast of labour demand (EGA's preferred methodology);
  2. A demographically-based forecast of labour supply (EGA);
  3. A projection of past take-up rates (EGA); and/or
  4. An assessment of future property market requirements (Savills).
- 2.3.2 These should be further informed by consultation with relevant business organisations and the evidence base as noted above, including longer term economic forecasts and scenarios. The forecasts can be converted to land and floorspace by using established employment densities and plot ratios<sup>3</sup>.

### 2.4 Analysis of Current Market Demand<sup>4</sup>

- 2.4.1 The PPG states that existing stock should be compared with market requirements to identify any gaps or oversupply, informed by the other projections and forecasts noted above. This allows for any mismatch between any quantitative and qualitative supply of, and demand for, employment sites to be identified,

<sup>1</sup> Paragraph: 026 Reference ID: 2a-026-20190220

<sup>2</sup> Paragraph: 027 Reference ID: 2a-027-20190220

<sup>3</sup> Paragraph: 030 Reference ID: 2a-030-20190220

<sup>4</sup> Paragraph: 029 Reference ID: 2a-02920190220

including market segments that are under or over supplied.

## **2.5 Assessing the Need for Allocated Land for Logistics<sup>5</sup>**

2.5.1 The PPG contains specific guidance on assessing the future needs and land to be allocated for logistics, given its crucial role in enabling efficient, sustainable and effective supply of goods for consumers, and its specific locational requirements. The approach requires:

- An understanding of the needs for logistics developers and suppliers;
- An analysis of market signals such as trends in take-up and availability;
- An analysis of economic forecasts with regard to changes in demand and economic growth;
- Engagement with the Local Enterprise Partnership (LEP), including reference to its strategies and the Local Industrial Strategy; and
- A consideration of appropriate locations to meet future needs, including for market segments such as SMEs and last-mile providers.

2.5.2 This work is essentially a sector-specific (logistics) market-informed assessment of future market demand or needs as identified in the guidance noted at Paragraph 2.3.1 (4) above. Savills' demand methodology is considered to be NPPF-compliant as it builds upon historic take-up (net absorption), adjusting past trends for historic supply shortages and the subsequent loss in demand. We refer to this as 'suppressed demand' which is added to the historic demand trend as a top-up, and is used to estimate future I&L demand that should be planned for in the Draft Crawley Borough Local Plan.

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<sup>5</sup> Paragraph: 031 Reference ID: 2a-031-20190722

## 3 Review of Employment Evidence

### 3.1 Introduction

- 3.1.1 This section reviews the most recent local authority employment evidence covering Crawley Borough Council. The focus of our review is the future demand estimates for I&L floorspace and land.
- 3.1.2 Crawley Borough Council commissioned Lichfields to prepare supplementary economic evidence for the Draft Local Plan that updates the Northern West Sussex Economic Growth Assessment (EGA) (January 2020), alongside the Focused Update report (September 2020) also produced by Lichfields.
- 3.1.3 Our review of the EGA Supplementary Update for Crawley (2023) highlights a number of observations, and we consider the employment evidence to underestimate the future demand for I&L land in Crawley.

### 3.2 Economic Growth Assessment (EGA) Supplementary Update for Crawley (2023)

- 3.2.1 Progress on the Local Plan has been delayed as a result of ongoing water neutrality issues in the area. Given the extended timescales, alongside the significant changing economic circumstances affecting both the national and local economy, Crawley Borough Council has identified a requirement for some partial updating of the employment evidence.
- 3.2.2 The EGA (2023) considers demand for employment land and floorspace (Use Class E(g), B2, and B8) in Crawley over an 18 year period 2023-2040, drawing on two sets of employment forecasts, latest completions data, and housing delivery assumptions. The term ‘industrial space’ is used to refer to both manufacturing (E(g)(iii)/B2) and warehouse and distribution (B8) uses. Savills uses the terms I&L to cover the same uses as explained in **Section 1.4**.
- 3.2.3 The EGA (2023) develops a number of potential future economic scenarios to provide an updated framework for considering future economic growth needs and employment space requirements in Crawley up to 2040, drawing upon:
- Projections of employment growth in the office, industrial and distribution based sectors (labour demand) derived from economic forecasts produced by Oxford Economics (OE) and Experian in 2022;
  - Consideration of past trends in completions of employment space based on the West Sussex County Council (WSCC) Commercial, Industrial, and Leisure Land Availability (CILLA) data; and
  - Estimates of future growth of local labour supply based on the Council’s latest housing delivery trajectory and demographic assumptions.
- 3.2.4 The starting point was a detailed analysis of the latest (i.e. 2022 Q4) OE and Experian employment forecasts for Crawley which reflect more contemporary macroeconomic factors when compared to the forecasts considered at the time of the 2020 EGA and 2020 Focussed Update. These include the effects of the Covid-19 Pandemic, the war in Ukraine, and current pressures in terms of inflation and the potential for a period of recession in the UK economy, and cover the revised Plan Period.
- 3.2.5 This analysis suggests that the Experian forecasts provide the most appropriate basis for considering future employment land requirements from a labour demand perspective, in part because they better align with the trend-based growth in Crawley as recorded by ONS BRES. While the forecasts deviate significantly in terms of overall job growth for Crawley (i.e. across all sectors of the economy), the differences are comparatively modest when only those sectors directly influencing demand for office, industrial, and

warehousing sectors are considered.

- 3.2.6 The updated scenarios generate gross employment floorspace requirements that range from 113,351 sq.m (or 26.2 ha) to 299,362 sq.m or (69.0 ha) over the 2023-2040 period. This range includes an allowance of 10% applied to all positive requirements to reflect normal levels of market vacancy, and a 10% ‘buffer’ allowance for such factors as delays in development sites coming forward, and replacement of some ongoing losses of employment space during the Local Plan period.
- 3.2.7 As a minimum, it is considered that the Council should seek to accommodate the requirements related to the labour demand of 113,390 sq.m (26.2 ha). Therefore the Draft Local Plan employment land requirement (Paragraph 9.14) is identified based upon Experian Q4 2022 Baseline Job Growth projections, representing the most appropriate basis for considering future employment land requirements from a labour demand perspective. The forecast for a minimum of 26.2 ha within Crawley to 2040 is significantly within the industrial sectors, where taking account of forecast declines in the Light & General Industrial sectors, a floorspace need of 91,620 sq.m (22.9 ha) is identified. **Table 3.1** presents the gross employment requirements in Crawley for the 18 year period 2023 to 2040.

**Table 3.1 Gross Employment Requirements in Crawley (2023 to 2040)**

Type of Space	Labour Demand (Experian 2022) Employment Requirements
<b>Floorspace (sq.m)</b>	
Office and R&D E(g)(i)/(ii)	21,770
Industrial E(g)(iii)/B2/B8	91,620
<b>Total</b>	<b>113,390</b>
<b>Area (ha)</b>	
Office and R&D E(g)(i)/(ii)	3.3
Industrial E(g)(iii)/B2/B8	22.9
<b>Total</b>	<b>26.2</b>

Source: EGA Supplementary Update for Crawley (Lichfields, 2023)

### 3.3 Savills Observations

- 3.3.1 Lichfields’ demand estimates comply with PPG in relation to the econometric-based forecast of labour demand, however fails to consider market demand signals directly as PPG requires. We therefore consider the preferred demand scenario used in the EGA (2023) to underestimate ‘true’ market demand. Below we outline what we consider to be some of the key observations of the labour demand methodology used.

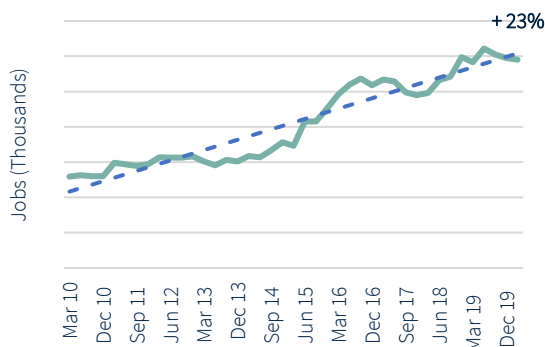
#### **Methodology**

- 3.3.2 The labour demand method used by the EGA (2023) is not appropriate for the estimation of future I&L land demand, as employment forecasts often reflect the continued restructuring of the economy away from industry towards services, which underestimate the I&L sector’s performance. Further, changes to the I&L market mean that growth in floorspace/land is not accurately predicted by changes in jobs. The I&L sector

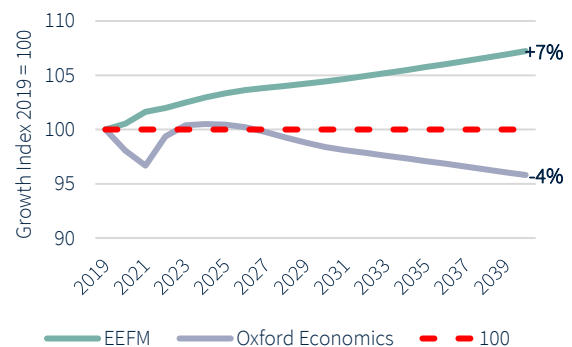
does not comprise low-skilled and low-paid jobs, nor do I&L companies functions' neatly fit into industrial or logistics.

- 3.3.3 I&L companies are increasingly co-locating office, research and development, and administrative functions with I&L operations. Such co-located employment is not well captured by labour demand models as these assume I&L activities are wholly accommodated within a narrow set of Standard Industrial Classification ('SIC') codes.
- 3.3.4 The underestimation of future demand from the labour demand model is apparent when historic jobs growth in the logistics sector are compared with future job projections from major statistics houses. With reference to **Figure 3.1** below, logistics jobs nationally have grown 23% over ten years. However, labour forecasting products, including Experian, East of England Forecasting Model ('EEFM') and Oxford Economics, predict much lower levels of growth, including negative growth, over the next 20 years (**Figure 3.2**). This does not reflect reality given logistics is performing strongly, with recent demand being 56% above the long term trend<sup>6</sup>.
- 3.3.5 In effect, the EGA has relied on statistical constructs to understand future 'market' demand rather than consider market demand signals directly.

**Figure 3.1 Historic Growth in Logistics Jobs, England**



**Figure 3.2 Projected Growth in Logistics Jobs, England**



Source: Savills (2023), LFS, EEFM, OE

**Current and Future Growth Drivers are Not Accounted For**

- 3.3.6 The EGA's primary reliance on historic trends inevitably results in its future demand estimates underestimating future need, as it has not taken into account of modern day growth drivers. The labour demand method used by the EGA also takes no account of current and future growth drivers, that are, and continue to underpin I&L demand such as housing growth, increasing online retailing, growing freight volumes, increased desire for next day/same day deliveries etc. We discuss these major growth drivers further below.

**GROWTH IN ONLINE RETAILING**

- 3.3.7 The exponential growth in online retail is probably the most quantifiable of the major changes driving growth in the I&L sector. Statistics collected by the ONS from November 2006 show that the share of internet sales has consistently increased over time and it was at 19% before the onset of the Covid-19 Pandemic. During the pandemic, due to lockdowns and restrictions, this figure increased considerably and is around 25.2% as of April 2023<sup>7</sup>. The growth in online retailing has significant implications on future I&L demand given that

<sup>6</sup> Savills Research (2023), Big Shed Briefing (January 2023). Available at: <https://pdf.euro.savills.co.uk/uk/commercial---other/big-shed-briefing-jan-23.pdf>

<sup>7</sup> ONS (2023), Internet Sales as a percentage of total retail sales (ratio) (%)

e-commerce requires around 3 times the logistics space of traditional bricks-and-mortar retailers<sup>8</sup>.

3.3.8 Most commentators agree that online retailing will continue to grow from a higher base than before the pandemic due to behavioural changes such as increased home working and continued demand for rapid parcel deliveries. Forrester Research, a respected source of future online retail projections, estimate that online retail will reach 37% of all retail sales by 2025<sup>9</sup>. Growth to 50% of all sales is likely to happen at some point in the future. One such report, 'The Digital Tipping Point, 2019 Retail Report', estimated retail sales would reach 53% by 2038. While this timeframe appears too ambitious, the question appears to be more of 'when' rather than 'if'. By only projecting forward historic trends, the strong growth in online retailing, and its impact on future needs, has not been accounted for.

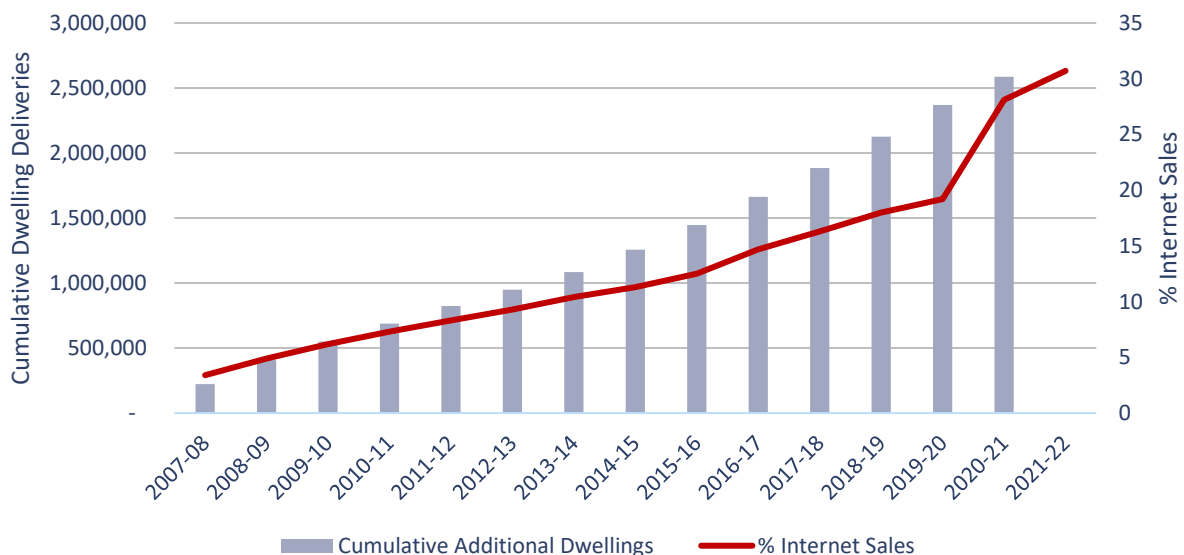
**HOUSING GROWTH**

3.3.9 This exponential growth in online retailing is both a function of the way we now live and the continued housing growth in the UK. As shown in **Figure 3.3**, housing growth at the national level has broadly tracked the growth in online retailing before the onset of the Covid-19 Pandemic, during which time online retailing has spiked even higher.

3.3.10 Between 2001 (further date that data was available) and 2022, the number of homes across Crawley has increased by 15%<sup>10</sup>. Online retailing 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. This in turn has meant that more warehouse space is required both by online retailers but also traditional bricks and mortar retailers who are adapting their supply chains to compete.

3.3.11 The Draft Crawley Borough Local Plan 2024-2040 (2023) acknowledges Crawley's growing population, and that this will generate additional need for I&L floorspace. This will be in addition to the existing population continuing to grow their online spending. Again these modern day trends will not have been accounted for in the EGA.

**Figure 3.3 Growth in Internet Sales and Dwelling Completions Since 2009**



<sup>8</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>

<sup>9</sup> Forrester Research (2021) Online Retail Sales by Country, 2022-2025

<sup>10</sup> MHCLG (2022): Table 125: Dwelling stock estimates by local authority district, 2001-2021

Source: ONS, MHCLG, Savills

**GROWTH IN UK FREIGHT**

3.3.12 Freight volumes are another key growth driver of I&L floorspace. Freight arriving and leaving the UK needs to be stored, packaged and distributed via a network of freight handling infrastructure (i.e. ports, freight handling airports, rail freight interchanges and motorways), and conveniently located I&L premises in order to reach end customers. Freight volumes are forecast to grow significantly across all freight modes (**Figure 3.4**). Again the increase in freight volumes will not have been accounted for in the EGA.

**Figure 3.4 Forecast Increase in Freight by Transport Mode**



Source: DfT, MDS Transmodal for Network Rail, Boeing, DfT

**‘Suppressed Demand’ is Not Accounted For Nor Demand from London**

3.3.13 When supply, as signalled by floorspace availability, is low, demand is ‘suppressed’ as prospective tenants can’t find space in a market. 8% is typically referred to as the equilibrium level at a national level when supply and demand are broadly in balance (as sourced in publication such as the GLA’s Land for Industry and Transport SPG 2012). Below this level, available supply becomes tight and rents increase as occupiers compete for limited available stock.

3.3.14 As we discuss in **Section 4**, Crawley has experienced availability below this equilibrium level between 2012 and 2021. The Lichfields FEMA has also been below the 8% equilibrium rate between 2013 and 2022, and the Savills FEMA has been below the equilibrium rate since 2014. This clearly indicates that Crawley and the Lichfields FEMA and the Savills FEMA have been supply constrained for a large part of the last decade with not enough available supply for the market to accommodate efficiently. A confirming factor of this conclusion is that rental growth has outpaced inflation by a significant margin (see **Figure 4.7 in Section 4**). Such strong rental growth is a by-product of strong occupier demand competing with one another for limited available stock. This competition pushes up rents. The EGA has taken no account of demand that has been lost due to supply constraints and therefore they present a demand profile based on a supply-constrained historic trend (or ‘suppressed demand’).

3.3.15 Savills have developed a methodology for estimating future I&L demand that addresses the issues raised above. Savills’ methodology (detailed in **Section 5**) is NPPG-compliant as it builds upon historic take-up (demand), adjusting past trends for historic supply shortages and the subsequent loss in demand where needed. As a final step for the Savills FEMA, it considers demand that is being lost from London and coming to Crawley due to former I&L sites being redeveloped for housing.

3.3.16 The consideration of displaced I&L land from London is considered an important consideration given Crawley’s, and the Subject Site’s proximity to London. A business could relocate to the Subject Site and still service its London customer base efficiently. The EGA does not quantify what impact this could have on future demand and subsequent need for further employment land allocations. In **Section 5**, we explain the Savills approach to estimating how much future demand from London should be planned for within the Savills FEMA and Crawley.



## 4 Crawley's Lack of I&L Supply is Constraining Growth

### 4.1 Introduction

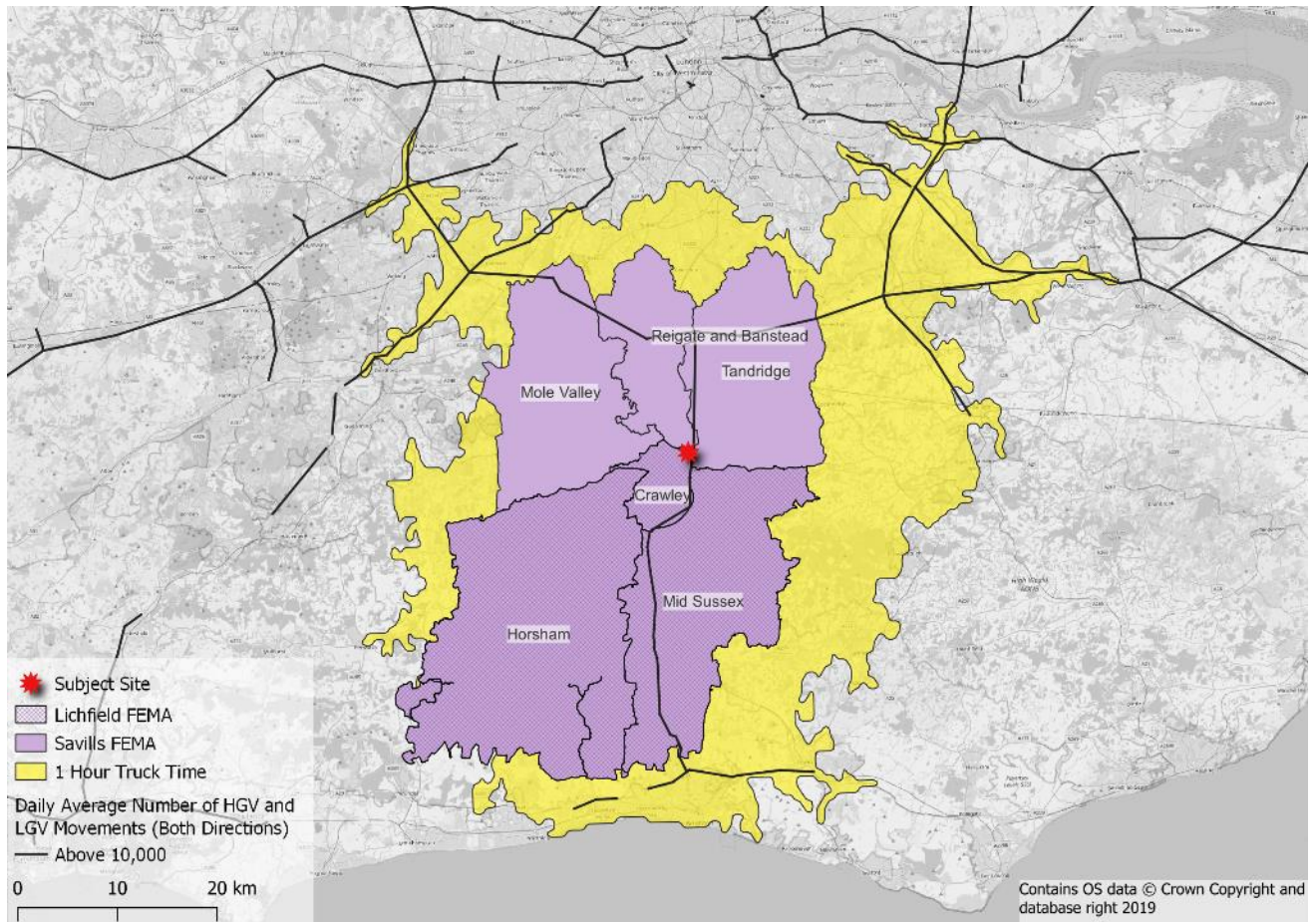
- 4.1.1 Within this section we consider the need for more I&L supply within the Lichfields FEMA, the Savills FEMA, and Crawley specifically. In order to understand need, we consider market supply and demand dynamics within the Lichfields FEMA and the Savills FEMA which we consider to be an appropriate representation of the sub-regional market within which Gatwick Green is located. The regional context is important given that future I&L investors and occupiers will consider the attractiveness of the Subject Site against other competing locations within the Lichfields FEMA and the Savills FEMA. New I&L investment and occupier demand will naturally flow to the strongest locations.
- 4.1.2 The results of the analysis below clearly demonstrates that the Lichfields FEMA, the Savills FEMA and Crawley are experiencing demand at levels well above available supply. This demand / supply imbalance is particularly stark with regards to larger units above 250,000 sq.ft where availability is effectively zero. Gatwick Green is ideally placed to cater for larger unit demand and fill the current gap in the market.

### 4.2 Functional Economic Market Area (FEMA)

- 4.2.1 Before considering market supply and demand factors, we first need to define an appropriate FEMA. The FEMA needs to be relevant to Gatwick Green, namely it is the broad 'area of search' that the Subject Site sits within that prospective I&L occupiers will consider when looking to lease space. Effectively the FEMA includes the competitor locations to Gatwick Green for attracting this occupier demand.
- 4.2.2 In order to define an appropriate FEMA for the Subject Site, we first consider Crawley's evidence base. The Northern West Sussex (NWS) EGA Update (2020) prepared by Lichfields states that the NWS operates as a broad FEMA, with the spatial extent largely consistent with the authority boundaries of Crawley, Horsham, and Mid Sussex. The more recent 2023 EGA reconfirms NWS as an appropriate FEMA.
- 4.2.3 We agree that NWS forms part of Gatwick Green's FEMA, but we also consider that a large proportion of demand will come from occupiers that wish to service the London market or desire a location on the M23. The M23 also stops south of Crawley and becomes the A23 which will not appeal to all occupiers, particularly larger occupiers that generally want direct access to a motorway junction, rather than an A-road, which Gatwick Green provides.
- 4.2.4 An approach which builds on the NWS FEMA, and recognises that Crawley is ideally located between London and the south coast, is to extend the FEMA northwards to include most of the Gatwick Diamond. The Gatwick Diamond comprises the local authorities of Crawley, Epsom and Ewell Borough, Horsham District, Mid Sussex District, Mole Valley District, Reigate and Banstead Borough, together with Tandridge District. We consider Epsom and Ewell Borough should be excluded given these locations are within the M25 and will primarily service the London market only.
- 4.2.5 As seen from **Figure 4.1**, this extended geography broadly corresponds with a 1 hour truck time which represents the size of most occupiers' supply chains linking themselves with their suppliers and customers. Obviously some companies will have a wider regional and national reach, but a 1 hour truck time will capture the majority of I&L businesses.
- 4.2.6 Savills therefore accepts the NWS FEMA as the basis for a suitable PMA for the Subject Site, but we also consider Mole Valley, Reigate and Banstead, and Tanbridge to be appropriate for inclusion within the PMA, and therefore review supply and demand factors for both FEMAs ('Lichfields FEMA' and 'Savills FEMA').
- **Lichfields FEMA:** Crawley, Horsham and Mid Sussex; and

- **Savills FEMA:** Crawley, Horsham, Mid Sussex, Mole Valley, Reigate & Banstead, and Tandridge.

**Figure 4.1 Lichfields FEMA, Savills FEMA, 1 Hour Truck Time and Nationally Significant Corridors**



Source: Savills 2023

### 4.3 Crawley, Lichfields FEMA, and Savills FEMA are supply constrained, especially for larger units

4.3.1 At the national level, 8% availability is commonly referred to as the level where a market is broadly in balance (i.e. equilibrium frictional capacity) in terms of supply and demand. This benchmark rate is found in several prominent publications such as the:

- GLA’s Land for Industry and Transport Supplementary Planning Guidance (SPG);
- London Plan (2021); and
- British Property Federation ‘*Levelling Up – Logic of Logistics*’ report.

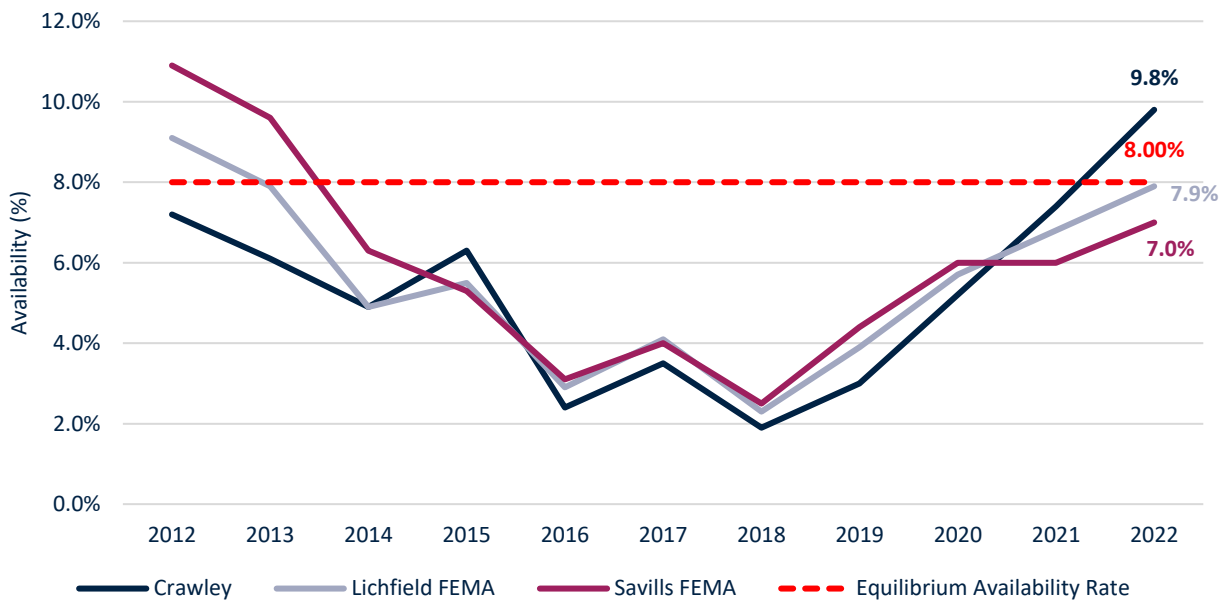
4.3.2 Below the 8% equilibrium availability rate, available supply becomes tight and rents increase as strong occupier demand compete for limited available stock. **Figure 4.2** shows that availability in Crawley has been below this level for most of the last decade between 2012 and 2021, only rising above this level in 2022 linked to the current macro-economic challenges. For the Lichfields FEMA and Savills FEMA, availability has been below the 8% equilibrium level consistently since 2013 and 2014 respectively.

4.3.3 This effectively means Crawley, the Lichfields FEMA and the Savills FEMA have been supply constrained in 10, 10 and 9 years of the last 11 years respectively. As a result demand will have been ‘suppressed’ as not all occupiers can find the space to meet their needs and are therefore either forced to remain in their existing premises, even if not ideal for their operational requirements, or alternatively have to leave the area

to find suitable premises elsewhere, taking the jobs and investment they generate with them. Gatwick Green will help to respond to the supply-constrained market by providing 44 ha of prime I&L land directly adjacent to a nationally significant motorway and the UK’s 2<sup>nd</sup> largest airport.

4.3.4 Crawley’s current availability rate of 9.8% is partly impacted by 147,039 sq.ft and 88,708 sq.ft of available floorspace within the Base Redevelopment on Fleming Way, and a further 89,255 sq.ft of available floorspace at G Hub Crawley on Napier Way. All three of these units are of average quality. Given the increasing costs associated with running warehouses, it comes as no surprise that there is a greater demand for better quality buildings, with better Environmental, Social and Governance (ESG) features. It should be noted that one or even a few years of above equilibrium availability doesn’t fully compensate for a sustained period of tight supply in the face of strong demand.

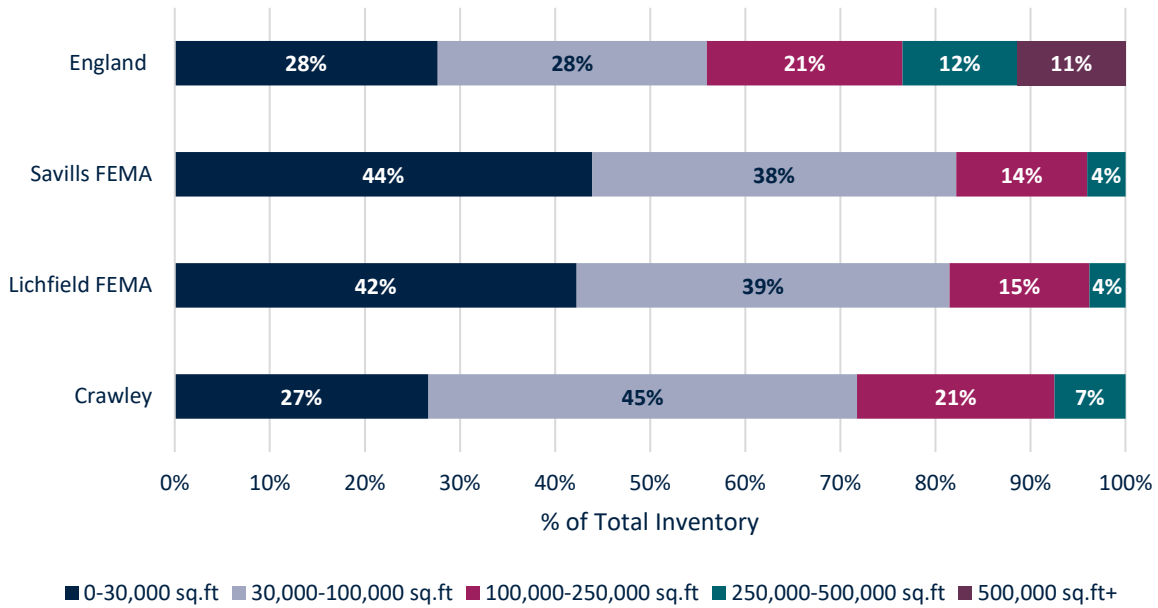
**Figure 4.2 Availability Rate (%) (2012-2022)**



Source: CoStar, Savills 2023

4.3.5 As shown in **Figure 4.3**, in terms of unit size, the Lichfields FEMA, the Savills FEMA and Crawley have a lack of supply of larger units relative to the England average. Units between 250,000 to 500,000 sq.ft represent 12% of total inventory across England but just 4% in the Lichfields FEMA and the Savills FEMA, and 7% in Crawley. The situation is even more stark for units above 500,000 sq.ft where the Lichfields FEMA, Savills FEMA and Crawley have no supply versus 11% across England. This lack of large unit supply is constraining growth in Crawley, Lichfields FEMA and the Savills FEMA given these larger size bands have accounted for 41% of all leasing demand (i.e. net absorption) in England over the last 5 years.

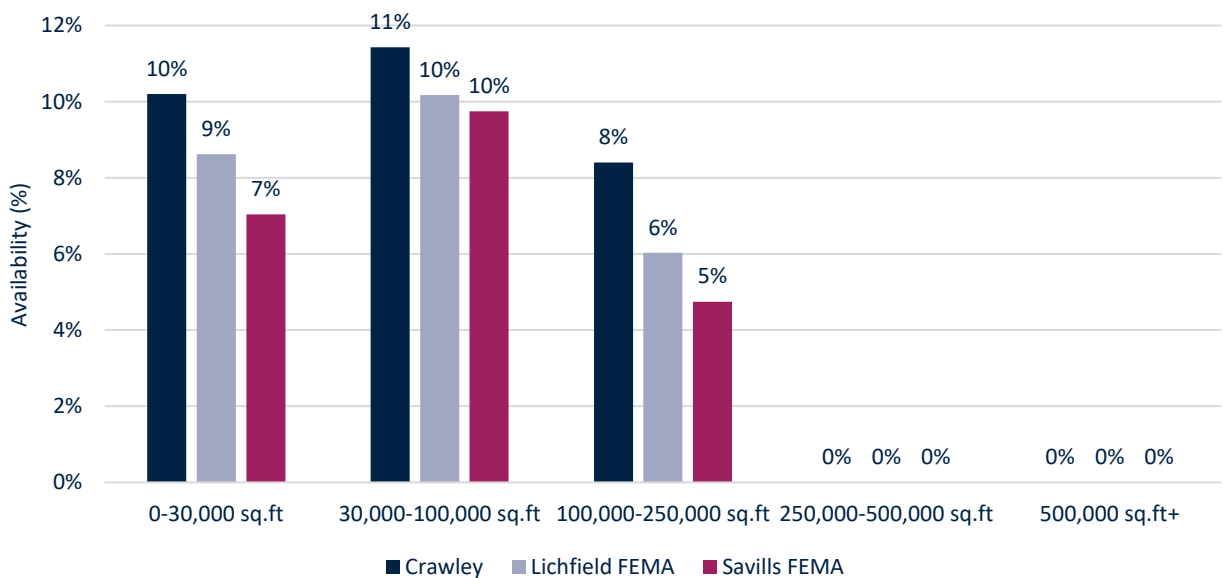
**Figure 4.3 Size of Units as a % of Total Inventory (sq.ft)**



Source: CoStar, Savills 2023

4.3.6 The lack of larger unit supply in the Lichfields FEMA, Savills FEMA and Crawley, coupled with the strong occupier demand for these size bands, has led to there being critically low availability. With reference to **Figure 4.4**, there is effectively no availability in the 250,000 to 500,000 sq.ft and 500,000 plus sq.ft size bands. Gatwick Green offers a large strategic site in a prime location that can facilitate the delivery of new high specification units above 250,000 sq.ft.

**Figure 4.4 Availability (%) by Size Band**



Source: CoStar, Savills 2023

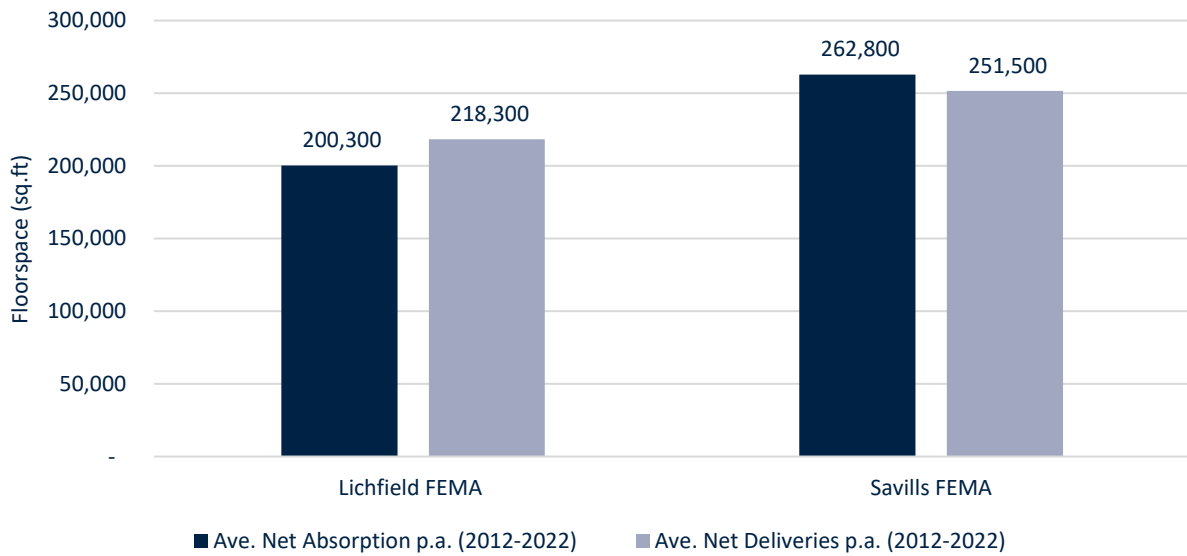
**4.4 Demand has been outstripping supply, especially for larger units**

4.4.1 Net absorption is a leading measure of demand that is based on lease deals. It compares occupied space

(move-ins) versus vacated space (move-outs). On the other hand, net deliveries is a measure of supply, and registers the change in inventory (floorspace) related primarily to new developments.

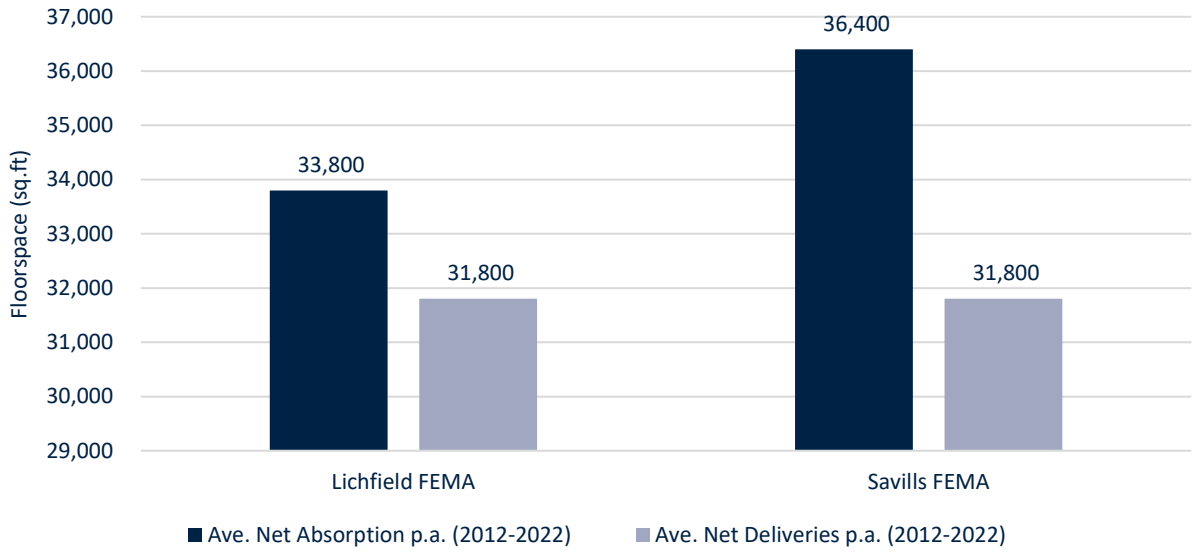
- 4.4.2 In the Lichfields FEMA over the last decade, average levels of net deliveries (supply) has slightly exceeded the average levels of net absorption (demand). However average levels of net absorption has exceeded the average levels of net deliveries across the Savills FEMA (**Figure 4.5**). This demonstrates that the Lichfields FEMA is the weaker of the markets, and confirms Savills’ view that the Lichfields FEMA only looks south, and that Crawley’s full FEMA should also be north facing towards London (Savills FEMA).
- 4.4.3 For larger units above 250,000 sq.ft specifically (**Figure 4.6**), average levels of net absorption has exceeded the average levels of net deliveries across the Lichfields FEMA and the Savills FEMA, which suggests that demand has been outstripping supply for these larger units.
- 4.4.4 Gatwick Green represents a prime opportunity to facilitate the delivery of large units where need is the greatest.

**Figure 4.5 Lichfields FEMA and Savills FEMA Net Absorption vs. Net Deliveries p.a. (sq.ft) (2012-2022)**



Source: CoStar, Savills 2023

**Figure 4.6 Lichfields FEMA and Savills FEMA Net Absorption vs. Net Deliveries p.a. (sq.ft) in Units over 250,000 sq.ft (2012-2022)**

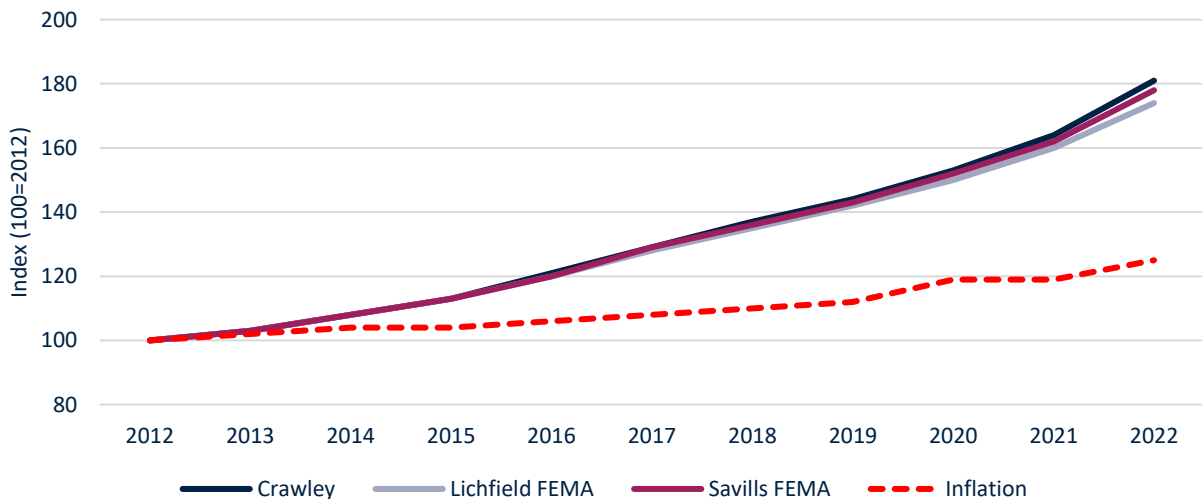


Source: CoStar, Savills, 2023

**4.5 The demand/supply imbalance has led to exponential rental growth**

- 4.5.1 A key by-product of demand outstripping supply is strong rental growth as occupiers compete for limited available stock which in turn drives up rents. Conversely when there is sufficient supply to accommodate demand, rental growth is lower and typically tracks inflation more closely.
- 4.5.2 **Figure 4.7** below shows that rents have grown well above inflation across Crawley, Lichfields FEMA and Savills FEMA, at 81%, 74% and 78% respectively between 2012 and 2022. These levels are over three times the rate of inflation over the same period.

**Figure 4.7 Rental Growth vs. Inflation (2012-2022)**



Source: CoStar, Savills 2023

## 5 Savills' Future Demand Estimates

### 5.1 Introduction

- 5.1.1 The purpose of this section is to estimate future I&L land demand in the Lichfields FEMA and Savills FEMA, and then apportion this wider sub-regional demand to Crawley. This is then compared against the estimated demand stated in the EGA Supplementary Update for Crawley (2023).
- 5.1.2 We present below Savills' full methodology for estimating future I&L demand. Our methodology is considered to address the methodological issues we raised against the EGA (2023) in **Section 3**. Our methodology complies with the approach to assessing future market demand for I&L in PPG as it builds upon historic take-up (net absorption), adjusting past trends for historic supply shortages and the subsequent loss in demand. We refer to this as 'suppressed demand' which is added to the historic demand trend as a top-up. For the Savills FEMA, as a final step we consider demand that is being lost from London due to former I&L sites being redeveloped for housing. This is a London-wide phenomenon as a result of acute housing shortages. The Savills FEMA by way of its adjacency to South London is a prime candidate to pick up I&L demand that has been displaced from London.
- 5.1.3 We consider two different scenarios for estimating future I&L demand in Crawley:
- Using the Lichfields FEMA (Crawley, Horsham, and Mid Sussex). This demand estimate does not include demand being lost from London; and
  - Using the Savills FEMA (Crawley, Horsham, Mid Sussex, Mole Valley, Reigate & Banstead, Tanbridge). This demand estimate considers demand that is being lost from London due to former I&L sites being redeveloped for housing. The Savills FEMA by way of its adjacency to South London is a prime candidate to pick up I&L demand that has been displaced from London.
- 5.1.4 Savills' full methodology usually considers the effect of e-commerce on future demand for I&L land. However, to be conservative, these two scenarios do not include additional demand from the predicted increase in e-commerce into the future which would likely increase future demand further.
- 5.1.5 Based on Savills' demand methodology, over an 18 year period which is consistent with the EGA (2023), the first run of the model using the Lichfields FEMA estimates I&L demand within Crawley to be **69 ha** of land.
- 5.1.6 The second run of the model uses the Savills FEMA and includes the effects of demand being lost from London, which estimates I&L demand within Crawley to be **118 ha** of land.
- 5.1.7 The EGA (2023) considers a range of scenarios that generate gross employment land requirements between 22.9 ha to 60.2 ha for industrial uses over the period 2023 to 2040. As a minimum it is considered that the Council should seek to accommodate the requirements related to labour demand, which equates to 22.9 ha for industrial uses over the 2023 to 2040 period. This minimum employment land requirement of 22.9 ha for industrial uses is referenced in the Draft Crawley Borough Local Plan 2024-2040 (2023).

### 5.2 Savills' Estimate of Future I&L Demand

- 5.2.1 We present below Savills' full methodology for estimating future I&L demand. Our methodology is considered to address the issues we raised against the employment study in **Section 3**. Our methodology is compliant with the requirements of the Planning Practice Guidance ('PPG') as it:
- Analyses '*market signals, including trends in take up and the availability of logistics land and*

*floorspace across the relevant market geographies*<sup>11</sup>. If a market is identified as being supply constrained (i.e. demand exceeds supply) such as Crawley, the Savills' model supplements the historic demand profile accounting for suppressed demand (i.e. demand lost due to historic supply constraints).

- 5.2.2 Based on the above, we consider the Savills model to represent industry best practice. It has been endorsed by the British Property Federation ('BPF') in our '*Levelling-Up – The Logic of Logistics*' report, and was shortlisted for an RTPI Award for Research Excellence 2022. The BPF Industrial Board, who commissioned the report, consists of many of the major investors and thought leaders in the I&L sector including St Modwen, The United Kingdom Warehousing Association, IM Properties, Newlands Developments, Segro, GLP, Tritax Symmetry and the BPF itself. The report has also been referenced as part of the Government's recently published 'Future of Freight Plan' and has been the focus of several discussions with senior officers at DLUHC and DfT.

***Taking a sub-regional approach to estimate demand***

- 5.2.3 We take a sub-regional approach to estimating future I&L demand. Crawley like all local areas is part of a wider sub-regional market, or FEMA, and therefore is subject to supply and demand forces which need to be assessed beyond its local authority boundaries. This is true for many commercial sectors, but it is particularly important for I&L occupiers which typically have distribution networks linking their customers and suppliers of between 1 to 4 hours' travel time, sometimes longer, depending on their size i.e. up to 4 hours plus is more typical of very large companies with a national reach, while 1 to 2 hours' drive time is ideal for the majority of companies. Given Crawley's proximity to London, we consider many companies that would want to locate here would service London and surrounding areas south of the M25. For this reason, most would have a supply chain of at least 1 to 2 hours' drive time.
- 5.2.4 The *2017 London Industrial Land Demand Study*<sup>12</sup> provided an indication of the potential to service the London economy from outside by illustrating drive time catchments to Central London. As illustrated by the map in **Figure 5.1**, Crawley is contained within the 60 minute drive time catchment from Central London, which makes it ideally located to attract demand from I&L occupiers who service the London economy.

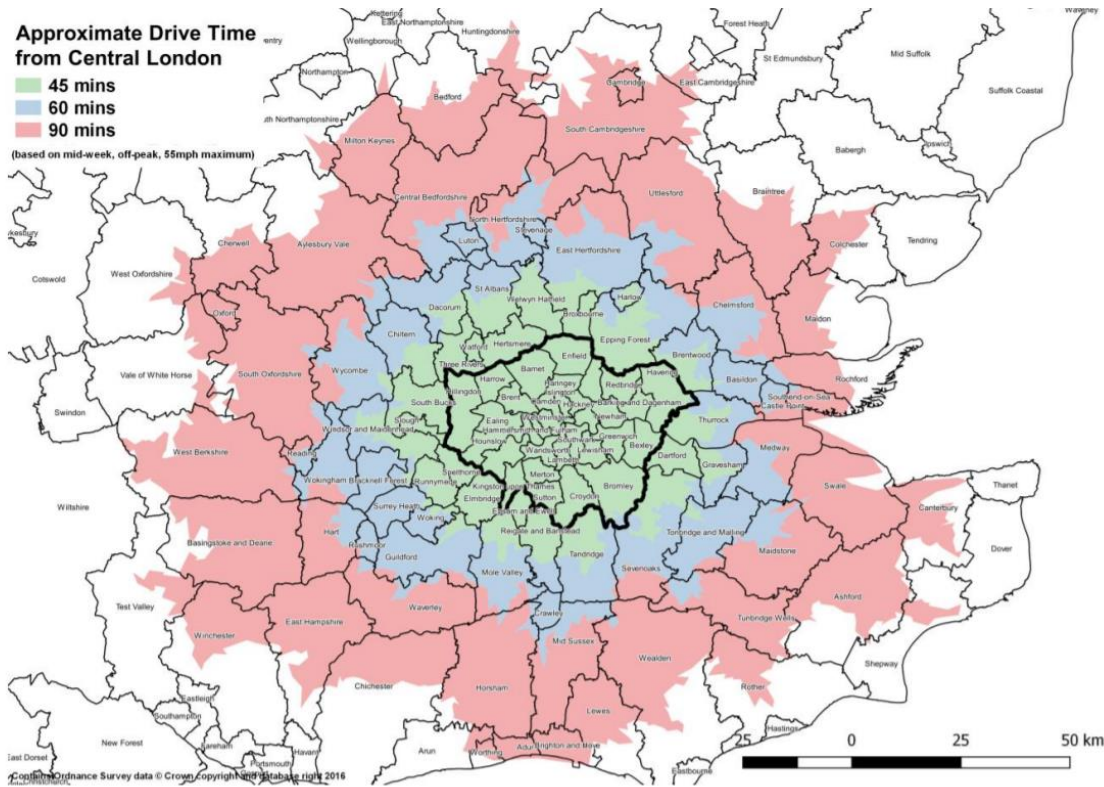
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<sup>11</sup> In accordance with PPG, Paragraph: 031 Reference ID: 2a-031-20190722

<sup>12</sup> CAG (2017), London Industrial Land Demand Study



Figure 5.1 Drive Time Catchment Areas to Service Central London



Source: CAG, 2017

5.2.5 The demand estimate using Lichfields’ FEMA does not consider additional demand from London, and therefore considers the first bullet point below only. Our estimation of Crawley’s I&L demand apportioned from the Savills FEMA also includes additional demand from London, and therefore considers both bullet points stated below.

- **Calculate the ‘within Lichfields FEMA’ and ‘within Savills FEMA’ demand:** Firstly we consider future demand from within the Lichfields FEMA and Savills FEMA. We consider these geographies as broadly representative of Crawley’s subregional market. Our future demand calculations within the Lichfields FEMA and Savills FEMA includes ‘suppressed demand’ or demand lost historically due to supply constraints.
- **Estimate additional demand from London:** Secondly for the Savills FEMA demand calculations we consider I&L supply and by extension demand that has, and is, being lost in London as former sites are being redeveloped for housing and mixed use developments. According to the *London Industrial Land Demand Study*<sup>13</sup>, between 2006 and 2015 London’s loss of industrial employment land averaged 96 ha per annum, increasing to 106 ha per annum for the more recent 2010 to 2015 period. The *Industrial Land Supply and Economy*<sup>14</sup> recognises that ‘industrial land at accessible locations on the periphery to London and more widely across the South East could play an increasingly important role in supporting the functioning of London’s economy, and support demand for land and premises from London’s industrial businesses’. Both studies are supporting employment evidence bases to the adopted London Plan.

5.2.6 We consider the full market for I&L units, estimating demand for all unit sizes and relevant planning use

<sup>13</sup> Ibid

<sup>14</sup> AECOM (2016), Industrial Land Supply and Economy – 2015

classes covering light industrial, manufacturing and warehousing. This is considered a more robust approach as it relies on a larger pool of data, and the fact light industrial, manufacturing, and warehousing occupiers desire similar types of premises with similar locational characteristics.

5.2.7 The steps we follow in estimating future I&L land demand are outlined below:

***Step 1: Estimating demand over the Local Plan period***

5.2.8 We assume an 18-year plan period which is consistent with the EGA (2023).

***Step 2: Estimating historic demand***

5.2.9 This is based on the average annualised net absorption for the Lichfields FEMA and Savills FEMA (from **Section 4**) at 200,300 sq.ft per annum and 262,800 sq.ft per annum respectively between 2012 and 2022. Savills considers net absorption to be the leading measure of demand for floorspace as it indicates the quantum of net floorspace occupied over a period of time (i.e. move-ins minus move-outs) based on lease deals.

5.2.10 We do not consider land take-up/completions as an accurate measure of demand. Development completions is a supply measure which primarily depends on new land being allocated as part of the Local Plan process, followed by the grant of planning permission before new development is constructed. This is a lengthy process which explains why completions (new supply) typically lags demand (net absorption) as it has been the case in the Savills FEMA. Using net absorption rather than completions results in a higher historic demand profile. For example, as we discussed in **Section 4**, average net absorption per annum was 4% higher than the average net deliveries per annum in the Savills FEMA between 2012 and 2022 respectively.

***Step 3: Estimation of suppressed demand***

5.2.11 The rationale for accounting for suppressed demand is that when sufficient supply isn't available, demand cannot be accommodated. This is the top up figure to be added to the historic demand (net absorption) trend to account for years when the market was supply constrained.

5.2.12 Supply and demand are inextricably linked across all commercial property sectors. Put simply, if demand exceeds supply, rents typically rise more quickly as occupiers vie for limited available stock. This can have a number of wider implications. For example, new companies aren't able to move into a market area, nor are existing companies able to find new space if their floorspace needs change, for instance, due to expansion. It may also happen that some existing local companies get priced out of the market as they cannot afford the increasing rents. As a result, companies have to locate to areas that are not ideal in terms of serving their customer base, thereby increasing travel times and the costs of doing business, not to mention environmental impacts. The lack of supply may also mean companies are forced to occupy space that is not entirely suitable for their operational needs impacting productivity.

5.2.13 We describe a market where supply doesn't keep up with demand as being 'supply-constrained'. Limited supply in a strongly performing market, such as the I&L sector in the Lichfields FEMA and the Savills FEMA, mean that demand cannot be fully satisfied, typically resulting in strong rental growth. As demonstrated in **Section 4**, the Lichfields FEMA's and Savills FEMA's I&L rents have increased by 74% and 78% respectively, between 2012 and 2022, indicating new supply has struggled historically to keep pace with the strong demand. This is three times the rate of inflation over the same period<sup>15</sup>.

5.2.14 At the national level the market equilibrium level where supply and demand are broadly in balance and

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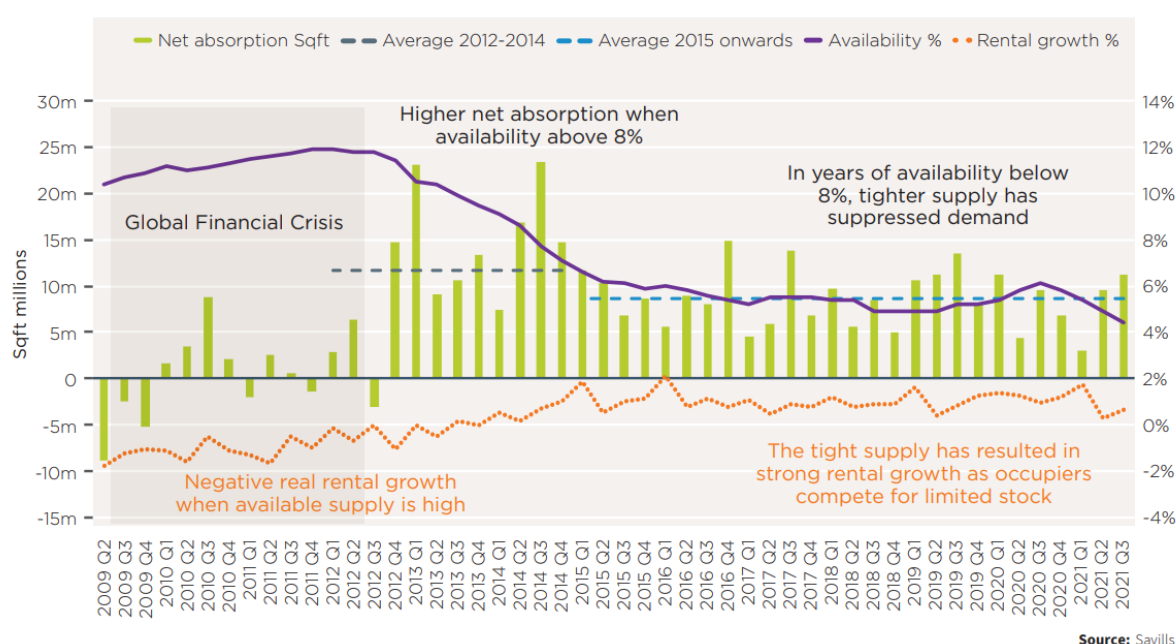
<sup>15</sup> According to the Bank of England inflation calculator between 2012 and 2022 (<https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>)

rents are more stable, is around 8% availability. This benchmark rate is found in a number of prominent publications such as the GLA’s Land for Industry and Transport Supplementary Planning Guidance (SPG).

5.2.15 If one studies real rental growth (i.e. rental growth adjusted for inflation) over the past decade at the national level and observes its relationship to availability, it becomes clear that I&L rents begin to grow strongly when availability is below 8%. This relationship is clearly illustrated in **Figure 5.2** below. When availability was above 8% between 2009 and 2014 real rental growth (net of inflation) was either negative or only slightly positive. This enabled demand to be accommodated as sufficient supply was available.

5.2.16 However, since 2014, as availability dipped below 8% and has stayed below this level ever since at the national level, real rents have grown strongly year-on-year. During this period net absorption has been lower than the 2009-2014 period despite the I&L sector going from strength to strength. This clearly shows the suppressing nature tight availability (below 8%) has had on I&L demand nationally.

**Figure 5.2 Historic Net Absorption (sq.ft), Availability (%) and Real Rental Growth (%) in England**



Source: CoStar, OBR, Savills

5.2.17 The 8% benchmark is also applicable to the Lichfields FEMA and the Savills FEMA given the I&L markets have broadly followed the same trajectory as the national market. I&L availability dropped below the 8% equilibrium level in 2013 in the Lichfields FEMA, and 2014 in the Savills FEMA (see **Section 4, Figure 4.2**), similar to the national market. In terms of I&L rents, the FEMAs began outpacing inflation from around 2013 when availability dropped below 8% (see **Section 4, Figure 4.7**), again similar to the national market.

5.2.18 The individual steps for calculating the FEMAs’ suppressed demand are as follows:

- **Step 3a:** For years where availability has been below the 8% equilibrium threshold, we calculate the quantum of floorspace necessary to achieve 8% availability (Column ‘Av. To EQ (sq.ft)’ in **Table 5.1** and **Table 5.2**, calculation F);
- **Step 3b:** We then take the average of the ratio between net absorption and available floorspace for every year over the past decade (Calculation E averages 36% for the Lichfields FEMA and 32% for the Savills FEMA based on Column ‘Net Absorption/Availability’);

- **Step 3c:** We apply this average to the estimated floorspace required to reach 8% availability in each year where the market is below the 8% availability threshold to estimate each period's suppressed demand (Calculation F\*E in Column 'Suppressed Net Absorption (sq.ft)');
- **Step 3d:** We calculate average suppressed net absorption over the past decade. This gives the annualised suppressed demand figure to be used as a top-up to the historic trend. The estimated average suppressed demand figure for the Lichfields FEMA is 113,800 sq.ft per annum since 2012, and 149,900 sq.ft per annum for the Savills FEMA.

5.2.19 **Table 5.1** and **Table 5.2** show the relevant calculations for the two geographies.

**Table 5.1 Suppressed Demand Calculations within the Lichfields FEMA**

	A	B	C=(A*B)	D	D/C	F=(8%-B)*A	F*E
Year	Inventory (sq.ft)	Availability (%)	Availability (sq.ft)	Net Absorption (sq.ft)	Net Absorption/ Availability	Av. To EQ (sq.ft)	Suppressed Net Absorption (sq.ft)
2022	16,490,991	7.9%	1,302,788	306,403	24%	16,491	5,984
2021	15,657,642	6.8%	1,064,720	-92,720	-9%	187,892	0
2020	15,734,811	5.7%	896,884	136,713	15%	361,901	131,332
2019	15,438,753	3.9%	602,111	152,174	25%	632,989	229,709
2018	15,256,105	2.3%	350,890	693,634	198%	869,598	315,573
2017	14,745,121	4.1%	604,550	-71,645	-12%	575,060	0
2016	14,637,037	2.9%	424,474	232,769	55%	746,489	270,897
2015	14,591,223	5.5%	802,517	324,832	40%	364,781	132,377
2014	14,303,566	4.9%	700,875	313,310	45%	443,411	160,911
2013	14,054,929	7.9%	1,110,339	149,606	13%	14,055	5,100
2012	14,047,789	9.1%	1,278,349	58,035	5%	-154,526	0

E = Average

Suppressed Demand = Average

Source: Savills, CoStar

**Table 5.2 Suppressed Demand Calculations within the Savills FEMA**

	A	B	C=(A*B)	D	D/C	F=(8%-B)*A	F*E
Year	Inventory (sq.ft)	Availability (%)	Availability (sq.ft)	Net Absorption (sq.ft)	Net Absorption/ Availability	Av. To EQ (sq.ft)	Suppressed Net Absorption (sq.ft)
2022	22,290,244	7.0%	1,560,317	221,350	14%	222,902	70,216
2021	21,479,802	6.0%	1,288,788	-27,675	-2%	429,596	0
2020	21,556,971	6.0%	1,293,418	242,309	19%	431,139	135,813
2019	21,187,476	4.4%	932,249	204,158	22%	762,749	240,273
2018	20,809,357	2.5%	520,234	761,066	146%	1,144,515	360,533
2017	20,244,299	4.0%	809,772	6,693	1%	809,772	255,086
2016	20,118,903	3.1%	623,686	382,465	61%	985,826	310,545

<b>2015</b>	20,073,089	5.3%	1,063,874	410,207	39%	541,973	170,727
<b>2014</b>	19,739,126	6.3%	1,243,565	383,319	31%	335,565	105,706
<b>2013</b>	19,500,977	9.6%	1,872,094	249,173	13%	-312,016	0
<b>2012</b>	19,493,837	10.9%	2,124,828	57,437	3%	-565,321	0

E = Average

Suppressed Demand = Average

Source: Savills, CoStar

- **Step 3e:** The final step requires adding the combined annualised historic and suppressed demand figures, and multiplying this by the number of years in the plan period (18 years), as shown in **Table 5.3**. This gives a total floorspace demand of 5.7 million sq.ft for the Lichfields FEMA and 7.4 million sq.ft for the Savills FEMA over an 18-year plan period.

**Table 5.3 Total Historic and Suppressed Demand Calculations**

	Lichfields FEMA (sq.ft)	Savills FEMA (sq.ft)
(A) Annualised historic demand	200,300	262,800
(B) Annualised suppressed demand	113,800	149,900
(C) Total annualised demand (A+B)	314,100	412,700
<b>(D) Total demand over 18 year plan period (C*18)</b>	<b>5,653,600</b>	<b>7,428,100</b>

Source: Savills; figures may not add up due to rounding

**Step 4: Savills Estimate of Future I&L Demand Across the Lichfields FEMA and Savills FEMA**

5.2.20 Adding the combined historic and suppressed demand estimates yields a total demand of 5.7 million sq.ft for the Lichfields FEMA, and 7.4 million sq.ft for the Savills FEMA over the plan period, as summarised in **Table 5.3**.

5.2.21 The EGA uses a plot ratio of 40% for industrial uses to translate floorspace to land needs. Based on our experience, recent changes in the I&L sector mean that occupiers are moving towards larger building footprints and requiring lower site coverage to allow for adequate yard space, cross-docking, sustainable urban drainage, and strategic landscaping. These modern occupier requirements imply a lower plot ratio, typically in the region of 30% to 40%. Savills considers a 40% plot ratio as appropriate.

5.2.22 Using a 40% plot ratio, over an 18 year plan period, we estimate Lichfields FEMA-wide I&L demand to be **131 ha** of land, and Savills FEMA-wide I&L demand to be **173 ha** of land.

**Step 5: Accounting for lost demand from London**

5.2.23 The proximity of the Savills FEMA to London means that some of the Savills FEMA demand will arise from the need to service London’s economy, in the context of sustained diminishing industrial employment land

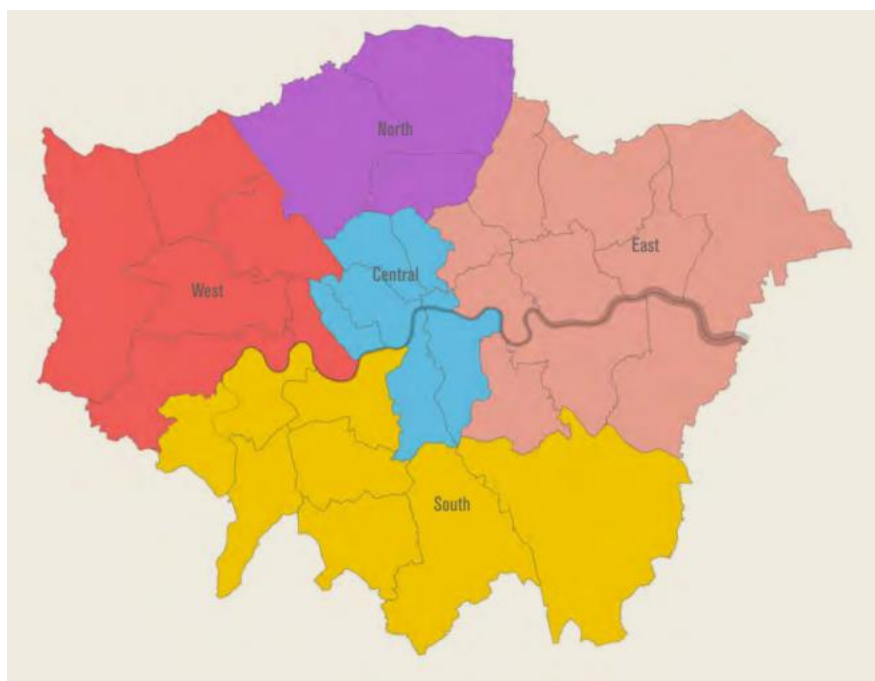
in the capital<sup>16</sup>. Between 2006 and 2015, London lost industrial employment land at an average of 96 ha per annum<sup>17</sup>, increasing to 106 ha per annum for the more recent 2010 to 2015 period.

5.2.24 This is not due to London's lack of demand for I&L uses, especially given that the capital's population continues to grow and the increase in online shopping will need to be supported by appropriate I&L. The continued loss of I&L land is primarily a consequence of housing pressures which have been pushing I&L activities outside of London.

5.2.25 The 2011 *London Industrial Land Demand Study*<sup>18</sup> already concluded that an increasing proportion of London's logistics needs were being serviced from outside of the capital. The 2017 London Industrial Land Demand Study expected this trend to continue. The study also provided an indication of the potential to service the London economy from outside by illustrating drive-time catchments to Central London (**Figure 5.1**). As illustrated by the map, the Savills FEMA is mostly contained within the 90 minute drive time catchment or less from Central London, which makes it ideally located to attract demand from I&L occupiers who service the London economy.

5.2.26 We have reviewed demand estimates from the 2017 *London Industrial Land Demand Study* for London's South, Central, East and West sub-regions (**Figure 5.3**). These are the sub-regions which we consider the Savills FEMA is most likely to pick up demand from due to its geographic proximity.

**Figure 5.3 London Sub-Regions**



Source: AECOM, 2015

5.2.27 Five demand scenarios are presented for London as a whole and its various individual sub-regions. We consider the Baseline Scenario to be too optimistic: for example, the South and West sub-regions are estimated to experience net gains in I&L land (29.2 ha and 16.7 ha respectively). This contradicts what has occurred since the *London Industrial Land Demand Study* was published. Between 2015 and 2022, the South, Central, East and West sub-regions have lost 3 million sq.ft of floorspace<sup>19</sup>. For this reason, we

<sup>17</sup> CAG (2017), London Industrial Land Demand Study

<sup>18</sup> Cited in CAG 2017

<sup>19</sup> Savills analysis of CoStar data

discount the Baseline Scenario as being unrealistic, and out of kilter with the other 4 scenarios considered.

5.2.28 We also disregard the potential Pipeline Scenario as it excludes strategic infrastructure projects, one of which, Crossrail 2, has already come forward and in doing so has resulted in the loss of I&L land.

5.2.29 We also reject the Intensification & Substitution Scenario, as based on our experience, industrial intensification has been difficult to achieve in reality. Currently there is only one multi-storey shed in London being X2 in Heathrow, and few others are in the pipeline. Much of the difficulty around multi-storey and intensified formats is viability and access to suitable yard space which is a key requirement for occupiers. This reality is acknowledged by the Secretary of State's direction from March 2020<sup>20</sup> to remove references from the Draft London Plan Policy E4 regarding the 65% plot ratio for new I&L developments in London. This extremely high plot ratio was the cornerstone of the Draft London Plan's no net loss of I&L floorspace aspiration.

5.2.30 Based on the above analysis, we consider the 'Trend Supply' and 'Potential Pipeline + Infrastructure' to be the most realistic scenarios.

5.2.31 Next we need to align how much of the future lost demand under these scenarios should be planned for in the Savills FEMA. In order to maintain a conservative approach, we have assumed that only a small portion of this displaced demand from London's South (25%), Central (10%), East (10%) and West (10%) sub-regions is captured by the Savills FEMA. We have applied a larger allocation for the South sub-region (25% versus 10%) due to its geographic proximity to the Savills FEMA. This yields a figure of 176 ha and 134 ha lost from London for the Trend Supply and Potential Pipeline + Infrastructure scenarios respectively. We take forward the midpoint of these two estimates which is 155 ha.

5.2.32 The 155.1 ha loss of land from London over the 25 year period of CAG estimates, equates to an average of 6 ha per annum (rounded). Multiplying this annual figure by the 18-year period (6 ha per annum \* 18 years) yields a total figure of **112 ha** of lost demand from London that should be planned for within the Savills FEMA.

5.2.33 This increases the land requirements in the Savills FEMA to **284 ha** over the 18 year plan period. This includes the 112 ha of displaced demand that is being lost from London due to former I&L sites being redeveloped for other uses.

#### ***Step 6: Future Lichfields FEMA and Savills FEMA demand apportioned to Crawley***

5.2.34 Within this section we seek to apportion the Lichfields FEMA and the Savills FEMA demand estimates to Crawley. This can be done in a number of different ways as follows:

- Based on Crawley's historic proportion of average demand (net absorption) between 2012 and 2022;
- Based on Crawley's historic proportion of average net deliveries of new I&L floorspace between 2012 and 2022; and
- Based on Crawley's current proportion of total I&L inventory in the Lichfields FEMA and Savills FEMA.

5.2.35 Savills consider it appropriate to take an average of the three indicators to apportion Lichfields FEMA wide demand to Crawley, and Savills FEMA wide demand to Crawley. This results in an apportionment level of

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<sup>20</sup> Secretary of State (13 March 2020), Annex to Letter to the Mayor of London – DR4

52% and 42% respectively.

5.2.36 Based on Savills’ demand methodology, over an 18-year period which is consistent with the EGA (2023), the first run of the model using the Lichfields FEMA estimates I&L demand within Crawley to be **69 ha** of land. This demand estimate does not include demand being lost from London, and to be conservative, excludes the effect of e-commerce.

5.2.37 The second run of the model using the Savills FEMA estimates I&L demand within Crawley to be **118 ha** of land. This demand estimate includes demand being lost from London, but to be conservative, excludes the effect of e-commerce. **Table 5.4** presents Crawley’s I&L market share of the Lichfields FEMA and the Savills FEMA.

**Table 5.4 Crawley’s I&L Market Share of the Lichfields FEMA and Savills FEMA (sq.ft)**

	Lichfields FEMA		Savills FEMA	
	Crawley % of Lichfields FEMA	Crawley Land Requirements (ha)	Crawley % of Savills FEMA	Crawley Land Requirements (sq.ft)
Average of historic demand, historic supply and inventory share	52%	69	42%	118

Source: CoStar, Savills

### 5.3 Comparing Savills Demand Estimates with the EGA (2023)

5.3.1 With reference to **Table 5.5**, Savills estimate of I&L demand in Crawley over the 18 year plan period is between 69 ha to 118 ha, significantly higher than the EGA (2023) estimate of 22.9 ha for industrial uses.

5.3.2 The reason for Savills’ estimates being larger is due to our methodology concentrating on market signals (in accordance with Paragraph 31 of the NPPF) which have underpinned the I&L sector’s strong growth and made it the best performing commercial sector in England over the last decade.

**Table 5.5 Comparing Demand Estimates for Industrial Uses in Crawley over an 18 Year Period**

	Ha
<b>Savills Demand Estimates</b>	
Lichfields FEMA Demand Estimates for Crawley	69
Savills FEMA Demand Estimates for Crawley	118
<b>Council’s Employment Evidence Estimate</b>	
Northern West Sussex EGA Supplementary Update for Crawley (2023) and referenced in the Draft Crawley Borough Local Plan (2023)	22.9



*Source: CoStar, Savills, Northern West Sussex Economic Growth Assessment Supplementary Update for Crawley (2023)*

- 5.3.3 Savills' much higher demand estimates clearly evidences a strategic scale site such as Gatwick Green is needed, and will attract substantial market interest.

## 6 Why I&L Growth Should be Facilitated

### 6.1 Introduction

- 6.1.1 In this section we consider some of the key sectorial trends and reinforce the economic characteristics of the I&L sector and counter common misconceptions. We draw upon analysis from Savills' recent publication of the BPF's *'Levelling-up – The Logic of Logistics'*<sup>21</sup>, Savills' *Big Shed Briefings*, and other relevant research.
- 6.1.2 Not only has the sector been outperforming other commercial sectors in the UK for some time, but it is also 'critical national infrastructure' supporting the functioning of our economy and the way we live our lives. The food we eat, the products and services we purchase, the materials used to build new homes and new infrastructure, even the vaccines that give us protection from Covid-19 are stored, manufactured and distributed from warehouses and factories to 'us' the end customer.
- 6.1.3 The I&L sector enables the movements of goods across a multi-modal network of road, rail, air, and water routes. Most businesses draw on supply chains, many of which are global in scale, that rely upon these multiple modes of transport and on the transfer between freight nodes (such as ports, airports, rail freight interchanges and road) to warehouses, and then finally onto the end customer. Without these facilities and the increasingly efficient supply chains that link them with suppliers and end customers, the delivery of our purchases would be much slower, more expensive and we would have less choice.
- 6.1.4 Current demand within the I&L sector is at unprecedented levels being supported by a number of key growth drivers. Given the current macro-economic challenges, it is vital to support those sectors which are proving to be resilient (such as I&L) and are therefore well-placed to provide new employment opportunities and mitigate job losses in other sectors.

### 6.2 I&L is critical to Crawley's Economy

- 6.2.1 According to the latest data from the ONS Business Register and Employment Survey (BRES), as of 2021, Crawley's I&L sector<sup>22</sup> employs 28,000 people. This accounts for 32% of total employment in the area, which is over two times higher than the sector's share across England and Wales (13%). This clearly underlines the importance of I&L activities to Crawley's economy, even though these figures likely underestimate the sector's true employment levels given the diverse range of jobs it supports are not fully contained within the I&L related SIC codes.

### 6.3 Resilience of the I&L Sector

- 6.3.1 Current demand within the logistics sector is at unprecedented levels being supported by a number of key growth drivers as we discuss below. Given the current economic challenges, it is vital to support those sectors which are proving to be resilient (such as I&L) and are therefore well-placed to provide new employment opportunities to mitigate job losses in other sectors and underpin the economic recovery.
- 6.3.2 Given the struggles being faced by the office and retail sectors, I&L is likely to be the major generator of jobs for many local economies. In Crawley, the I&L sector<sup>23</sup> has experienced a job growth of 10% between 2015 and 2021. This is in contrast to 3% growth in office-based sectors<sup>24</sup>, and no growth in the retail sector<sup>25</sup> over the same period<sup>26</sup>. Unsurprisingly, logistics is one of the fastest growing segments within the Savills

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<sup>21</sup> Savills and BPF (2022), *Levelling-up – The Logic of Logistics*

<sup>22</sup> SIC2007 Sections: C, H

<sup>23</sup> SIC2007 Sections: C, H

<sup>24</sup> SIC2007 Sections: J, K, M, N, O

<sup>25</sup> SIC Broad Industrial Group: Retail (Part of G)

<sup>26</sup> Business Register and Employment Survey: Cannock Chase Employment Count (2021)

FEMA<sup>27</sup>. Since 2015, employment in Transportation and Storage<sup>28</sup> in the Lichfields FEMA and the Savills FEMA has increased by 12% and 15%, and in warehousing<sup>29</sup> specifically by 35% and 18% respectively. This demonstrates that the I&L sector, particularly the logistics sector, is a growing segment of the economy with significant employment growth opportunities in Crawley.

#### 6.4 I&L growth is structural, not temporary

- 6.4.1 It is often assumed that the effects of recent growth in e-commerce on I&L space demand is temporary. However Savills agree with the view of the National Infrastructure Commission<sup>30</sup> that e-commerce growth to 65% is plausible, however the timeframe of this growth to 2050 is arguably conservative. For instance a report titled 'The Digital Tipping Point, 2019 Retail Report'<sup>31</sup> estimated retail sales would reach 53% by 2028. While this timeframe appears too ambitious, the questions appears to be more of 'when' rather than 'if' e-commerce will reach 50% or more of total retail sales. The growth in online shopping has significant implications on future I&L demand given that e-commerce requires around 3 times the logistics space of traditional bricks-and-mortar retailers<sup>32</sup>.
- 6.4.2 It is not just e-commerce growth that is considered structural rather than temporary. So are consumer expectations for same-day or next-day delivery which have reshaped the operating models of logistics companies. It is extremely unlikely that we are going to see a U-turn on such expectations. For instance, the emergence of Zapp, Getir and Deliveroo who deliver groceries 'in minutes' while most of the major retailers such as Boots, Next and many more deliver next day. The Covid-19 Pandemic has accelerated this shift, a survey by Bringg<sup>33</sup> found that since the start of the pandemic, 27% of retailers added same-day delivery for online orders as a fulfilment option, and 1 in 3 retailers are planning to add same-day delivery options in the next 6 to 12 months.
- 6.4.3 To enable fast deliveries, stock needs to be held near the end customer before it is picked up for the last mile. This requires I&L space in regional and local distribution hubs nearby to population centres. These trends are expected to increase demand for space, as reduced delivery times are expected to benefit online retailers.
- 6.4.4 Finally, as the UK economy grows in terms of population and number of businesses, so will the need for I&L. These fundamental growth drivers (population plus business growth) are strong in Crawley and the South East region. For instance, over the next 20 years between 2023 and 2043, Crawley's resident population is expected to grow by 4% (+ 4,800 people) and the South East's resident population is expected to grow by 6%, an increase of 567,000 people<sup>34</sup>.
- 6.4.5 The increase in population will drive e-commerce growth while business growth will require supply chain support from I&L companies in terms of delivering supplies and materials used in business processes and/or to move products to end customers either locally, nationally, or internationally. The by-product of these relationships is increased freight flows. Significant growth is forecast across all freight modes (**Figure 6.1**). Freight arriving and leaving the UK needs to be sorted, packaged, and distributed via a network of freight handling infrastructure (i.e. ports, airports, rail freight interchanges and motorways) and conveniently

<sup>27</sup> The FEMA for Crawley comprises the local authorities of Crawley, Horsham, Mid Sussex, Mole Valley, Reigate & Banstead and Tandridge.

<sup>28</sup> SIC2007 Section H – Often referred to broadly capture logistics activities

<sup>29</sup> SIC2007 53: Warehousing and support activities for transportation

<sup>30</sup> National Infrastructure Commission (2019) 'Better Delivery: The Challenge for Freight'

<sup>31</sup> The Digital Tipping Point, 2019 Retail Report, Retail Economics and Womble Bond Dickinson

<sup>32</sup> Prologis (2016), Global E-Commerce Impact on Logistics Real Estate. 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. This in turn has meant that more and more warehouse space is required.

<sup>33</sup> Bring (2022), State of Retail Delivery & Fulfilment. The report uses evidence from retailers in the US, UK, Canada, Germany, France and Italy.

<sup>34</sup> ONS Population Projections (2018 base) – Growth between 2023 and 2043

located logistics premises in order to reach end customers.

**Figure 6.1 Projected Growth in Freight by Mode**



Source: DfT, MDS Transmodal, Boeing, Savills

6.4.6 While e-commerce and freight growth are two of the most influential factors driving I&L demand, there are several other demand drivers also at play. **Figure 6.2** below provides a visual representation of some of the major demand drivers generating the record breaking demand within the sector.

**Figure 6.2 I&L Growth Drivers**



Source: Savills

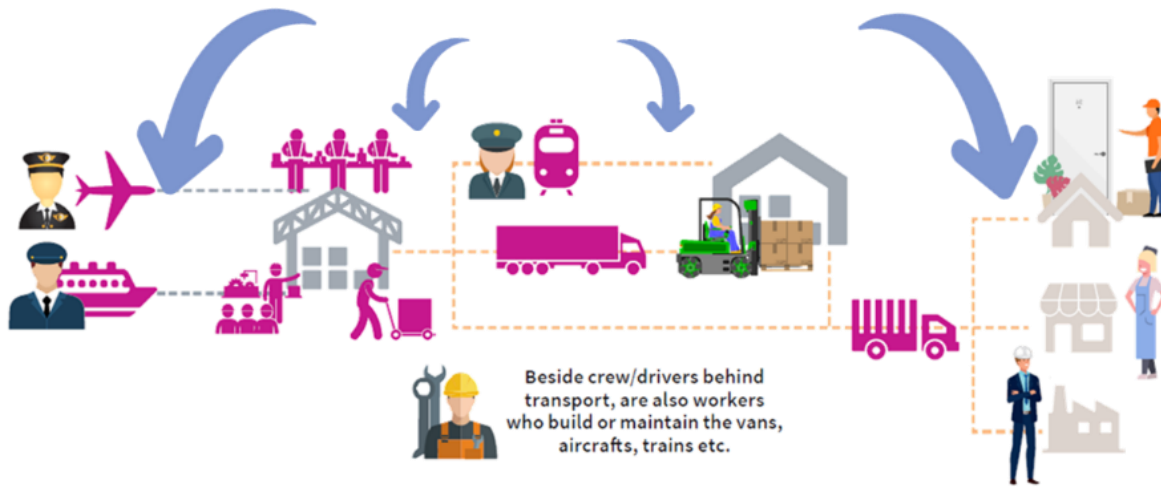
**6.5 On-site job density is only a small part of I&L’s economic contribution**

6.5.1 A common misconception about the I&L sector is that operations are land hungry and have a relatively low density in employment terms. This fails to recognise the wider role it plays in supporting jobs which are not physically within a warehouse but are enabled by the operations of a warehouse.

6.5.2 For instance, the sector’s wider supply chain employment is often overlooked in favour of the higher on-site job densities for retail and office uses. Logistics premises are a critical link in the chain alongside the key freight modes that allow goods to enter, leave and move around the country (i.e. ports, airports, rail freight interchanges and motorways). Like warehouses, these freight handling facilities generate employment to drive the planes, trains and boats as well as jobs involved in their maintenance and repair. Jobs are also created at ports, airports and rail freight interchanges as part of their operation. The analysis

of ONS Type 1 FTE multipliers for the Warehousing sector suggests that **for every 10 new warehousing jobs created, another 7 to 12 jobs are created offsite across the wider supply chain.**

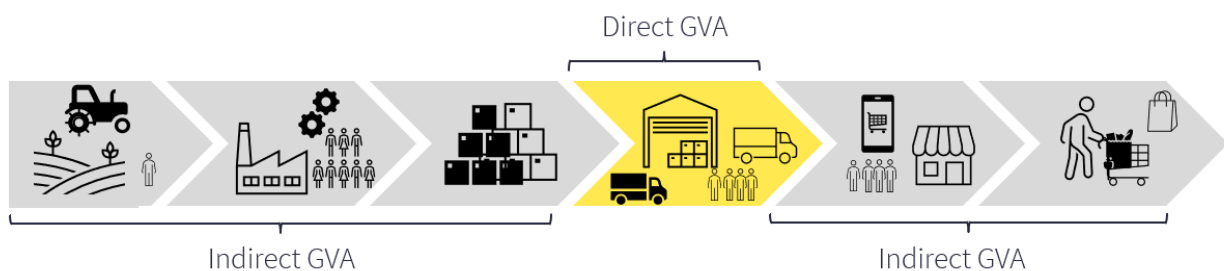
**Figure 6.3 Wider Supply-Chain Jobs Across the Logistics Sector**



Source: Savills

6.5.3 Another vital component of the logistic sector’s ‘economic story’ is ‘Indirect GVA’. Indirect GVA captures the impact that the logistics sector has on other segments of the economy. For example the services that a sector procures in support of its business activities trigger a GVA contribution by its suppliers, suppliers of suppliers and so forth, up the entire value chain. In simple terms, the logistics sector stores and distributes material and products used or sold by other companies as part of their operations. These inputs and outputs generate economic value that logistics has played a vital role in helping to realise. These relationships are shown dramatically in **Figure 6.4** below.

**Figure 6.4 Indirect GVA and Logistics Operations**



6.5.4 **The indirect GVA generated by the logistics sector in the UK is 2.7 times higher than its direct GVA contribution.** This is much higher than the indirect GVA generated by manufacturing (0.8), office (0.9) and retail (0.4) sectors (**Figure 6.5**). This illustrates the importance of logistics in facilitating other sectors of the economy. To impede its growth would undermine growth in other sectors of the economy too.

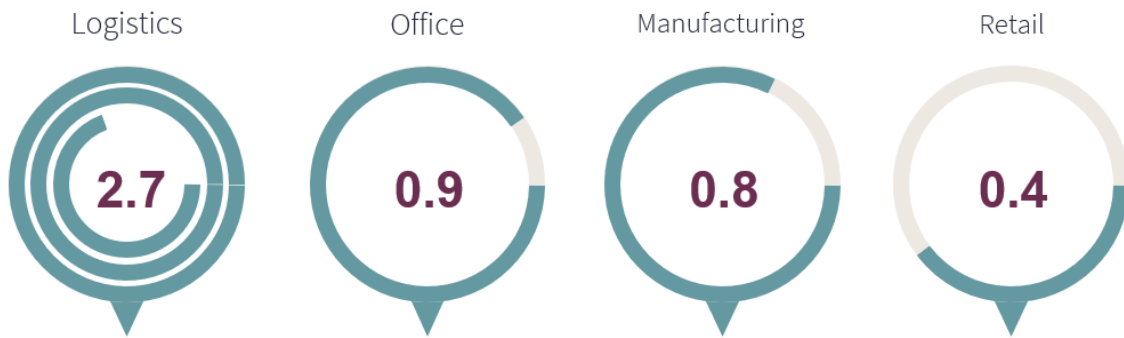
6.5.5 In terms of specific examples, the food we eat, the products and services we purchase, the materials used to build new homes and new infrastructure, as well as essential medical supplies, are stored and distributed from warehouses to ‘us’ the end customer. Without these facilities and the increasingly efficient supply chains that link them up with suppliers and end customers, the delivery of our purchases would be much slower, more expensive and we would have less choice.

6.5.6 It is easy to overlook the critical role played by the I&L sector when everything is running smoothly.

However, it is much easier to understand its importance when things don't work quite as well. The six-day blockage of the Suez Canal in March 2021 created a domino effect on global supply chains, which affected not only those sectors relying on container shipping, but also the transport sector as fuel vessels were delayed too. The shortage of HGV drivers in autumn 2021 led to fuel shortages in UK petrol stations and forced businesses to close down sites or cut production lines, adding to the backlog of production caused by the Covid-19 Pandemic.

6.5.7 These realisations clearly indicate, not just the economy, but our daily life depends on the logistics sector. Its workers, stock of facilities and distribution networks are unquestionably 'critical national infrastructure' and should be planned for on this basis as we do with other key infrastructure such as roads, rail, ports and airports.

**Figure 6.5 Indirect GVA Generation by Final Product**

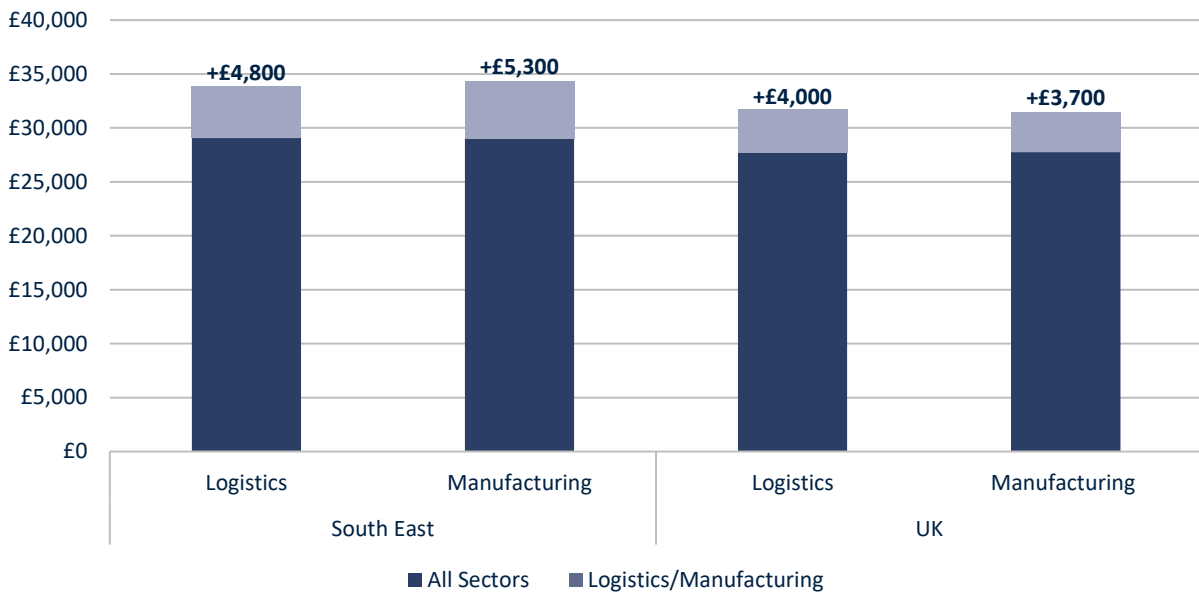


Source: Savills, ONS, Input Output Analytical Tables 2018

**6.6 Well paid and diverse jobs**

6.6.1 The I&L sector is subject to a number of misconceptions about average pay and skill levels. In **Figure 6.6** below we compare the logistics and manufacturing sectors' annual wages against the median pay in all sectors using the latest ONS data from the Annual Survey of Hours and Earnings (ASHE). It shows that in the South East, jobs in logistics pay +£4,800 more than average per annum, and jobs in manufacturing pay +£5,300 more than average per annum.

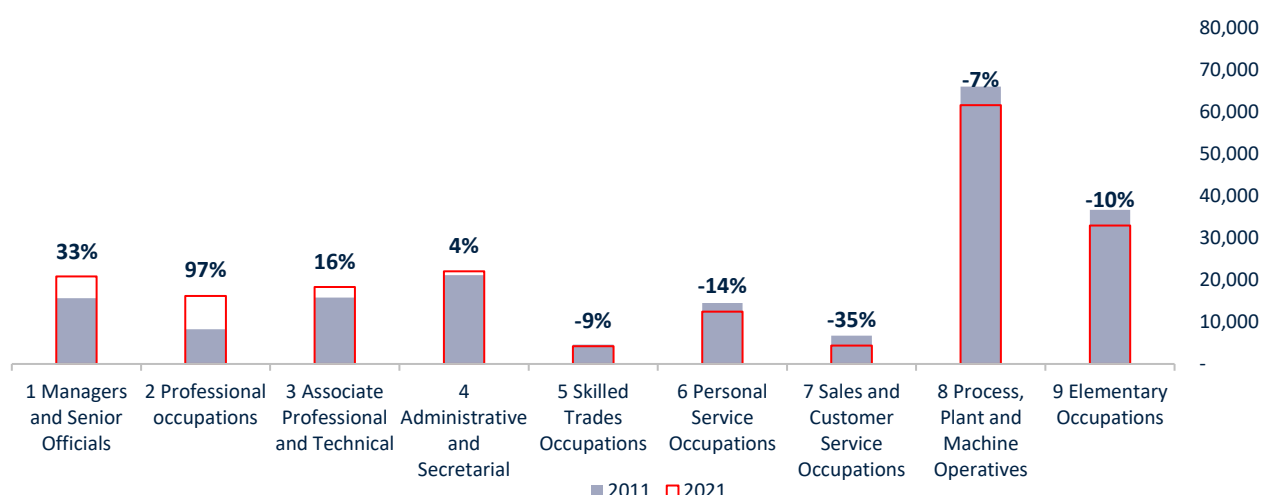
**Figure 6.6 Annual Gross Earning (2022) – Logistics/Manufacturing vs All Sectors**



Source: ONS, ASHE, Savills

- 6.6.2 Moreover, the jobs offered within the sector are becoming increasingly diverse. **Figure 6.7** below shows the change in occupations in Transportation and Storage between 2011 and 2021 across the South East region.
- 6.6.3 Firstly, we can see that the share of higher-skill roles (Occupational Groups 1-3) has increased by 39%, with the biggest increase being in Professional Occupations, where the number of roles has increased by 97%. These roles are typically associated with higher-skilled engineering and technological professions in response to increased automation and robotics in the sector and more advanced supply chain processes.
- 6.6.4 Secondly there has been an increase in predominantly office-based roles (Occupational Groups 1, 2, 3, 4, 6 and 7), with occupations in these categories going up by 15% over the last decade. Office-based roles are increasingly co-locating alongside production and logistics uses as it is convenient for these people to be closer to the operations they control and analyse.
- 6.6.5 To conclude, the evidence presented in **Figure 6.7** tells us that there has been an overall increase in jobs, and that there is an on-going shift towards higher-skilled requirements in the sector.
- 6.6.6 The increasingly diverse range of occupations in logistics enables it to re-employ people who have lost their jobs in other sectors of the economy. For instance, a person that may have lost their jobs as an engineer or IT consultant within an office-based firm, can now find roles with a similar skills set in logistics.

**Figure 6.7 Occupational Distribution in Transportation and Storage (2011 vs 2021) – South East**



Source: ONS APS, Savills

- 6.6.7 This increased occupational diversity means that the I&L sector can play an important role in re-employing people that have lost jobs in other sectors of the economy as a result of the Covid-19 Pandemic.
- 6.6.8 The Government’s Coronavirus Job Retention Scheme (CJRS) has helped cushion the impact of economic contraction on the job market. However, in spite of this effort, data on the Claimant Counts remain high in most areas of the country. The Claimant Count measures the number of people claiming benefit principally for the reason of being unemployed. As of May 2023, the Count across Crawley, Lichfields FEMA and the Savills FEMA totalled 2,935, 6,015, and 9,695 Claimants respectively. Compared to the Count in March 2020, this is 45% higher in Crawley, and 44% higher in both the Lichfields FEMA and Savills FEMA (+905, +1,845 and +2,970 Claimants respectively)<sup>35</sup>.
- 6.6.9 The I&L sector also generates significant construction and apprenticeship roles which will increase further as it expands into the future. Savills estimate that if supply-constraints are addressed in the future, the sector could deliver over half a million apprenticeships over the next 10 years<sup>36</sup>. This is extremely important given youth unemployment nationally stands at 10.7%<sup>37</sup>, and between March 2020 and May 2023, the Claimant Count for ages 16-24 is 24% higher in Crawley, and 29% higher in both the Lichfields FEMA and the Savills FEMA. A number of case studies on the type of employment opportunities, training and research centres that the sector delivers can be found in our recent publication for the BPF ‘*Levelling-up – The Logic of Logistics*’<sup>38</sup>.

## 6.7 Collaborating Sources

- 6.7.1 In spite of the macro-economic challenges facing all commercial sectors, the I&L sector has proved to be resilient and therefore well-placed to provide new employment opportunities and mitigate job losses in other sectors and underpin the economic recovery. It is not just Savills which recognises that I&L is critical national infrastructure that supports the functioning of our economy. Extracts from research undertaken by other property specialists are stated below:

<sup>35</sup> ONS Claimant Count by Sex and Age (2023)

<sup>36</sup> Savills and BPF (2022), *Levelling Up – The Logic of Logistics*

<sup>37</sup> ONS (2022) Annual Population Survey (APS) – Unemployment rate of people aged 16 to 24 in England (January 2022 to December 2022)

<sup>38</sup> Savills and BPF (2022), *Levelling Up – The Logic of Logistics*



***Lambeth Smith Hampton (LSH) Back into Balance Industrial and Logistics Market (2023)***

- 'Logistics property has a secure role to play in supporting economic activity, and stands in contrast with other property sectors, where levels of supply appear to be less than post-pandemic levels of demand'.
- 'Considering the economic and financial travails of 2022, UK-wide take-up hit an impressive 60.5 million sq.ft for the year, edging out 2020 to be the second strongest year on record behind 2021's colossal performance'.
- 'While the growth of e-commerce will continue to underpin demand, the focus has shifted from raw expansion to optimisation of supply chains. Demand will reflect a growing emphasis on improving both supply chain efficiencies and resilience. Brexit and the experience of the pandemic are fuelling increasing moves towards nearshoring/on shoring of manufacturing and distribution hubs within the UK and this is expected to ramp up in 2023'.
- 'Despite the unravelling of financial market conditions last year, speculative development soared to a new high of 23.6 million sq.ft at the end of 2022'.
- 'Ongoing positive fundamentals in the occupier market should restore I&L as the UK's lead-performing sector over the medium term'.

***CBRE UK Real Estate Market Outlook (2023)***

- 'The UK logistics market will experience continued occupational demand above long-term averages, with third-party logistics distributors leading take-up, as organisations seek more flexibility in their supply chains. Vacancy rates will remain critically low, as build-to-suit development grows. Industrial and logistics assets will remain attractive to investors with continued rental growth expected'.
- 'Demand from occupiers will continue through 2023, with take-up volumes remaining above the 10-year average. Big-box logistics space under offer at the end of Q3 totalled 16.8 million sq.ft (up 27% year on year), indicating that appetite from occupiers for warehouse and manufacturing space is still strong, despite caution over the impact of the costs of living on consumers, and slowdown in retail spend'.
- 'Vacancy rate is set to remain at a critically low level, with lack of available units hindering take-up levels. Rental growth will continue, driven by the demand and supply imbalance'.
- 'The logistics sector will reinforce its position as a major contributor to total real estate investment and will remain an attractive asset class'.

***Colliers Industrial and Logistics Market Pulse 2023 UK***

- 'Forecasting an average rental growth of 3.7% for 2023, with the industrial sector outperforming any other commercial real estate sectors to 2027 (4.2%)'.
- 'Online spending is to remain elevated compared to pre-pandemic levels, which will prompt some occupiers to improve their supply chains'.

## 7 Summary & Recommendations

- 7.1.1 The I&L sector is booming nationally. Even before the Covid-19 Pandemic the I&L market had been growing strongly with demand outstripping supply. The Covid-19 Pandemic has merely accelerated a number of growth drivers that were already in place such as online shopping and the desire for quick deliveries. Brexit too is increasing I&L demand as companies consider bringing part of their operations back to the UK to guard against future supply chain shocks, as well as increasing their inventory levels.
- 7.1.2 Crawley, the Lichfields FEMA, and the Savills FEMA have all been supply constrained historically, with availability having been below the 8% equilibrium rate for much of the last decade. Another confirming factor of demand outstripping supply is the high rental growth, which has been three times the rate of inflation across all three geographies.
- 7.1.3 In terms of unit size, the Lichfields FEMA, the Savills FEMA and Crawley have a lack of supply of larger units relative to the England average. Units between 250,000 and 500,000 sq.ft represent 12% of total inventory across England, but just 4% in the Lichfields FEMA and Savills FEMA, and 7% in Crawley. The situation is even more stark for units above 500,000 sq.ft where the Lichfields FEMA, Savills FEMA and Crawley have no supply versus 11% across England. This lack of large units supply is constraining growth in Crawley, Lichfields FEMA and Savills FEMA given these larger size bands have accounted for 41% of all leasing demand (i.e. net absorption) in England over the last 5 years.
- 7.1.4 The lack of larger unit supply in the Lichfields FEMA, the Savills FEMA and Crawley, coupled with the strong occupier demand for these size bands, has led there being critically low availability. Gatwick Green offers a large strategic site in a prime location that can facilitate the delivery of new high specification units above 250,000 sq.ft.
- 7.1.5 Against this context of exceptional growth in the sector, it is our experience that local authorities routinely underestimate demand for I&L uses. We have reviewed Crawley Borough Council's employment evidence used to inform the Draft Local Plan. The selected labour demand method fails to account for current day market drivers which has led to an underestimation of 'true' market demand for I&L uses within Crawley.
- 7.1.6 The Savills' approach to estimating future demand is aimed at building on the Council's employment evidence by quantifying the impact historic supply constraints have had on 'suppressing' demand. Our methodology is NPPG-compliant as it builds upon historic demand (net absorption), adjusting past trends for historic supply shortages and the subsequent loss in demand. We refer to this as 'suppressed demand', which is added to the historic demand trend as a top-up. For the Savills FEMA demand estimates, we also factor in demand that is being lost from London due to former I&L sites being redeveloped for housing. The Savills FEMA by way of its adjacency to South London is a prime candidate to pick up I&L demand that has been displaced from London.
- 7.1.7 Savills' full methodology usually considers the effect of e-commerce on future demand for I&L land. However, to be conservative, the two demand scenarios do not include additional demand from the predicted increase in e-commerce into the future which would likely increase future demand further.
- 7.1.8 Based on Savills' demand methodology, over an 18 year period which is consistent with the EGA (2023), the first run of the model using the Lichfields FEMA estimates I&L demand within Crawley to be 69 ha of land. The second run of the model uses the Savills FEMA and includes the effects of demand being lost from London, which estimates I&L demand within Crawley to be 118 ha of land. To be conservative, displaced demand that is being lost from London is not included in the Lichfields FEMA demand estimates given its geographic proximity, and the absence of any local policy to address the unmet needs of London.

7.1.9 Savills' estimate of I&L demand is significantly higher than the EGA (2023) estimate of 22.9 ha for industrial uses over the 18 year period. Savills' much higher demand estimate clearly evidences that a strategic site such as Gatwick Green is needed, and will attract substantial market interest.

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# Appendix 3

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## Evaluation of Scope of Economic Evidence



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## Scope of economic evidence under PPG: Lichfields and Savills

Planning Practice Guidance	Lichfields (2020)	Savills (2023)
Best fit FEMA - Horsham, Crawley, Mid Sussex	✓	✓
Review of existing stock	✓ *	✓ **
Patterns of employment land/floorspace supply and loss	✓ *	✗
Market demand: <ul style="list-style-type: none"> <li>• Locational requirements</li> <li>• Premises requirements</li> <li>• Market intelligence</li> <li>• Surveys of business needs</li> <li>• Discuss with agents/developers</li> <li>• Engage with business forums</li> <li>• Demand and supply mismatch – quantitative and qualitative</li> <li>• Market segments over/under supplies</li> </ul>	✓ * ✓ *	✓ **
Wider market signals / intelligence: <ul style="list-style-type: none"> <li>• Economic growth</li> <li>• Diversification</li> <li>• Innovation</li> <li>• Market failure</li> <li>• Business trends</li> <li>• Innovation</li> <li>• Understanding business models (e.g. on-line platforms)</li> <li>• Business, economic and employment stats</li> <li>• Long term economic cycles</li> <li>• Alternative economic scenarios</li> </ul>	✓ **	✓ **
Forecasts using market signals: <ul style="list-style-type: none"> <li>• Labour demand</li> <li>• Labour supply</li> <li>• Past take-up rate</li> </ul>	✓	✗
And/or forecast based on future property market requirements	✗	✓ **
Assessing the need for logistics: <ul style="list-style-type: none"> <li>• Engage with logistics occupiers and developers</li> <li>• Analyse market signals</li> <li>• Analyse economic forecasts: changes in demand / growth</li> <li>• Engage with LEPs and take account of LISs</li> <li>• Most appropriate locations to meet needs for logistics</li> <li>• Consider needs of SMEs / Last mile uses</li> </ul>	✗	✓ **

Key	
✓	Fully covered
✓	Partly covered
✗	Not covered
*	Undertaken in 2020
**	Undertaken in 2023
**	Topic Paper 5 2023

# Appendix 4

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Strategic Industrial and Logistics – Location and Complementarity



**GatwickGreen**

WHERE THE FUTURE WORKS

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# Strategic Logistics

## Location and Complementarity

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## **Appendix A** - Examples of co-location of Airports and logistic parks

# 1 Introduction

## 1.1 Purpose

- 1.1.1 This report has been prepared on behalf of the Gatwick Green Limited (GGL) and is provided to support GGL's representations to the Draft Crawley Borough Local Plan 2024-2040, May 2023, (DCBLP). Its aim is to identify the factors that influence the location of strategic logistics and to provide evidence that there is a high degree of complementarity between Gatwick Green, the Manor Royal Business District (Manor Royal), the Horley Business Park and the other Main Employment Areas (MEAs) in Crawley Borough.

## 1.2 Report Structure

- 1.2.1 The report is structured as follows:

- **Section 2** discusses the guidance on the locational considerations for strategic Industrial & Logistics (I&L) uses in national and local policy and regional strategies.
- **Section 3** presents what the I&L market considers to be the key locational considerations to provide quality logistics and supply-chain linkages.
- **Section 4** evidences the role of airports in attracting strategic I&L development, with reference to several benchmark airports.
- **Section 5** provides evidence to support the complementarity between Gatwick Green, Manor Royal, the Horley Business Park and the other MEAs.
- **Section 6** provides conclusions.

## 1.3 Report's Key Findings

- 1.3.1 The report's key findings include:

- National, regional and local policies guidance and strategies all variously identify the key factors that drive the location of strategic I&L uses, such as: accessibility to the motorway network, customers and suppliers, a large labour pool, freight handling infrastructure (such as Gatwick Airport) and London.
- When policy and guidance is applied to the regional/local context, it points directly to the Crawley/Gatwick area as the prime location for such uses to leverage various economic benefits.
- UK airports are a major locational driver for strategic I&L development – by comparison with several benchmark airports, it is clear that the strategic I&L uses are very under-represented in the hinterland of Gatwick Airport, and especially with regard to very large units (above 250,000 sq.ft).
- A range of property-based evidence clearly shows that Gatwick Green would complement Manor Royal, the other MEAs in Crawley and the Horley Business Park by offering different and mutually supportive opportunities for large and very large I&L units that cannot be accommodated at Manor Royal without harming its mixed business function.

- The agglomeration benefits of Gatwick Green further strengthen the complementarity between the Site and the other MEAs by providing business growth opportunities for existing general business employment areas.

#### **1.4 Reader Note**

- 1.4.1 When we refer to the Industrial and Logistics (I&L) sector we mean Light Industrial (formerly B1c use class now part of Class E), General Industry (B2 use class) and Storage and Distribution (B8 use class). Effectively the primary use classes that require warehouses and factories (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 Policy considerations

### 2.1 Introduction

2.1.1 An understanding of the advice and guidance contained in national and local policies and other regional studies provides an important overview of what the UK Government, regional authorities and Crawley Borough Council consider are the priorities for the location of strategic I&L from a public interest perspective. This, in turn, provides a useful context for the assessment of the market locational drivers for strategic logistics and the extent to which these indicate the optimum location for such economic infrastructure within the Coast to Capital LEP and Gatwick Diamond areas.

2.1.2 This section therefore outlines key policy / guidance on the location of strategic I&L contained in the following documents:

- The National Planning Policy Framework 2021 & Planning Practice Guidance
- The TfSE Freight Logistics and Gateways Strategy (2022)
- The Local Industrial Strategy, 2021 and the Strategic Economic Plan (2018) (Coast to Capital LEP)
- The adopted Crawley Borough Local Plan 2015-2030 (CBLP, December 2025)
- The Draft Crawley Borough Local Plan 2024-2040 (DCBLP, May 2023)

### 2.2 National Planning Policy Framework, 2021 (NPPF) & Planning Practice Guidance (PPG)

2.2.1 The NPPF contains high level guidance on what LPAs should do to address the needs of the different sectors, including for storage and distribution operations. This states that LPAs should, *inter alia*, recognise and address the specific locational requirements of storage and distribution operations at a variety of scales and in suitably accessible locations.

2.2.2 PPG provides further guidance (Paragraph: 031 Reference ID: 2a-031-20190722) on what these locational requirements are. It states as follows (Savills emphasis):

*“The logistics industry plays a critical role in enabling an efficient, sustainable and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities, and has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land).*

*Strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport networks, sufficient power capacity and access to appropriately skilled local labour. Where a need for such facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas.”*

2.2.3 National planning policy and guidance therefore recognises the critical role of the logistics sector to the UK economy – this represents important economic infrastructure, which has the potential to improve the UK’s productivity in line with the objectives in the UK Government’s policy paper on growth<sup>1</sup>.

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<sup>1</sup> Build Back Better: our plan for growth, UK Government, March 2021

- 2.2.4 The locational requirements of the sector are set out clearly in PPG, including the need for significant areas of land, access to strategic transport networks, sufficient power capacity and access to skilled labour; the last point recognises that modern strategic logistics requires a highly skilled and professional workforce.

## 2.3 Regional guidance

- 2.3.1 Transport for the South East (TfSE) has published an important strategy on freight logistics and gateways, supported by a significant evidence base prepared by WSP consultants: the Freight, Logistics and Gateways Strategy (FLGS, 2022). This is a comprehensive report details TfSE's commitment to reducing carbon, improving efficiency in Freight Transport and improving understanding of the needs of the logistics sector. The FLGS highlights the importance of logistics and freight and how it can be accommodated in more sustainable ways; in relation to the location of logistics development in the South East, Work Package 5 (Operational & Planning Considerations, para 2.3.34) states that:

*"The burgeoning freight and logistics sector is an emerging economic driver driven by both the proximity of strategic road and rail networks, international gateways and clustering of suppliers, wholesales and third party logistics providers, offering competitive advantages through supply chain efficiencies. Alongside high-profile companies such as Amazon who had established distribution hubs pre pandemic across counties such as Kent amidst the boost in e-commerce, there is a requirement by public authorities to unlock land in conducive locations and provide the necessary infrastructure. The TfSE area is blessed with several international gateways which should be exploited."*

- 2.3.2 The advice to LPAs is therefore to harness the locational advantages of their areas to accommodate this critically important economic infrastructure. In the case of Crawley, this means land accessible to the Strategic Road Network (M23 motorway), international gateways (Gatwick Airport), the London to Brighton mainline rail (Gatwick Airport and Three Bridges stations), and other major employment areas that could offer agglomeration benefits (e.g. Manor Royal).
- 2.3.3 Further regional guidance is contained in a number of strategies produced by the Coast to Capital LEP, which contain a number of findings on the locational aspects of major industrial and logistics development. The Local Industrial Strategy (LIS) is specifically referenced in PPG as a consideration in determining the scale and location of strategic I&L development. Various extracts are noted below (with Savills emphasis).

### **Local Industrial Strategy (LIS) and the evidence based documents (Coast to Capital LEP, 2020)<sup>2</sup> (Savills emphasis)**

*"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."<sup>3</sup>*

*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).*

<sup>2</sup> Local Industrial Strategy - Commercial Property Study (CPS) December 2019; Draft Economic Profile (DEP), February 2020

<sup>3</sup> Coast to Capital Local Industrial Strategy, Draft Interventions and Logic Chains, LIS Panel, January 2020

*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).*

*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).*

### **Coast to Capital Strategic Economic Plan 2018-2030 (Gatwick 360°, 2018)**

- 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.

### **Build Back Stronger, Smarter and Greener (Coast to Capital LEP, 2020):**

This study contains a section dedicated to the importance of Crawley/Gatwick as a key location for growth (Build back stronger. Crawley and Gatwick: A centre for global growth); it concludes:

*“We need to learn to see Gatwick airport for what it is: a large scale integrated transport hub which has the same potential as any of the new HS2 destinations for economic transformation. This will require an appropriate growth vehicle to create the vision and attract public and private investment to deliver the infrastructure that the region needs to support development. To do this, we must promote the untapped potential of Crawley and the towns around it, to leverage the airport and make a full contribution to the future economy of Global Britain.”*

### **“One Town” Crawley’s Economic Recovery Plan 2022-2037 (Crawley Borough Council, 2021)**

This plan provides a vision for Crawley’s future socio-economic prosperity, including a strategy for existing delivery programmes. The critical elements of the recovery plan are:

1. A ‘one town’ vision centred on green growth economy delivered through, *inter alia*, a new site to help boost jobs for residents.
2. Tackle long term structural economic challenges by attracting business investment, addressing the limited supply of employment land, unlocking green infrastructure, strengthening the local workforce and transforming sustainable transport and digital capacity.
3. Delivering a diverse and resilient economy – though flagship interventions, including unlocking sufficient suitable employment land to drive recovery.
4. A Green Transformation based on a comprehensive approach to securing a greener economy, including green transport.
5. Skills for the Future – though new and upgraded skills and training facilities.
6. A connected Crawley through a range of sustainable transport infrastructure.

## **2.4 Crawley Borough Local Plan 2015 – 2030 (adopted 2015)**

- 2.4.1 The adopted Crawley Borough Local Plan identified a shortfall in employment land of 35 ha and the need for this to be addressed in the future. In terms of the location of that economic growth, the Plan

states that:

*“...a thorough assessment of employment site options will be undertaken once a final decision has been made by the government on UK airport expansion and safeguarding. It is recognised that the significant demand for business land should in the first instance be directed to Crawley, building upon its key role as the economic focus at the Heart of the Gatwick Diamond and excellent connectivity with Gatwick Airport.”*

2.4.2 This emphasis was enshrined in Policy EC1, which identified an Area of Search for strategic employment (Savills emphasis):

*“The preferred location for strategic employment is within the borough, to the north of Manor Royal and south or east of Gatwick Airport, identified as the Area of Search on the Key Diagram. However, given current safeguarding of this land for a possible second runway at Gatwick, work required to identify an appropriate site, or sites, for further business development will take place after the government has issued a final decision on additional runway capacity in the UK, and has determined whether the area should still remain safeguarded.”*

2.4.3 The Council’s long-standing strategy recognises the major locational attributes of the Crawley/Gatwick area, which are enshrined in policy, i.e. its connectivity to the Airport and its location at the heart of the Gatwick Diamond<sup>4</sup>. This focus on accommodating strategic employment at Crawley has been continued into the Draft Crawley Borough Local Plan 2024-2040 (DCBLP, May 2023): this recognises the locational advantages of the land east of Gatwick by allocating it for a 44 ha Strategic Employment Location (SEL), whilst also retaining the long-term possibility of a southern wide-spaced runway at Gatwick Airport. There are two points to note, (1) that the decision on runway capacity in the South East has been taken with the expansion of London Heathrow Airport, so now is the right time to be addressing these long-standing unmet employment land needs, and (2) that the land south of Gatwick Airport is safeguarded for airside operational uses associated with the possible wide-spaced second runway, so Crawley BC has rightly concluded that land to the east of the Airport previously safeguarded for landside surface level car parking uses should be the focus of meeting the outstanding needs.

2.4.4 Overall, the national, regional and local policy guidance and strategies all variously identify the key factors that drive the location of strategic I&L uses, and when applied to the regional/local context, point directly to the Crawley/Gatwick area as the prime location for such uses to leverage various economic benefits.

2.4.5 The following section goes on to outline the why the market sees Crawley as a prime I&L location and why the proposed Gatwick Green allocation represents a strategically important site.

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<sup>4</sup> The Gatwick Diamond is a not-for-profit organisation, owned and run by our members, with the purpose to **support** the success of Gatwick Diamond businesses and to **promote** the **Gatwick Diamond** as an economic area of regional and national importance, extending from Croydon to Brighton with Gatwick Airport at its heart.

## 3 Crawley is a Prime I&L Location

### 3.1 Introduction

- 3.1.1 Within this section, we consider how Gatwick Green's (the Site) location and scale afford it a number of strategic advantages which make it a regionally significant I&L opportunity. It considers the Site's locational context including proximity to strategic HGV and LGV routes, major freight handling infrastructure, and access to end customers, businesses and labour supply. Effectively, it is a prime I&L site of regional significance that can meet local needs and service the M23 corridor and the wider south coast sub-markets.
- 3.1.2 Crawley, like all local areas, is part of a wider sub-regional market, and therefore is subject to supply and demand forces which need to be assessed beyond its local authority boundaries. This is true for many commercial sectors, but it is particularly important for I&L occupiers which typically have distribution networks linking their customers and suppliers of between 1 to 4 hours' travel time, sometimes longer, depending on their size. The strategic nature of I&L means that it can service the needs of a regional and national market, whilst providing employment and skills training both locally, and also off-site across the wider supply chain.

### 3.2 Crawley is a prime I&L location

- 3.2.1 Gatwick Green's location benefits from a number of strategic advantages which make it ideal for I&L development as detailed below. This largely reflects the locational factors identified in PPG and regional strategies.
- **M23 is a nationally significant motorway** - As shown in **Figure 3.1**, the M23 is a nationally significant movement corridor that facilitates over 10,000 HGV and LGV movements per day. Being directly adjacent to a junction on such an important motorway is extremely beneficial for I&L occupiers. According to Savills European Logistics Census<sup>5</sup>, location is the most important factor impacting business investment decisions in the I&L sector (89% of respondents).

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<sup>5</sup> Savills European Logistics Census (2021) is a survey of over 400 occupiers, developers, investors, landowners, asset managers, agents and advisors involved in the I&L sector. Its aim is to understand opportunities and challenges facing the sector and is available at <https://pdf.euro.savills.co.uk/european-commercial-markets/spotlight---european-logistics-census-winter-2021-2022.pdf>



**Figure 3.1 Busiest LGV and HGV Movements**

Source: Savills; DfT, 2023

- High accessibility to suppliers and end customers** - Most I&L occupiers have supply chains linking themselves with their suppliers and end customers of between 1 to 4 hours travel time. If we take a middle ground of 2 hours, which is appropriate for most companies, over 24 million people (40% of England and Wales's population) and over 1 million businesses (45% of England and Wales's businesses) can be accessed from Gatwick Green<sup>6</sup>. Such impressive numbers are because of large conurbations including London, Southampton, Portsmouth and others which are all accessible from the Site within 2 hours.
- High accessibility to a large labour pool** - We consider a 32-minute drive time catchment to be appropriate for accessing labour from the Site. This is the average home-to-work travel time for Crawley BC<sup>7</sup>. Within this catchment, approximately 580,000 working-age people (aged 16-64) are reachable, representing a high level of workforce accessibility and a considerable labour pool for future businesses located at Gatwick Green.
- Ability to link with major freight handling infrastructure** – I&L developments not directly linked to or within the estate of key freight handling infrastructure, but located nearby, can benefit from its use as part of their wider supply chains. We consider a 2 hour drive time catchment as suitable in capturing the majority of I&L businesses that may use freight handling infrastructure as part of their supply chains. There are 19 rail freight interchanges within the 2 hour drive time catchment of the Site, 13 ports including Dover, Southampton and Portsmouth, and 9 airports including Luton, Heathrow and Gatwick. Gatwick airport specifically, which the Site lies directly

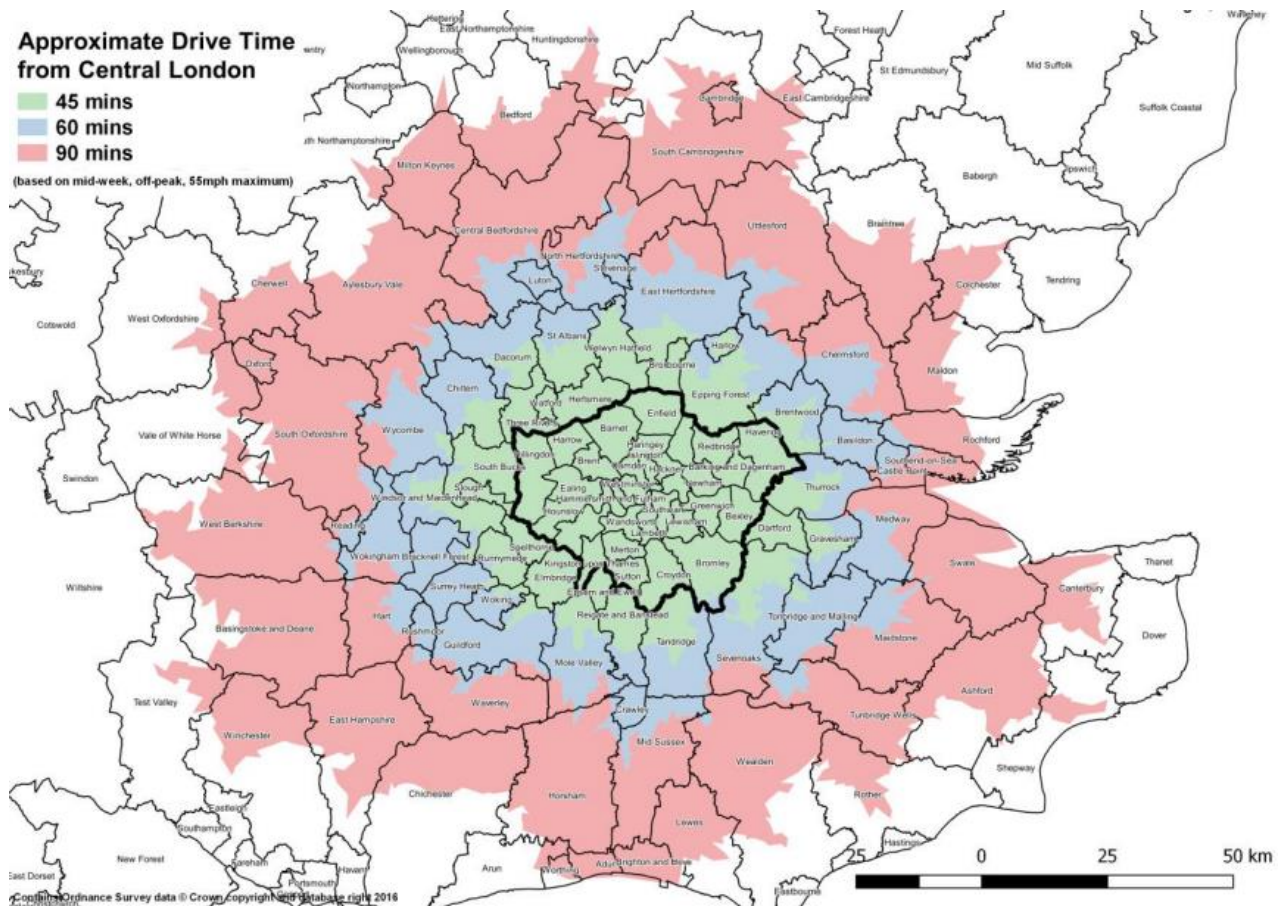
<sup>6</sup> This analysis uses GIS conducted on ONS Population Estimates and Business Count data at Middle Layer Super Output Areas (MSOAs)

<sup>7</sup> ONS User Request Data – 2018: TRVTME Usual home to work travel time (minutes) by local authority

adjacent to, is the 2<sup>nd</sup> busiest passenger airport in the UK (pre-pandemic - over 46 million passengers per annum<sup>8</sup>).

- Proximity to London** – Gatwick Green lies approximately 10 miles and 25 miles from junction 7 of the M25 and Central London, respectively. As a result, it provides ready access to London and subsequently affords future occupiers the ability to service the London market which suffers from a serve lack of I&L supply. The 2017 London Industrial Land Demand Study<sup>9</sup> provided an indication of the potential to service the London economy from outside by illustrating drive-time catchments to Central London. As illustrated by the map in **Figure 3.2**, Crawley BC is fully contained within the 60-minute drive time catchment from Central London, which makes it ideally located to attract demand from I&L occupiers which service the London economy. This is likely to become a growing phenomenon given former I&L sites are being redeveloped in London for housing to help address the housing crisis. According to the London Industrial Land Demand Study, between 2006 and 2015, London’s loss of industrial employment land averaged 96 ha per annum, increasing to 106 ha per annum for the more recent 2010 to 2015 period.

**Figure 3.2 Drive Time Catchment Areas to Service Central London**



Source: CAG, 2017

3.2.2 Overall, there are six reasons why Gatwick Green is considered to be a prime I&L location. These are closely aligned with the locational considerations identified in national planning guidance (PPG) and regional strategies, and in turn are reflected in the identification of the Area of Search for

<sup>8</sup> Civil Aviation Authority (2020)

<sup>9</sup> CAG (2017), London Industrial Land Demand Study

employment development east and south of Gatwick, and the proposed allocation of Gatwick Green.

## 4 The role of Airports as a focus for logistics

### 4.1 Gatwick Airport

- 4.1.1 Airports have always been important economic generators for the local and regional economies within which they are located. However, in more recent times they have transformed from a facility with the sole purpose of transportation to one which offers an array of services and amenities, including shops, restaurants, hotels and entertainment. This recognises that airports can perform beyond their traditional aeronautical services to obtain high amounts of revenue (40-60%) through non-aeronautical revenue, as well as catalysing numerous real estate opportunities in the areas surrounding them, such as hotels, offices, medical facilities and more. In response, the 'Airport City' concept has emerged in many airports across the world and its applicability to Gatwick Airport is evident.
- 4.1.2 Within this report, a number of key European Airports were reviewed to help understand how commercial development is responding to airport growth. These case studies help to demonstrate that the 'Airport City' concept is real and is being aggressively pursued in Europe and throughout the world, whether it be a 20 million or 70 million passenger airport. A clear correlation has been established between growth in passenger numbers and freight volumes and the ability of airports to attract new commercial development, both in terms of larger companies as well as certain business sectors that are attracted to the agglomeration benefits of an airport location. Land surrounding airports has always been suitable for I&L development and the unique location of Gatwick Airport in proximity to major roads and urban centres means it is a natural location for the storage and management of goods.
- 4.1.3 Accordingly, adjacency to Gatwick Airport is considered to be crucial to maximising the economic and investment opportunity for commercial uses in particular. Focusing development activity where it will be in most demand and achieve the highest values should enable new commercial uses at Gatwick Green to best contribute to wider infrastructure needs of the region, sub-region and Borough. The majority of future infrastructure requirements will benefit both the Airport and Gatwick Green and therefore offer investment and utilisation efficiencies that will also advance the transport sustainability objectives of the Council. Finally, there is a lack of alternative development sites in the wider region of this scale with such strong motorway and rail accessibility, not to mention adjacency to a large and growing international airport. Existing employment clusters within a 10 km radius of Gatwick Airport are relatively small in size at between 5 to 15 ha versus 44 ha for Gatwick Green. Manor Royal is the exception at 240 ha, but it is restricted from growing its footprint under adopted Local Plan policy on safeguarding. The existing employment areas within a 10 km radius of the Airport have limited land and floorspace availability to accommodate the strong future I&L floorspace demand identified in Savills report on Crawley's employment land needs<sup>10</sup>. Gatwick Green represents a prime opportunity to accommodate this future demand alongside a growing Gatwick Airport.
- 4.1.4 The importance of Gatwick Airport is acknowledged by the Coast to Capital (CTC) LEP, which identifies it as the single biggest driver of economic growth in the area. Its influence is especially important to the M23 corridor. CTC encourages the collaboration of planning and strategic authorities around Gatwick to maximise the economic potential of the area around the airport. The excellent public transport and road connectivity of the airport, and the lack of planning constraints on land to its east (with the removal Safeguarding from the Gatwick Green allocation in the DCBLP, 2023), make it an ideal anchor for further development of I&L space, which is in acute demand in the area.

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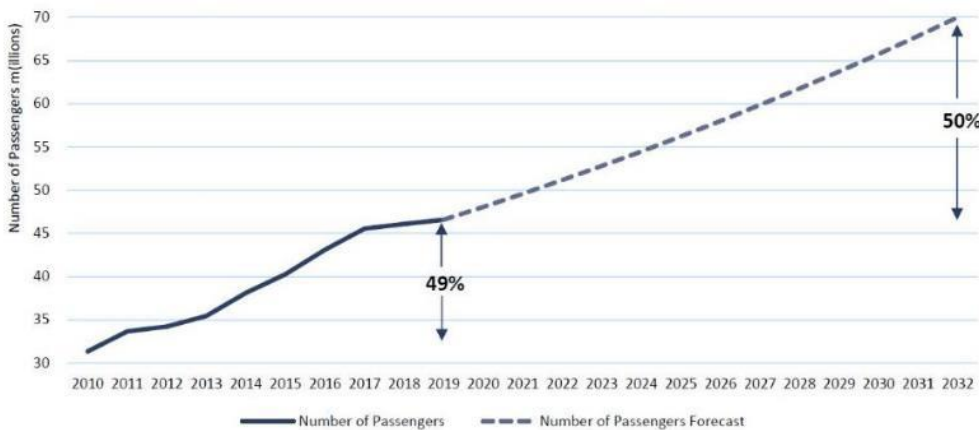
<sup>10</sup> Gatwick Green, Crawley – Strategic Industrial & Logistics – Market Demand Forecasts for Crawley, Savills, June 2023

By developing the economic infrastructure around the airport, the airport and its zone of influence can benefit not only Crawley, but the wider sub-region and region.

**Gatwick Airport & Crawley Area**

4.1.5 Figure 4.1 below shows that the historic number of passengers flying from and to Gatwick airport (data from February 2019). The number of passengers has grown by 49% over the nine years prior to 2019. This is equal to a compound annual growth rate of 4.5%.

*Figure 4.1 – Number of Passengers*



Source: Department for Transport Statistics Table TSGB0202b (AVI0102b), Gatwick Airport Master Plan 2019

Source: Department for Transport Statistics Table TSGB0202b (AVI0102b), Gatwick Airport Master Plan 2019

4.1.6 Gatwick Airport consulted on its Northern Runway plans in 2021 and 2022. This proposes the use of the northern emergency runway for operation use, enabling the airport to grow its passenger numbers ahead of its proposed long-term plans for a southern wide-spaced runway; the Gatwick Airport Master Plan (GAMP) was published in 2019 and whilst retaining the long term safeguarding for the wide-spaced runway, it stated that it is no longer actively pursuing plans for an additional runway. The Northern Runway plans contain a forecast of 75 million passengers by 2038 based on bringing the standby (emergency) runway into regular use for departing aircraft. This is a 127% growth over 16 years. Alongside significant forecast growth in passenger numbers, the volume of cargo handled by Gatwick is forecast to increase from 150,000 tonnes in 2019/20 to around 350,000 tonnes per year by 2047 if Northern Runway proposals are realised<sup>11</sup>, an increase of 223%.

**4.2 UK Airports and Commercial Floorspace**

4.2.1 Land surrounding airports is generally well-connected with regard to major roads and population centres. The economic role of airports and the land surrounding them has therefore rightly been recognised in Government policy through the designation of Enterprise Zones (EZ) and Freeports (FP), e.g. Solent centred on Southampton Airport (FP), and East Midlands (FP). For example, in the Solent Freeport, the proposed Navigator Quarter comprises parcels of land adjacent to the North and East of the Airport comprising c 46 ha of light industrial, warehouse and science park

<sup>11</sup> London Gatwick Press Releases (2021) [https://www.mediacentre.gatwickairport.com/press-releases/all/21\\_09\\_20\\_cargo\\_and\\_nrp.aspx#:~:text=The%20volume%20of%20cargo%20handled,into%20routine%20use%20is%20realised.](https://www.mediacentre.gatwickairport.com/press-releases/all/21_09_20_cargo_and_nrp.aspx#:~:text=The%20volume%20of%20cargo%20handled,into%20routine%20use%20is%20realised.)

development.

4.2.2 These designations have and are attracted significant strategic I&L uses, attracted by co-location with international airport hubs and the Strategic Road Network (SRN). The key airports where these designations apply are:

Enterprise Zones:

- Blackpool Airport
- Luton Airport
- Manchester Airport City
- Cardiff Airport

Freeports:

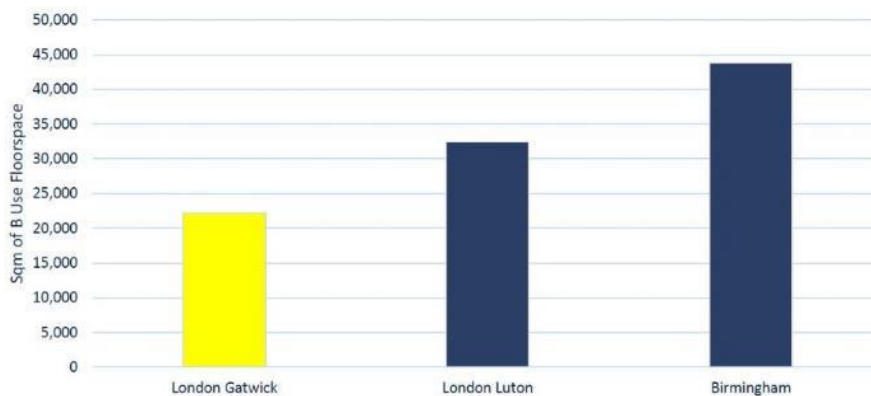
- East Midlands Airport
- Teesside International Airport
- Liverpool Airport
- Southampton Airport

4.2.3 A good example is the Manchester Enterprise Zone (MEZ), which contains the nearby Global Logistics, just southwest of the airport, and offers flexible plots for logistics development from 20,000 sq.ft to 600,000 sq.ft, with capacity for over 2m sq.ft of logistics.

4.2.4 Local Authorities are also recognising the important contribution airports and nearby I&L development can play, with consents recently granted next to Stansted Airport for a new industrial estate of c 40 ha with capacity for c 2m sq.ft of logistics. Hounslow Council has also proposing a major new I&L allocation on Hatton Fields next to Heathrow, and the development of CGX Connect at Gloucestershire Airport.

4.2.5 Figure 4.2 below shows the existing provision of B use floorspace per million of passengers within a 2 mile radius from key UK airports (based on data from February 2020). This shows Luton and Birmingham having a higher provision per million passengers than Gatwick Airport, illustrating the under-provision of B use floorspace in Gatwick’s zone of influence. This is 32% less than London Luton and 49% lower than Birmingham, despite these being much smaller airports.

Figure 4.2 – Existing B Use Floorspace Provision per Million Passengers



Source: CoStar 2020, Department for Transport Statistics Table TSGb0202b (AVI0102b)

Source: CoStar 2020, Department for Transport Statistics Table TSGb0202b (AVI0102b)

- 4.2.6 Outline planning permission was granted some years ago to deliver Century Park, a 28 ha (70 acre) commercial development east of London Luton airport. The park is part of the London Luton Airport Enterprise Zone, supported by South East Midlands LEP. The enterprise zone is anticipated to deliver up to 7,200 new jobs and attract inward investments to support economic growth across the sub-region. More recently, the Airport has had a Development Consent Order (DCO) application accepted by the Planning Inspectorate to permit the airport to expand from c 18 mppa to about 32 mppa, alongside the provision of a similar scale of adjacent commercial development to that envisaged by the Century Park proposal, but reconfigured to enable a viable arrangement. Plans for the Airport Business Park are also under development, proposing further office space and light industrial units.
- 4.2.7 Birmingham Airport has high access to employment floorspace with Birmingham Business Park (60 ha), Elmdon Trading Estate (17 ha) and Jaguar Land Rover Solihull (105 ha) being within a two-mile radius from Birmingham Airport. The draft local plan for Solihull identifies the airport's area as unique with the potential to deliver major growth on a nationally significant scale both to meet the economic growth aims of the Borough as well as the wider growth aspirations of the Greater Birmingham and Solihull LEP and the West Midlands Combined Authority. The same plan identifies land for employment at Damson Parkway to allow for the future expansion of Jaguar Land Rover.
- 4.2.8 It is evident from these two examples how airports are being viewed by their respective local planning authorities and LEPs as major economic drivers for attracting further economic activity. Therefore, its vitally important Crawley Borough Council and CTC LEP has taken the opportunity to identify the potential of the zone of opportunity at Gatwick and allocate prime employment land at Gatwick Green now that the DCBLP review has removed some of the safeguarding from the land east of the airport. If the Council does not seize the opportunity to harness the economic potential of a growing Gatwick Airport, the economic downsides will be felt both in Crawley Borough and more widely in the region.
- 4.2.9 This picture is reinforced when Gatwick is compared with Birmingham, Manchester and East Midlands in terms of larger I&L units over 100,000 sq.ft. Crawley currently has a significant undersupply of larger I&L units above 100,000 sq.ft 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 sq.ft. In Crawley, the proportion is much lower at only 28% or 2,380,233 sq.ft of floorspace.
- 4.2.10 Other UK airports also have much higher quanta of I&L floorspace within larger units within a 3km radius (based on data from 2021), including:
- Birmingham Airport - 3,687,990 sq.ft in large units above 100,000 sq.ft
  - Manchester Airport - 2,599,522 sq.ft in large units above 100,000 sq.ft
  - East Midlands Airport - 11,021,105 sq.ft in large units above 100,000 sq.ft
- 4.2.11 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 that economic opportunities in the I&L sector haven't been leveraged adequately in response to Gatwick Airport's growth. Gatwick Airport grew in size (passengers) by 39% over the ten year period from 2011 to 2021, yet Crawley's I&L stock grew by only 6% over the same period. However, it's not just growth at Gatwick Airport that makes Crawley such an in-demand market for I&L investment, but also the M23 and convenient links to London and the south coast.

4.2.12 The under provision of larger units in Crawley is due to the lack of large employment sites, other than Manor Royal, where capacity for large development is limited. The proposed Gatwick Green allocation will help address this. It is vitally important Crawley increases its stock of larger units. Savills Big Shed Briefing (which assesses I&L premises above 100,000 sq.ft) found that gross take-up nationally was 56% above the long-term average and that the 2022 year-end take up exceeded the pre-Covid high watermark of 37 million sq.ft by 10 million sq.ft<sup>12</sup>. The manufacturing and logistics companies which occupy larger units are major employers, many of whom are keen to locate within Crawley, but can't currently find the available space to do so.

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<sup>12</sup> Savills Research (2023), Big Shed Briefing (January 2023) Available at: <https://pdf/euro.savills.co.uk/commercial---other/big-shed-briefing-jan-23.pdf>



## 5 Complementarity with Manor Royal & Horley Business Park

### 5.1 Introduction

5.1.1 Given the evidence that points towards the importance of Crawley/Gatwick as a location for strategic I&L uses, it is important that such development would be complementary to the existing employment areas within Crawley. Policy EC4 of the DCBLP requires that this is the case. This section therefore considers how Gatwick Green will complement rather than compete with Manor Royal and thereby with the other Main Employment Areas (MEAs). We analysis inventory levels by use class at Manor Royal, demonstrating that it is a mixed business location. It also presents the size of I&L units at Manor Royal, demonstrating that larger units are underrepresented, and Gatwick Green provides an opportunity to service this segment in the market.

### 5.2 Policy Context

5.2.1 Manor Royal has an established role as a strong and competitive mixed business district. Strategic Policy EC1 (Sustainable Economic Growth) of the DCBLP states that the Council's recognised economic role and function will be maintained and enhanced through building upon and protecting the established role of Manor Royal as the key mixed business location in Crawley.

5.2.2 In comparison, the focus of Gatwick Green is towards the delivery of larger I&L units. This distinction is recognised in the DCBLP at paragraph 9.20 (p109) that states that Manor Royal is identified as the focus for mixed business-led development, and Gatwick Green is in contrast allocated for industrial and distribution-led growth. Paragraph 9.27 (p110) states that land at Gatwick Green is allocated for the delivery of a high-quality industrial-led Strategic Employment Location.

5.2.3 It is considered that these policy aspirations are reflective of market realities.

### 5.3 Manor Royal is a mixed-use employment area

5.3.1 Manor Royal is a mixed commercial location comprising 12% industrial (former B1c now E Class/B2) floorspace, 57% logistics (B8) floorspace, and 31% office (former B1a now Class E) floorspace<sup>13</sup>. **Table 5.1** presents Manor Royal's current split of inventory by Number of Buildings and average size.

**Table 5.1 Manor Royal's Inventory by Number of Buildings (%) and average size**

Use Class	Number of Buildings	Average Unit Size (sq.ft NIA)
Industrial (B1c/B2)	27 (12%)	39,508
Logistics (B8)	127 (57%)	43,370
Office (B1a)	68 (31%)	27,994

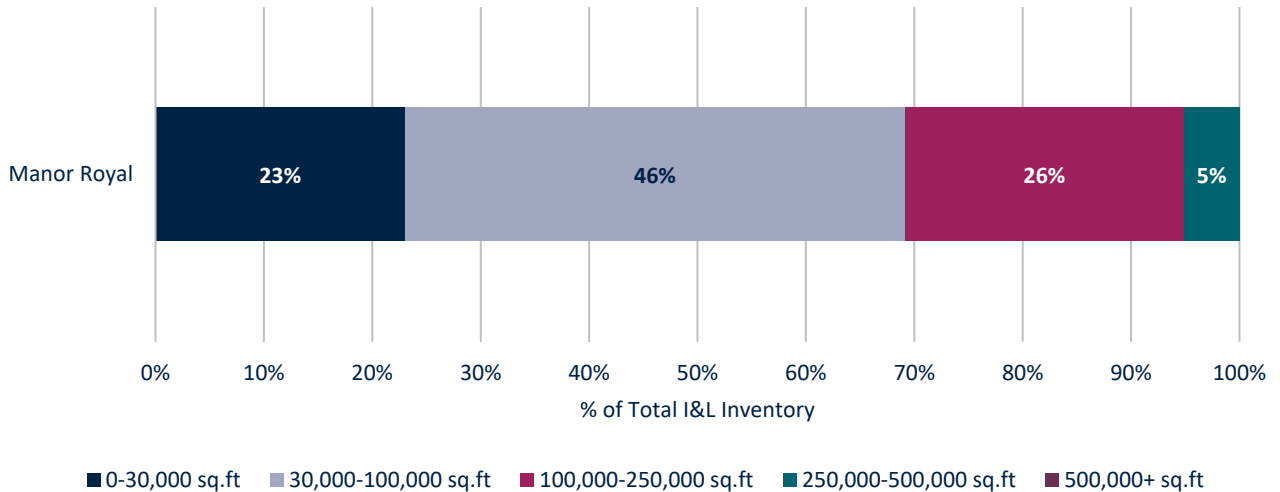
Source: CoStar, Savills 2023

<sup>13</sup> CoStar 2023

**5.4 Manor Royal’s I&L inventory is concentrated in smaller and mid-box units**

5.4.1 Figure 5.2 presents Manor Royal’s I&L inventory by size band. It shows that the majority of I&L inventory (69%) are small and mid-box units of less than 100,000 sq.ft in size. The remaining inventory is split 26% in units between 100,000 to 250,000 sq.ft, with only 5% in units above 250,000 sq.ft.

**Figure 5.2 Manor Royal’s I&L Inventory by Size Band**



Source: CoStar, Savills 2023

5.4.2 Gatwick Green proposes to predominantly cater for strong demand from larger logistics and industrial occupiers. Crawley BC and the FEMA have a lack of supply of larger units relative to the England average and a 0% availability rate for units above 250,000 sq.ft. Given I&L units of this size represent only a small proportion of Manor Royal’s employment premises, it’s clear Gatwick Green will fill a gap in the market for larger units and will complement Manor Royal’s commercial offer.

5.4.3 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>14</sup>). Crawley has a relative under provision of very large units above 250,000 sq.ft (Figure 5.2) at 7% of total inventory, when compared to the national average of 23%, 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-represented segment of the market. Given the site is currently undeveloped, Gatwick Green’s economic impact via new jobs and investment will be purely additional.

5.4.4 This contrasts markedly with Manor Royal. According to CoStar<sup>15</sup> only 21 of its 193 I&L premises are large units of over 75,000 sq.ft, with only 1 of these being very large 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

<sup>14</sup> Crawley Borough Local Plan Topic Paper 5: Employment Needs and Land Supply (January 2021)

<sup>15</sup> CoStar (2023) is a leading commercial database tracking commercial lease and sale transactions, space available to the market, quality of stock, tenant information and market trends

Manor Royal.

- 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.
- 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.

5.4.5 In terms of the final bullet point, the Manor Royal Economic Impact Study (2018)<sup>16</sup> 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."*

5.4.6 As set out in the DCBLP, Manor Royal is proposed to remain a 'focus for business-led economic growth, for office, industrial and storage and distribution-led uses supported by other employment uses where these support the core mixed business function' rather than a strategic site solely for large/very large I&L units.

## 5.5 Horley Business Park

5.5.1 The other major employment site near to Crawley is the planned Horley Business Park (HBP) located in Reigate & Banstead Borough Council's area just south of Horley. HBP is allocated under Policy HOR9 of the Reigate & Banstead Borough Council Development Management Plan (DMP) for 31 ha (up to 200,000 sq.m) for an office-led development. Policy HOR9 states that the site is allocated for a strategic business park of predominantly offices, with a complementary range of commercial, retail and leisure facilities to serve and facilitate the main business use of the site. Gatwick Green's proposed I&L offering would not therefore compete with the strategic office provision of Horley Business Park.

## 5.6 Employment Land Trajectory

5.6.1 Savills considers strategic employment sites to be those over 20 ha 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 B and E, both of which are about 4 ha in size.

5.6.2 Manor Royal has historically been successful at redeveloping and rejuvenating itself to match prevailing market demand at the time. 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

<sup>16</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

inventory.

## **5.7 Agglomeration Benefits**

- 5.7.1 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 phenomenon is known as the benefits of agglomeration. 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 Coast to Capital and Gatwick Diamond areas.
- 5.7.2 It should also be noted that smaller companies like being located close to larger companies due to potential agglomeration benefits: Gatwick Green can offer an injection of large / very large logistics units to the benefit of Manor Royal . The benefits of this symbiotic approach would include:
- Servicing the supply chains of these larger companies.
  - Increased labour pool of skilled workers.
  - Knowledge spill over through an increased concentration of economic activity.
  - Reduction in transport costs<sup>17</sup>.
- 5.7.3 The benefits of agglomeration noted above further reinforce the complementarity of Gatwick Green with Manor Royal and the other MEAs in the Borough.

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<sup>17</sup> Brookings Institution (2015): <https://www.brookings.edu/blog/africa-in-focus/2015/11/19/industrial-cluster-who-benefits/>

## 6 Conclusions

- 6.1.1 Crawley is a pre-eminent location for strategic I&L uses in the Gatwick Diamond and Coast to Capital economic areas. These locational advantages are recognised in national and local planning policy and regional economic and transport strategies. The locational attributes of Crawley/Gatwick, and in turn Gatwick Green, include proximity to the M23 motorway; accessibility to suppliers and high-end customers; access to a large labour pool; linkages with major freight handling infrastructure (including airports), and proximity to London.
- 6.1.2 The role of airports in attracting and supporting major I&L uses is well evidenced. Gatwick has far lower amount of employment space relative to a number of benchmark UK airports, and a far lower proportion of large I&L units above 100,000 sq.ft. This demonstrates the economic draw of airports for strategic I&L uses provided the land is identified through the planning process, which has historically not been possible at Crawley/Gatwick.
- 6.1.3 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 expected planning activity is focused. Gatwick Green will therefore 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 therefore considered to be highly complementary with Manor Royal, and consequently the other Main Employment Areas in Crawley and in the neighbouring council areas.
- 6.1.4 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.
- 6.1.5 The amalgamation and redevelopment of existing employment sites in Manor Royal has a number of potentially negative implications and is contrary to the intentions of the Council and the Manor Royal BID Company, and Policy EC3. Further, the ELT demonstrates that the opportunities for redevelopment at Manor Royal are limited; involve small sites; includes several redevelopment opportunities offering limited floorspace gain, and so contrasts clearly with the large / very large logistics opportunities offered by Gatwick Green.
- 6.1.6 Gatwick Green would also be highly complementary to the Horsley Business Park, with its focus on office development, which is in stark contrast to the strategic I&L uses envisaged for Gatwick Green.
- 6.1.7 Gatwick Green offers contrasting strategic logistics opportunities that can best deliver significant agglomeration benefits to support the growth of existing Crawley businesses and attract new investment to the Borough. Such benefits cannot be delivered by the limited redevelopment and change-of-use opportunities at Manor Royal. 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 other MEAs. Such business synergies arise from the effects of agglomeration and will ensure that Gatwick Green will help to strengthen Crawley's overall economic base.
- 6.1.8 Overall, based on all the evidence, Gatwick Green is the prime location for strategic I&L uses in the sub-region, based on its proximity to Gatwick Airport and the M23 motorway. It is also considered to have a high degree of complementarity with Manor Royal, the other MEAs in Crawley and proposed Horley Business Park.



## **Appendix A**

### **Examples of Airports co-location with logistics parks**

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# Appendix A

## Examples of Co-located Airports and Logistics Parks

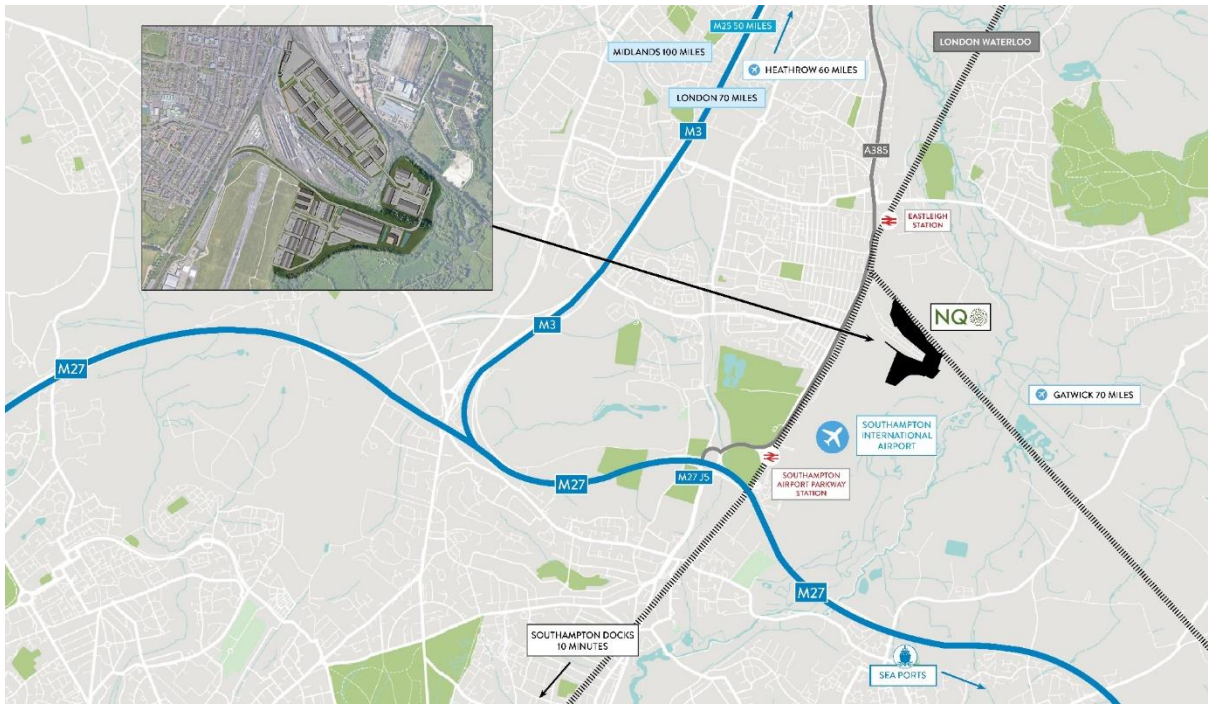
### Manchester Global Logistics Park



# East Midlands Gateway Masterplan



# Southampton Airport – Navigator Quarter



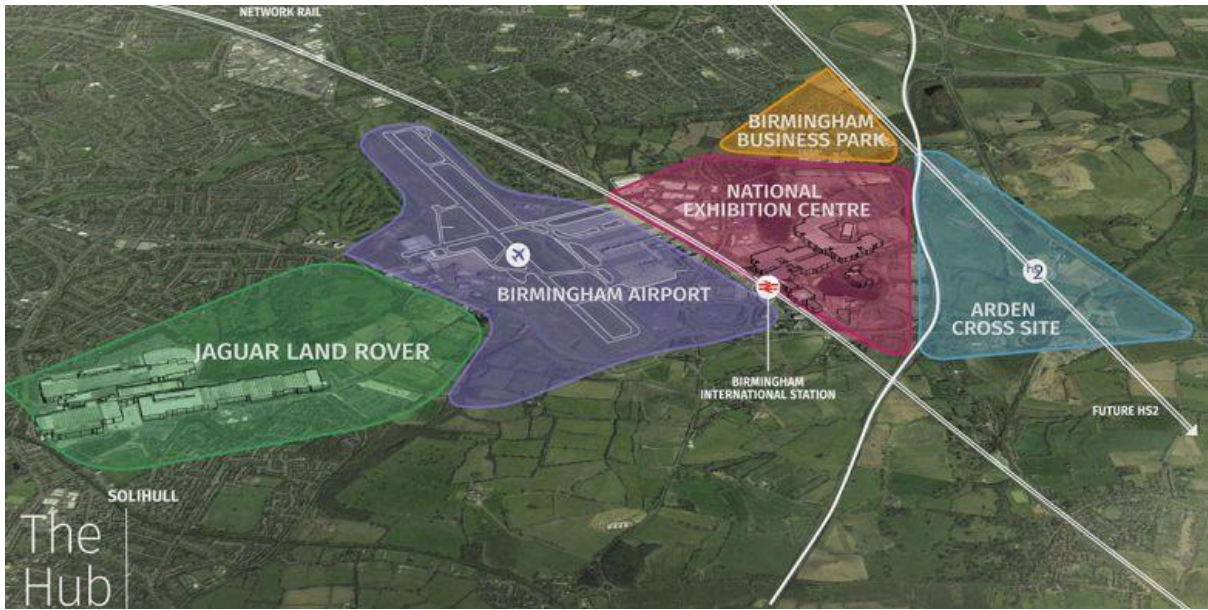
## Newcastle International Airport logistics



# Glasgow Airport



# Birmingham Business Park



# Luton Airport DCO

The London Luton Airport Enterprise Zone, current and proposed projects



# Exeter Airport



Size: 40 hectares Jobs: 6,500

A major business park equipped to accommodate high quality business and services, including creches, cafes, shops and 150 bed hotel with leisure and conferencing facilities. Skypark will combine environmentally sustainable office, industrial and distribution space in a landscaped environment next to Exeter Airport and close to Junction 29 of the M5.





# Appendix 5

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## Economic Benefits and Social Value



**GatwickGreen**

WHERE THE FUTURE WORKS

# 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.

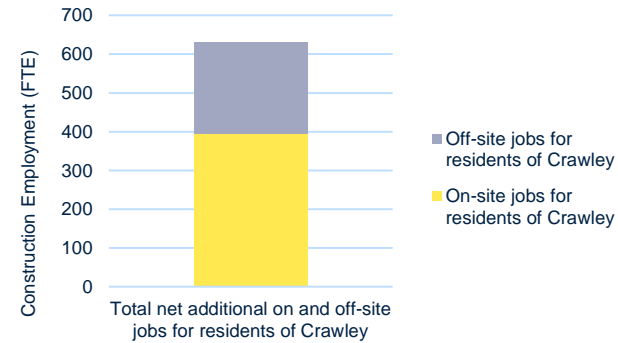
## The Proposal



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

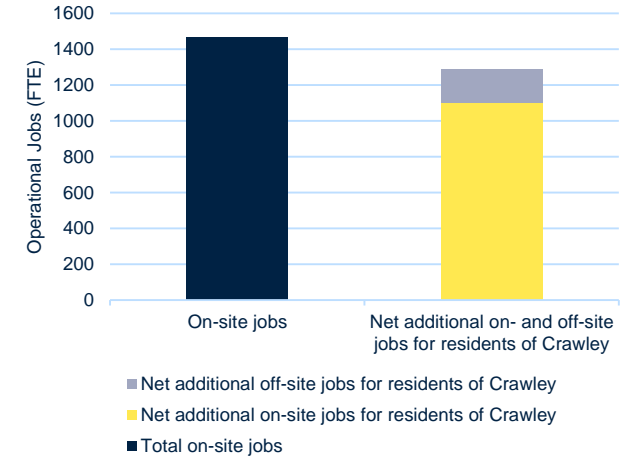
### ESTIMATED CONSTRUCTION COST

**£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)

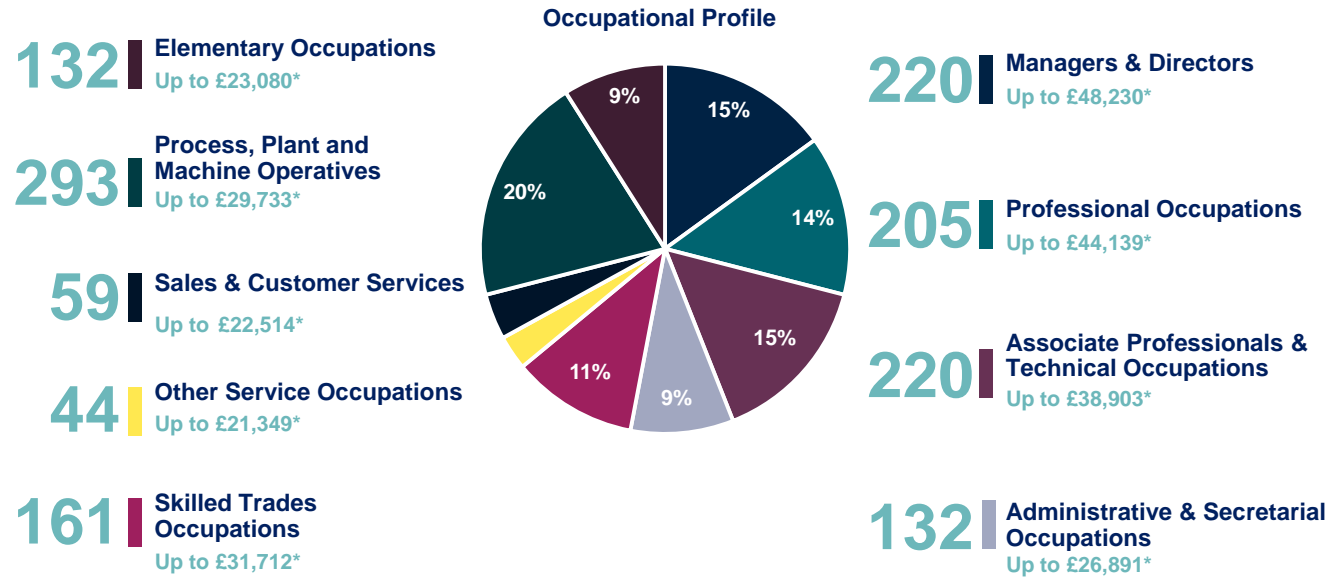
# Gatwick Green

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

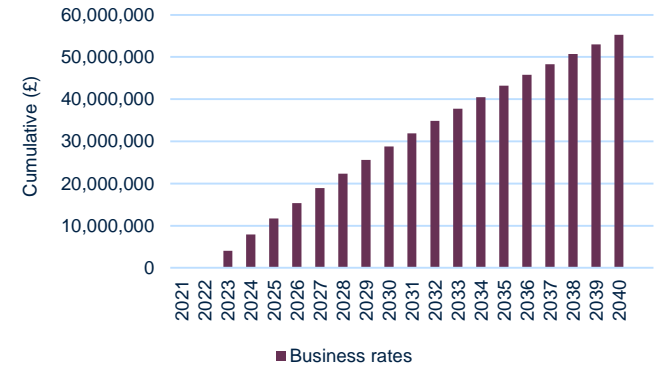
**CORPORATION TAX**  
**£15.8 MILLION** per annum

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%

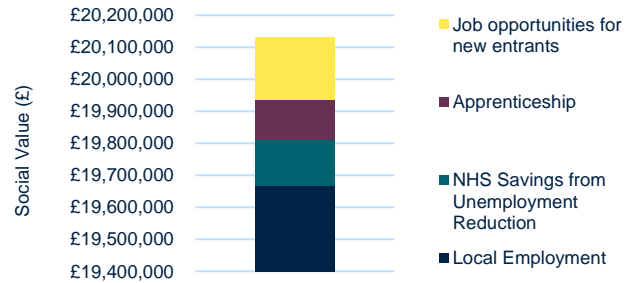
## Gatwick Green

### 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)

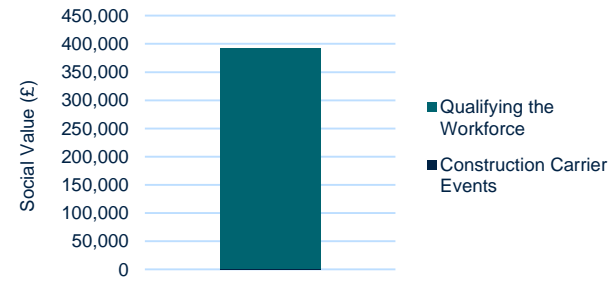
### APPRENTICESHIPS

**£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 6

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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 2024-2040 (May 2023)

Savills on behalf of Gatwick Green Ltd

## 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 113,390 sqm (29.2 hectares)~~ 69 hectares of 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 1,315 sqm (13.73 hectares)~~ 59.8 hectares of new B8 industrial, principally storage and distribution land over the period to 2040.....”*

The above change to Strategic Policy EC1 would require consequential changes to the text of the DCBLP:

### Supporting text

Paragraphs 9.13 – 9.15

### Reasoned Justification

Paragraphs 9.21 – 9.24

# Crawley 2040

Draft Crawley Borough Local Plan 2023 – 2040

June 2023

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Regulation 19 Consultation  
Representation on behalf of  
Gatwick Green Limited



**GatwickGreen**

WHERE THE FUTURE WORKS

**Policy EC4**  
Strategic Employment Location  
June 2023



# Crawley Local Plan

<p><b>Ref No:</b></p>  <p><i>Office use only</i></p>
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## Crawley Submission draft Local Plan Representation

Please return your completed representation form to Crawley Borough Council.

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:	Gatwick Green Limited	Savills
Address line 1:	Fetcham Park	Wessex House



Address line 2:	Lower Road	Priors Walk
Town/city:	Leatherhead	Wimborne
Postcode:	KT22 9HD	BH21 1PB
Telephone:	01483 230320	01202 856912
Email:	<a href="mailto:Sally.fish@wilky.co.uk">Sally.fish@wilky.co.uk</a>	<a href="mailto:sfife@savills.com">sfife@savills.com</a>

## 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 type="checkbox"/>            | No <input checked="" 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 response

*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 response

*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:**

*Strategic Policy EC4 is an important policy that allocates the Gatwick Green Strategic Employment Location and provides the framework of development management provisions to ensure the comprehensive and sustainable development of the site. PPG supports the overall intention of the policy, but considers it is not sound because of the inclusion of a minimum provision of 13.73 ha of development land that does not reflect the objectively assessed future market demand for industrial and logistics development, as PPG requires. The inclusion of this minimum is also an unnecessary duplication of future needs which should be confined to Strategic Policy EC1. Based on its objection to these provisions, GGL also considers that there is no need for the provision for additional land over the 13.73 ha, to be justified by 'appropriate evidence', as the whole site is allocated, with the development management provision determining how much land will be required for landscaping/BNG and such like. On this basis, GGL objects to Strategic Policy EC4 because the policy is not sound as it has not been positively prepared in accordance with the requirements of the NPPF (para 35). In this context, GGL seeks important changes to Strategic Policy EC4 and the supporting text to remove the minimum need and the related additional development test, identify Gatwick Green as SEL of 44 ha to meet the Council's significant market-informed future land needs, which GGL shows is 69 ha which must be identified in Strategic Policy EC1.*

*Some further changes are also sought on how off-site highway infrastructure is provided/delivered and clarity with regard to s106 contributions, and to reflect the delivery programme put forward by GGL. It is therefore considered that the representation raises important and significant planning matters relating to the soundness of Strategic Policy EC4 and the related supporting text. These matters justify the attendance of GGL 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**

20/06/2023

**Draft Crawley Borough Local Plan 2024 - 2040  
May 2023**

**Regulation 19 Consultation**

**Representation on behalf of Gatwick Green Limited**

**Strategic Policy EC4: Strategic Employment Location**

**June 2023**



## 1.0 Introduction

1.1 This representation is submitted on behalf of Gatwick Green Limited (GGL). For clarification, Gatwick Green Limited is a wholly owned subsidiary of the The Wilky Group (TWG), which has a long-standing interest in the promotion of strategic employment land within the Crawley Borough Council (CBC) area. Previous representations were submitted by TWG, but the land is now vested in Gatwick Green Limited. The representation relates to Strategic Policy EC4 Strategic Employment Location in the Draft Crawley Borough Local Plan, 2023 (DCBLP).

1.2 GGL owns about 48 ha (119 acres) of land east of Gatwick Airport. The plan at **Appendix 1** shows the extent of GGL's and the proposed allocation of Gatwick Green. The land has been promoted by TWG/GGL as a strategic employment opportunity known as Gatwick Green, most of which forms a proposed allocation as a Strategic Employment Location (SEL) of 44 ha (108.7 acres) under Strategic Policy EC4 in the DCBLP. The proposed allocation is for a comprehensive industrial-led development of predominantly storage and distribution uses under use class B8.

1.3 This representation is divided into seven further sections:

**Section 2.0** – sets out the underlying case for Gatwick Green with reference to the absence of any basis for safeguarding for a second runway, and the economic case for the allocation in Strategic Policy EC4.

**Section 3.0** – provides a summary of the representation, setting out the element of Strategic Policy EC4 to which GGL is objecting, the basis of that objection in terms of soundness and what changes are being sought to policy to address the objection.

**Section 4.0** – sets out the need for changes to Strategic Policy EC4 to ensure it is consistent with the soundness tests in NPPF.

**Section 5.0** – provides a high-level evaluation to demonstrate that Gatwick Green can be developed in accordance with the development management requirements in Strategic Policy EC4.

**Section 6.0** – supports the Council's SA/SEA in relation to Strategic Policy EC4.

**Section 7.0** – sets out the basis for GGL's objections based on the evidence, why Strategic Policy EC4 and paragraph 9.58 are not considered to be sound, and what changes are required to make the policy and text sound.

## 2.0 The case for Gatwick Green

2.1 This Statement is submitted on behalf of Gatwick Green Limited (GGL) on the Draft Crawley Borough Local Plan, 2023 (DCBLP / the Plan).

2.2 The key to enabling the implementation of Strategic Policy EC4, which responds to the identified need for strategic Industrial and Logistics (I&L) land in Strategic Policy EC1, is the release of Gatwick Green from safeguarding for the provision of a southern wide-spaced runway at London Gatwick Airport (LGW).

2.3 Draft Policy GAT2 and Topic Paper 2 set out the robust case for the release of the land from safeguarding, which is supported by GGL. However, there are a number of points to highlight:

- Whilst the principle of safeguarding is Government policy, the boundary and extent of the safeguarded land is a matter for the Local Planning Authority, following the provision of 'robust' justification by the Airport.
- The land currently safeguarded extends to around 523 ha (1,292 acres), which is 80% of the size of Gibraltar or over 2.5 times the size of the Principality of Monaco. Land within the LGW safeguarded area has been blighted for nearly 20 years.
- The area, subject to minor changes, has been in place since 2007 when safeguarding was initially identified for the provision of a southern wide-spaced runway at LGW after 2019. As a result, strategic land supply within Crawley Borough Council's (CBC) boundaries has been severely constrained, to the detriment of the growth of the local economy, creating an over-reliance on LGW to provide employment and growth.
- In 2015, The Davies Commission selected Heathrow as the South East airport to benefit from a new runway and this was confirmed by a Supreme Court decision in 2020. Since that time, Gatwick Airport Limited (GAL) has repeatedly stated that it is no longer actively pursuing proposals for a wide-spaced runway.
- GAL has, instead, consulted in respect of a DCO proposal to bring the existing emergency runway into more regular use and is expected to submit the DCO in July.

- The DCO proposals are expected to increase passenger numbers to 80 million passenger pa by 2047. This represents the same passenger throughput as Heathrow prior to the Covid-19 Pandemic. The estimated passenger numbers for the wide-spaced runway proposals were 95 million passengers pa.
- In Regulation 19 Submissions from June 2021, GAL opposed the release of the GGL land from the current safeguarding. Whilst it would be unreasonable to expect GAL to provide a detailed Masterplan for the wide-spaced runway, it is not unreasonable to expect GAL to comply with Government Policy and provide a robust justification for the retention of safeguarding over land that is not required for the physical runway or surface access infrastructure.

2.4 It is also worth noting that:

- In July 2021, and as part of the DCO consultation documents, GAL published an Uncertainty Log which provides their own assessment that Gatwick Green is ‘More than Likely’ to take place.
- GAL launched its Airport Economic Zone report (AEZ report)<sup>1</sup> in November 2022, taking the lead from other Airports across the world (and in the UK), which have successfully created strategic employment sites adjacent to a major transport hub. The AEZ report failed to identify any sites around Gatwick to support the initiative – as there are none which do not conflict with safeguarded land. However, as set out in Savills Strategic Logistics Report<sup>2</sup> on the locational drivers for industrial and logistics development, proximity to an airport is a key driver in such development.
- The area of the proposed allocation of Gatwick Green is less than 8.5% of the total area currently safeguarded.
- The release of Gatwick Green from safeguarding does not compromise GAL’s ability to provide car parking in more land efficient / innovative arrangements or access to those car park areas, as shown in the plan at **Appendix B to Appendix 2** of this representation.

2.5 CBC has a very clear vision to be a modern, vibrant and sustainable town with strong and diverse communities and sustainable economic growth to make a place that people

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<sup>1</sup> Airport Economic Zone, Gatwick Airport Ltd, July 2022

<sup>2</sup> Strategic Logistics – Location and Complementarity, Savills, June 2023 – Appendix 4 to GGL’s representation on Strategic Policy EC1

enjoy and want to live, work and visit. The Vision sets out a forward thinking and ambitious prospectus for Crawley over the next 17 years. The key elements for the CBC economy are to:

- Strive to be the premier town between London and the South Coast providing jobs and learning opportunities
- Be an economic leader with a diverse, resilient and productive economy that meets local needs and supports the prosperity of the region.
- Have an environment that supports and encourages new and established businesses to grow and flourish, supported by the necessary infrastructure to enable businesses to flourish.
- Be the first choice of business location for domestic and international markets.
- Enable the community to benefit from access to high value and sustainable economic growth through thriving innovation, entrepreneurship and advanced technologies.
- Create additional jobs across a diverse range of sectors, supported by learning and development opportunities.
- Identify land for a new industrial-led Strategic Employment Location to reinforce the status of Crawley as the place to do business in the South East.

2.6 The allocation of Gatwick Green is a fundamental component to the delivery of all of these key objectives by offering the opportunity to grow the local economy whilst providing greater resilience by increased business and employment diversification.

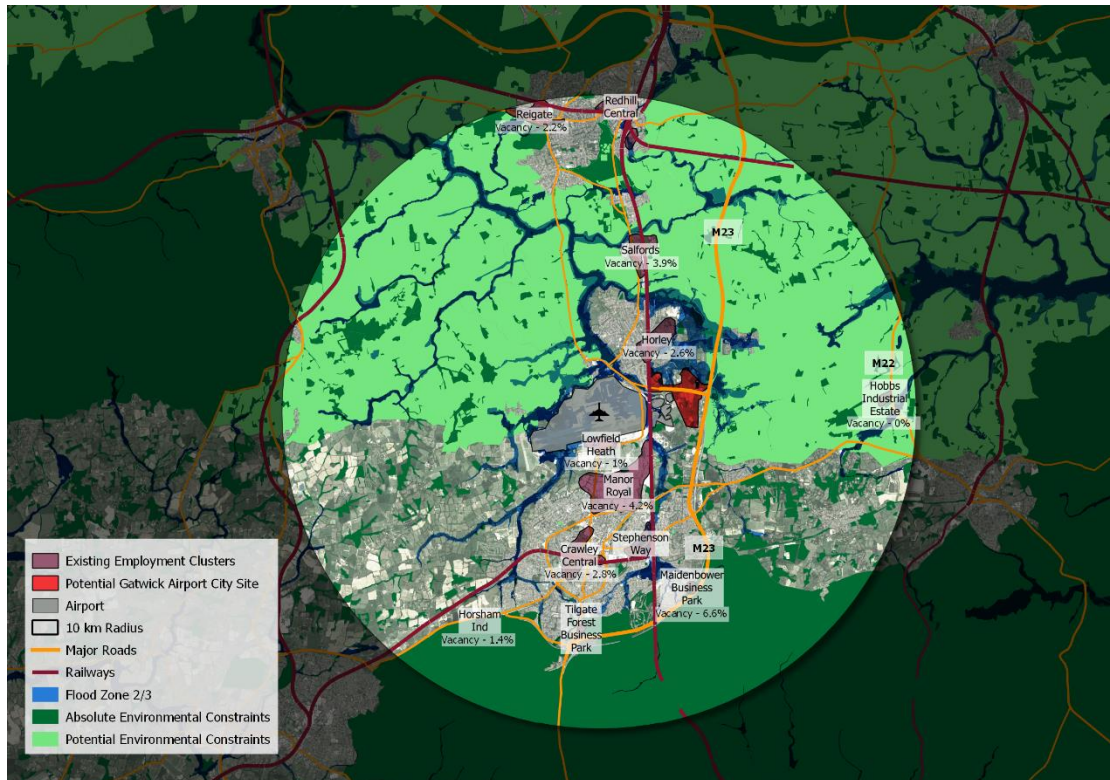
2.7 Gatwick Green is located at a key strategic position. The Savills Logistics Report highlights that strategic I&L uses are driven by five key factors, all of which apply to Gatwick Green: – access from a motorway; high accessibility to suppliers and customers; high accessibility to a large labour supply; linkages with major freight handling facilities, and proximity to London. Gatwick Green has all these characteristics, including its close proximity to Gatwick Airport, the UK's second largest airport with a growing business in freight handling. The co-location of airports and strategic I&L uses is seen at many other UK airports and internationally. Gatwick Green ticks all the boxes as the best location in the region, that can leverage many catalytic economic and productivity advantages for the wider area.

2.8 **Figure 1** shows the constraints in a 10km area around Gatwick Airport, and the existing employment areas most of which have very limited potential to expand. GAL has implied in its AEZ report that a wider area such as this could accommodate I&L growth – but the plan shows very clearly that Gatwick Green is the only site in the 10km area that could deliver any I&L growth at scale and in such a prime location. The same can be said for the Council's wider FEMA. It is clear, therefore, that if an AEZ were to be adopted, the



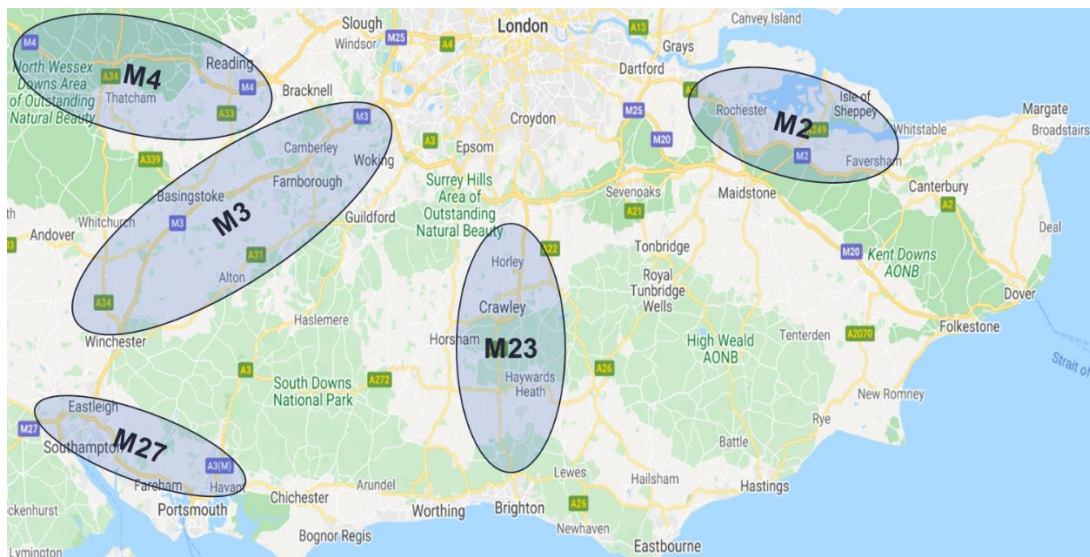
I&L market would demand that this is closely aligned to LGW. The combination of the Gatwick Green Campus and the office led Horley Business Park (HBP) could support the objectives of the LGW Airport Economic Zone.

**Figure 1 – Constraints to economic development 10km from Gatwick Airport**



2.9 In addition, **Figure 2** demonstrates the current location of I&L clusters around the motorways linked to the southern half of the M25. The M27, M4, M3 and M2/M20 motorway corridors have a number of large logistics and industrial campuses. Whilst there is I&L provision along the M23/A23 corridor, there is no large scale campus or cluster of campuses. This reinforces the limited provision for I&L development along the M23/A23 corridor which the allocation of Gatwick Green can provide.

**Figure 2 – Motorway corridors in the South East**



2.10 Initial feasibility work indicates that Gatwick Green could deliver at least 77,800 sqm of floorspace within an overall allocation of 44 ha. As evidenced in GGL’s representation on Strategic Policy EC1, the development of the Gatwick Green Campus will provide the following economic and social value benefits:

- Over 2,500 jobs – onsite and offsite
- Over 630 construction jobs
- £79m GVA per annum with an additional £30m created during the construction phase
- £4.3m business rate income per annum

2.11 Appendix 2 to the representation on Strategic Policy EC1 highlights that new-generation I&L development provides high quality and diverse jobs, with above average earnings and greater career progression potential. This job profile is fundamental to achieving Crawley’s Vision (page 18 of the Plan) and strategy for Economic Growth & Social Mobility (page 103 of the Plan).

2.12 As a new-generation storage and logistics development, Gatwick Green will incorporate future-proofed digital communications in accordance with Strategic Policy IN3 (Supporting High Quality Communications).

2.13 In addition, it is intended that the Gatwick Green Campus will provide a skills and training centre on site to ensure that employees can access learning and personal development opportunities. The development will also provide an attractive environment with access to outside space that will enhance the wellness of those working there.

- 2.14 Through Policy EC2, CBC seeks to protect and enhance existing employment areas and, in particular, Manor Royal. GGL supports this policy and intends that the Gatwick Green Campus should provide complementarity with Manor Royal. This will be achieved by the provision of larger buildings than those which could be accommodated through future redevelopment of existing sites within Manor Royal. In fact, more than complementing Manor Royal, Gatwick Green will deliver agglomeration benefits that will strengthen existing businesses in Manor Royal and add value to the regional and local economy. More detail on complementarity and wider benefits can be found in Savills location and complementarity report appended to GGL's representations on Strategic Policies EC1 and EC4.
- 2.15 All development creates traffic, but the Gatwick Green Campus will be designed to mitigate the impact of additional traffic movement by the provision of convenient and integrated sustainable transport and active mode options.
- 2.16 An integral part of this is the provision of a Sustainable Transport Corridor through the site which will keep public and active modes of travel completely separate from HGV traffic. This will also serve to increase the travel options, not just for those working at the Gatwick Green Campus, but also local residents and those working at LGW. Sustainable buses will be routed through the Campus to provide not only an improved link to Horley, but also into LGW, via the proposal to open Buckingham Gate. In addition, there are significant opportunities to improve linkages into and expand the existing walking and cycle network.
- 2.17 Mobility transport hubs will be introduced within the site. These are already proposed for Manor Royal and will allow for seamless interchange between ride sharing, public transport and non-motorised modes of travel in line with existing initiatives identified with the Crawley Growth Programme<sup>3</sup> and Crawley New Directions<sup>4</sup>.
- 2.18 GGL fully support the need of the planning and highway authorities to ensure that the road network is protected, and that HGV traffic does not route along inappropriate roads, especially those to the north, through Horley and Copthorne to the East. Balcombe Road itself is suitable to accommodate HGV traffic, which will be routed to Junction 10 on the M23 via the improved interchange on Crawley Avenue
- 2.19 The proposals for the Gatwick Green Campus are fully compliant with the CBC Transport Study and the nature of the development outlined above, is unlikely to include 'last mile'

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<sup>3</sup> Crawley Growth Programme, Unlocking Homes and Jobs, Crawley Borough Council, February 2023

<sup>4</sup> New Directions for Crawley, Transport and access for the 21<sup>st</sup> century, Crawley Borough Council, March 2020

or parcel delivery. More detail on the approach to travel and transport can be found in **Appendix 2** to this representation.

- 2.20 Draft Strategic Policy EC4 sets out a number of clauses to protect the amenity of those living nearby and environment and heritage assets, whilst also increasing the biodiversity and providing Public Open Space.
- 2.21 Flood Risk and other assessments have already been undertaken and measures will be put in place to retain, where possible, existing ecology and landscape assets and to ensure that surface water can be appropriately attenuated prior to discharge into the drainage system. Where required, improvements to, or replacement of, Statutory Undertakers' plant will form part of the detailed development proposals.
- 2.22 All these constraints have been taken into account in the refinement of the Gatwick Green Campus Development Framework Plan (DFP) and will be confirmed in more detail within the Masterplan required by the policy.

### **3.0 Summary of Representation**

- 3.1 This representation sets out the evidence to support some changes to Strategic Policy EC4 on the grounds that it is not sound as it has not been positively prepared. This is because Strategic Policy EC4 unnecessarily duplicates Strategic Policy EC1 by including the outstanding need for employment land and expressing this as the minimum to be provided at Gatwick Green.
- 3.2 The Council's evidence on future employment land needs supports a provision above 13.73 ha, and this has been quantified in evidence by Savills that identifies a requirement of 69 ha based on an analysis of future market demand. This evidence reinforces the need for Strategic Policy EC4 to be amended to make it sound by the deletion of the minimum land provision for Gatwick Green. As a consequence, there is no justification for the need for 'appropriate evidence' to support any additional land above the minimum. To make the policy sound, item (a) of the policy should be deleted.
- 3.3 The representation provides evidence to demonstrate that at a policy-level, Gatwick Green will be able to meet all the transport requirements in Strategic Policy EC4. However, it is considered that the policy and/or text should be amended to avoid an overly prescriptive approach to the control of turning movements on to / from Balcombe Road. The need to minimise HGV movements though Horley is recognised, but this will be addressed though the Transport Assessment and detailed design work: the

prescriptive provision in policy is not therefore justified. Other minor changes are put forward to ensure clarity and flexibility around how planning obligations are addressed.

- 3.4 Evidence is also presented to show the high level of complementarity between Gatwick Green, Manor Royal and the Horley Business Park in line with the intentions of the Impact Assessment required under Strategic Policy EC4. The evidence also demonstrates that Gatwick Green would meet the 'Delivery' requirements in Strategic Policy EC4.
- 3.5 An assessment is contained in **Appendix 3** that shows that the Gatwick Green proposals will be able to address all the development management requirements in Strategic Policy EC4. Evidence is also provided in support of the Council's SA/SEA and its conclusion that Strategic Policy EC4 is the most appropriate in suitability and environmental terms when compared with the other options.
- 3.6 Finally, the representation sets out the need for amendments to Strategic Policy EC4 to make it sound, and other proposed changes that would avoid an overly prescriptive transport provision and provide clarity in relation to planning obligations.

#### **4.0 Strategic Policy EC4 – purpose and scope**

- 4.1 On first principles, there ought to be a clear distinction between the purpose of Strategic Policies EC1 and EC4.
- 4.2 Strategic Policy EC1 sets the economic strategy for Crawley in planning terms, dealing with the role of Crawley, the overall and outstanding need for employment land, and a spatial element that addresses the locations for growth, including the SEL at Gatwick Green.
- 4.3 Strategic Policy EC4, on the other hand, should be a policy that is purely allocative, that identifies the site to meet the needs identified in Strategic Policy EC1, with the associated development management requirements. The justification for this distinction is outlined below.
- 4.4 Strategic Policy EC4 allocates the whole of the Gatwick Green site for a Strategic Employment Location. However, the policy repeats at clause (a) the minimum outstanding need for employment land and floorspace of 13.73 ha stated in Strategic Policy. This is unnecessary for two reasons:

- (1) The place to identify in policy the economic growth needs of the borough is Strategic Policy EC1 – any repetition on Strategic Policy EC4 represents an unnecessary duplication.
- (2) It leads to a lack of clarity in that Gatwick Green is justified by the combined quantitative and qualitative evidence in the Council's ESG<sup>5</sup> and Topic Paper 5, albeit that the evidence falls short by not quantifying future needs for I&L uses in market terms as PPG requires. Accordingly, the specification of minimum land and floorspace requirements in Strategic Policy EC4 is repetitious, misleading and could undermine achieving the Council's Vision and economic strategy. The evidence base exists to justify the development of the whole of Gatwick Green, without setting a minimum level of need and the related justification for additional development based on 'appropriate evidence' (clause (a)).
- 4.5 In other words, the need should be the sole preserve of Strategic Policy EC1 and there is no justification for specifying a minimum employment land need of 13.73 ha, when the evidence demonstrates that there is greater need. Savills has undertaken an assessment of future market requirements for I&L uses, which has identified a need for 69 ha of I&L employment land (Appendix 2 to the representation on Strategic Policy EC1).
- 4.6 The approach in the DCBLP has resulted in a policy structure that does not reflect the distinctions noted above.
- 4.7 Based on the logic of the approach outlined above, Strategic Policy EC4 should solely identify the allocation of the SEL at Gatwick Green for new industrial land of predominantly storage and distribution uses. Consequently, a reference to any outstanding employment land need is not necessary, as this has been addressed in Strategic Policy EC1. Under this approach, any reference to the size of the SEL at 44 ha would simply be a reflection of the gross site/land area, with no reference to the land need figure. This approach is considered to be one which is sound in terms of being positively prepared for the following reasons:
1. The outstanding need figure identified in Savills evidence of 59.8 ha is a gross land requirement – the size of Gatwick Green at 44 ha is also a gross land area. The two are therefore presented on the same basis, making the position of need versus provision clearer and directly comparable.

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<sup>5</sup> Economic Growth Assessment, Supplementary Update for Crawley, Crawley Borough Council, January 2023

2. The interpretation and application of Strategic Policy EC4 would be then be far clearer. The revised policy would allocate the whole of Gatwick Green (44 ha), and from this, areas of land would be set aside for landscaping, buffers and BNG etc (policy clauses q, s, u and v) to arrive at an acceptable/sustainable masterplan. The need for a minimum land provision and a balance area to accommodate these requirements is removed, as they will be addressed within the overall site.
  3. The removal of the 'minimum' land need allows the requirement for 'appropriate evidence' to justify any additional employment land above that 'minimum' to also be removed. This is due to the fact that the quantum of outstanding need is now far larger and that the need to describe the market evidence will form part of the Impact Assessment required under Strategic Policy EC4.
  4. The need to justify any ancillary/complementary uses should be retained to ensure that these are required so as to support and enhance the main intention for the site to deliver strategic I&L development and are also proportionate.
- 4.8 The approach outlined above would provide a clear distinction between the role and purpose of Strategic Policies EC1 and EC4 by identifying the overall and outstanding needs in Strategic Policy EC1, and then allocating the whole of Gatwick Green at 44 ha for I&L uses to meet that need. Strategic Policy EC4 should therefore allocate the Site in response to Strategic Policy EC1, alongside all the development management requirements, compliance with which will result in a sustainable and appropriate masterplan. The final net developable area will be a product of the masterplanning process.

## **5.0 Requirements for Gatwick Green under Strategic Policy EC4**

### **Transport requirements**

- 5.1 Clause c to i of Strategic Policy EC4 set out the requirements / guidance with regard to movement and accessibility for Gatwick Green. The policy-level transport work undertaken by GGL's consultants shows that Gatwick Green can be delivered in line with these clauses, although there is one where some adjustment is merited so as to avoid an overly prescriptive obligation.
- 5.2 GGL fully supports the need of the planning and highway authority to ensure that the road network is protected, and that HGV traffic does not route along inappropriate roads, especially those to the north, through Horley and Copthorne to the East. However, the final sentence of clause (d) of the policy requires that *"HGV traffic will not be allowed to enter Gatwick Green from the north on Balcombe Road, and will not be allowed to*

*egress the site via a right turn onto Balcombe Road*". As currently worded, this is overly prescriptive and could have unintended consequences in terms of the design and layout of the access arrangements, the internal road network, and the efficient operation of the Gatwick Green site.

5.3 It is not necessary for Strategic Policy EC4 to be prescriptive in this regard, since clauses c, d, and e of the policy provide the planning authority and the local highway authorities with the opportunity to address potential issues as part of any subsequent planning application. These requirements are summarised as follows:

- **Policy EC4 (c)** – requires a Transport Assessment to support the application and to demonstrate that there will be no severe residual impact on the local and strategic road network.
- **Policy EC4 (d)** – requires the application to produce a comprehensive Mobility Strategy detailing infrastructure improvement that will be required to adequately mitigate the development impacts on the highways network, detailing how these improvements will be delivered and operated.
- **Policy EC4 (e)** – highways infrastructure and improvements that are required as a result of impacts arising from the development must be delivered as part of the development. On the basis that the development will be required to address its own highways impact, a s106 sustainable transport contribution will not be sought.

5.4 The suggested change to the wording of Strategic Policy EC4 is as follows:

*“The Mobility and Access strategy is required to deliver a mitigation package that discourages or prevents HGV traffic on unsuitable roads and specifically restricts HGV movements through Horley.”*

5.5 If the Inspector considers it necessary, additional words could be added in the supporting text to note the Council’s concerns regarding north turns and that this will be addressed as part of the highway and access material required to be submitted under the policy.

5.6 Strategic Policy EC4 precludes the payment of a sustainable transport contribution, as Gatwick Green will need to address its own impacts. However, it is not clear that this relates to the contribution formula provided for in the Planning Obligations Annex in the DCBLP. The policy wording could therefore preclude one-off financial contributions towards off-site works under a s106 contribution. It is considered that this could be clarified with a minor change to paragraph 9.63 of the DCBLP.

5.7 In line with PPG, it is important that there is flexibility in how off-site transport infrastructure is delivered, which could be through works or financial contributions. Strategic Policy EC4 and the supporting text does not make this clear and the Plan



would benefit from some amendments to clarify that such flexibility exists and that the developer will work with the Council to ensure the necessary improvements are delivered to ensure that the proposals are acceptable in planning terms.

- 5.8 Overall, Gatwick Green can be developed so as to provide an industrial-led development that benefits from a highly sustainable pattern of movement and access consistent with guidance in the NPPF and the Council's sustainable transport strategy. Gatwick Green can therefore be developed in a way that achieves sustainable transport outcomes. These matters will be addressed at the planning application stage via a TA and MS with obligations that can be guaranteed via planning conditions / a s106 agreement. A more detailed review of how Gatwick Green will fulfil the requirements of Strategic Policy EC4 is contained in **Appendix 3**.

### **Impact Assessment**

- 5.9 Strategic Policy EC4 requires an Impact Assessment at the planning application stage to demonstrate how the SEL will address Crawley's identified need for industrial focused business floorspace and how such will be complementary to key employment areas within Crawley, the Horley Business Park (HBP - south of Horley in Reigate and Banstead Borough) and other key planned strategic employment sites in the functional economic market area (Crawley Borough, Mid-Sussex District and Horsham District).
- 5.10 Savills Strategic Logistics Report (**Appendix 4**) addresses the locational drivers of I&L uses and the complementarity of Gatwick Green with the Manor Royal Business District (Manor Royal) and HBP. The assessment concludes that Gatwick Green would be complementary to these existing/proposed business areas, which will cater for different segments of the market.
- 5.11 Topic Paper 5 (para 4.2-4.7) characterises Manor Royal as a mixed use employment area dominated by small and mid-box units. HBP is proposed as a strategic business park of predominantly offices and a complementary range of commercial, retail and leisure facilities. Both these employment areas are very different to the strategic I&L uses to be accommodated at Gatwick Green in large to very large units. Such uses are not provided for at the HBP and cannot be accommodated at Manor Royal without detriment to its overall function and purpose.
- 5.12 Topic Paper 5 also considers proposed employment areas in Mid Sussex and Horsham<sup>6</sup>

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<sup>6</sup> (1) Burgess Hill Science & Technology Park, Mid Sussex District (49 ha), and (2) Land north of Horsham (proposed 500,000 sq.ft (46,450sqm) modern, high quality business park for business and office uses, including for smaller business space and start-ups)

where, again, the employment areas are very different to the strategic I&L uses to be accommodated at Gatwick Green in large to very large units.

- 5.13 Therefore, the evidence demonstrates that Gatwick Green is in line with the intention of the Impact Assessment that it is complementary to other employment areas – the ‘Delivery’ requirements of Strategic Policy EC4 will ensure this matter is monitored and kept under review for all phases of Gatwick Green.

## **Delivery**

### ***Policy requirements***

- 5.14 Strategic Policy EC4 requires planning conditions and obligations in respect of the provision of on-site and off-site physical, social and green infrastructure. These obligations will include economic impact testing, the delivery of the objectives of the Crawley Employment and Skills programme and the development of a masterplan in consultation with the Council to be advanced at the outline planning application stage to guide future detailed applications.
- 5.15 As noted at paragraphs 5.9 - 5.13, Gatwick Green would complement the existing employment sites in Crawley and the wider area – biannual impact testing will be undertaken throughout the implementation period to comply with this requirement. In terms of employment and skills, it is envisaged that Gatwick Green will include a provision for education uses to support apprenticeships & staff development and training, whilst an Employment and Skills Plan will be developed to source local labour for the construction and operational phases.
- 5.16 A masterplan will be prepared taking account of the policy-level baseline surveys and investigations already undertaken for the DCBLP Examination. These will be supplemented by further detailed technical, urban design and environmental investigations to inform a comprehensive masterplan for the Site. For the purposes of the DCBLP Examination, a conceptual Development Framework Plan (DFP) has been prepared (**Appendix 5**), which illustrates the green framework for the Site comprising the adjacent priority habitat; peripheral hedgerows (including some classified as ‘important’); the extent of the Biodiversity Opportunity Area, and the key transport corridors / hubs.

***Deliverability – tenure, funding and viability***

5.17 GGL sets out its case in relation to the deliverability of Gatwick Green in its separate representations on the Employment Land Trajectory (ELT). These representations conclude as follows:

- GGL controls all the land within the area allocated for Gatwick Green.
- There is a small part of the site subject to an encumbrance on title – this would not materially affect the development of the site or the delivery of a comprehensive masterplan to deliver a strategic I&L campus.
- Given the significant interest GGL has received from occupiers, investors and funders, it is confident that the proposals can be developed in a sustainable and comprehensive manner.
- The Council's plan-wide viability assessment<sup>7</sup> has concluded that *“The Gatwick Green site appears to have the potential to support a more certain or stronger viability outcome, with a wide range of our sensitive tests producing RLVs either well in excess of greenfield land values on the established EUV+ basis again, and values representing serviced, ready to develop industrial land (equivalent to PDL values) also potentially supportable”*.
- Savills Economics has undertaken a review of the Council's viability assessment (**Appendix 6**) which supports the Council's findings and concludes that *“We agree with the overall conclusion of the viability evidence that the proposed Gatwick Green allocation is deliverable and generates a Residual Land Value in excess of Greenfield Land Values....”*

5.18 GGL also has sufficient funding and will draw in additional funding via a development agreement / JV so that the finance is in place to ensure that Gatwick Green can be developed in a sustainable and comprehensive manner. GGL is therefore able to deliver the development of Gatwick Green in line with the provisions in Strategic Policy EC4.

5.19 Paragraph 9.58 of the DCBLP outlines a timeframe for the delivery of Gatwick Green over seven to ten years, with completion in 2040. This envisages Gatwick Green being developed over the latter part of the Plan period. However, the demand for strategic I&L uses is now apparent and most likely to endure for the next ten years or more. Based on the market evidence and an assessment of the lead-in times to secure approval to a masterplan and a hybrid planning application, the most likely delivery programme for Gatwick Green would be:

DCBLP adoption with Gatwick Green allocated	mid - 2024
Development of Masterplan	autumn 2024 - early 2025
Preparation of hybrid planning application	end 2024 - mid 2025

<sup>7</sup> Crawley Borough Council Local Plan Review: Whole Plan Policies & CIL Viability Assessment – Final Report Issued March 2021 (DSP19682 – Final v8), Dixon Searle Partnership, March 2021

Submit hybrid planning application	mid 2025
Hybrid planning application granted planning permission	early 2026
Complete of s106 & pre-commencement conditions	spring 2026
Construction of phase 1	mid 2026 - mid 2027
Reserved Matters approved for further phases	mid 2026 - mid 2027
Construction of further phases	mid 2027 – 2035

5.20 Given the evidence on the urgency of meeting the identified need for strategic I&L development and the most likely development programme noted above, the delivery programme outlined in paragraph 9.58 is a mis-match with the likely delivery. Paragraph 9.58 of the DCBLP should therefore be amended to reflect the programme identified above. This will ensure that the DCBLP reflects the need to be sound such that it is 'positively prepared' and 'effective' as the NPPF requires.

### Development management requirements

5.21 **Appendix 3** provides evidence that demonstrates that the Site can be developed in accordance with the development management requires set out at c to i (movement and accessibility), j to m (Sustainable Design and Construction), n (digital technology), and o to v (character and design). The one provision where an adjustment to policy is warranted, relates to the last sentence of clause d as noted at para 5.4 above.

### Conclusions

5.22 Overall, the technical and environmental evidence produced by GGL and contained in the 2020 Appendices and more recent assessment updates (**Appendices A to E of Appendix 3**) demonstrate that at a policy-level, there are no issues or matters that would militate against the comprehensive development of the Site, in accordance with the various development controls contained in Strategic Policy EC4 and other policies of the DCBLP, as noted. Indeed, all feasibility investigations to date indicate that whole Site can be developed such as to promote a range of environmental, design and sustainability policy objectives, whilst delivering a viable and complementary scheme that can offer the range of benefits noted in this representation.

## 6.0 Sustainability

- 6.1 The Council has assessed the alternative options in its Sustainability Appraisal<sup>8</sup> (SA/SEA). This evaluated three options: (1) allocate a SEL only through Strategic Policy EC1, (2) allocate a SEL through a dedicated local plan policy that sets out the site-specific requirements for the site, and (3) explore the scope to allocate an industrial-led SEL through an Area Action Plan. Option 2 was selected as it allowed for detailed matters relating to the amount and type of business floorspace, transport and access, design and amenity and environmental considerations to be addressed in policy and provide a framework to achieve a sustainable development through a masterplan and planning application.
- 6.2 The Council's approach is supported in that it has allowed for the Gatwick Green SEL to be identified as part of the overall economic strategy for the Borough articulated in Strategic Policy EC1, with the detailed matters relating to site / development requirements to be addressed separately in a site-specific policy (Strategic Policy EC4).

## 7.0 Implications for Strategic Policy EC4

- 7.1 It is considered that there is unnecessary duplication of the employment land needs in Strategic Policy EC4, when these are already stated in Strategic Policy EC1 albeit that they are too low. This overlap would result in uncertainty in terms of the interpretation and application of both policies.
- 7.2 There is therefore no justification for the inclusion at clause (a) of Strategic Policy EC4 of a minimum land need of 13.73 ha or consequently the need for 'appropriate evidence' to justify development above that level. Clause (a) of Strategic Policy EC4 is not therefore considered to be sound as it has not been positively prepared so as to meet the minimum objectively assessed needs of the Council's area, and that the supporting text at paragraph 9.58 is not sound with regard to evidence on the earlier delivery of any development. Therefore, in order to ensure that Strategic Policy EC1 and the supporting text at paragraph 9.58 are sound, the following changes to Strategic Policy EC4 and paragraph 9.58 are sought:
1. The minimum land provision of 13.73 ha in clause (a) should be deleted to make the policy sound.

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<sup>8</sup> Crawley Borough Council Local Plan Review | Sustainability Appraisal / Strategic Environmental Assessment, Draft Report, For the Submission Local Plan, May 2023

This unnecessarily duplicates the land need contained in Strategic Policy EC1 – this is an economic strategy matter best contained only in Strategic Policy EC1.

2. The requirement in clause (a) for ‘appropriate evidence’ to justify any additional land above the minimum should be deleted to make the policy sound.

Without the inclusion of a minimum employment land need figure in Strategic Policy EC4, there is no need for any requirement for ‘appropriate evidence’ to justify the development of any additional land because the whole site has been allocated to meet the demonstrable need.

The comprehensive evidence base provided by the Council and Savills shows that the overall need for strategic land for I&L uses can be quantified through market analysis as 69 ha – this is the land need figure that should form the basis for Strategic Policy EC1.

3. Paragraph 9.58 should be amended with regard to the development programme for Gatwick Green for the paragraph to be sound.

7.3 **Appendix 7** sets details of the changes to Strategic Policy EC4 and paragraph 9.58 that are being sought. In the event the Inspector considers that Strategic Policy EC4 and paragraph 9.58 should be amended as noted above, there will be a need for consequential changes to the supporting text of the policy (9.53 and 9.58).

7.4 Based on the evidence in this representation, further revisions to Strategic Policy EC4 have been advanced in this representation and may be justified:

1. The last sentence of clause (d) should be substituted by the following: *“The Mobility and Access strategy is required to deliver a mitigation package that discourages or prevents HGV traffic on unsuitable roads and specifically restricts HGV movements through Horley.”* This will avoid an overly prescriptive policy provision, allowing for flexibility in how the underlying policy objective of avoiding HGV impacts in Horley can be achieved.

If the Inspector considers it necessary, additional words could be added in the supporting text to note the Council’s concerns regarding north turns and that this will be addressed as part of the highway and access material required to be submitted under the policy.

2. Planning Practice Guidance (PPG) states that developers may be asked to provide contributions for infrastructure in several ways (Paragraph: 003 Reference ID: 23b-003-20190901). Therefore, on this basis and in order to maintain flexibility, Strategic Policy EC4 and paragraph 9.63 could be amended to provide for a flexible approach to the provision of infrastructure associated with the development of Gatwick Green. The wording of Strategic Policy EC4 could also be adjusted to

provide flexibility in how transport infrastructure is provided though planning obligations requiring funding or works.

3. Strategic Policy EC4 (e) states that as Gatwick Green will be required to address its own highway impacts, a s106 sustainable transport contribution will not be sought. This approach is supported by GGL, but it needs to be made clear that this contribution relates to that identified through the formula contained in the Planning Obligations Annex. As worded in the policy, it could exclude other one-off contributions towards sustainable transport related to addressing the specific impacts of Gatwick Green. This clarification can be provided through a minor amendment to clause d of the policy and paragraph 9.63 of the DCBLP.

# Appendix 1

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Site Plan



**GatwickGreen**

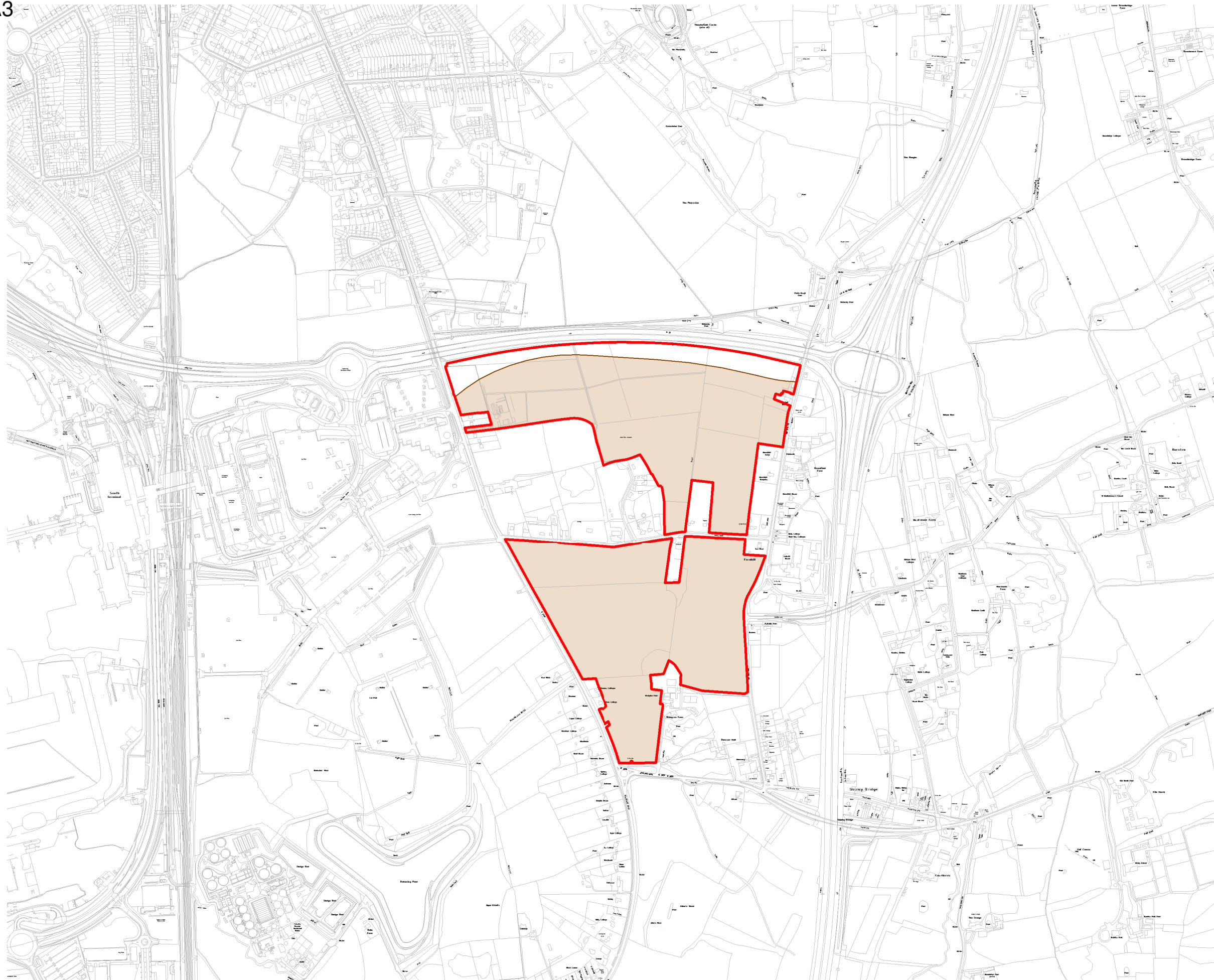
WHERE THE FUTURE WORKS



Client  
Wilky Group

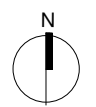
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Index	Revision	Date	Int	Chkd
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**LEGEND**

- GATWICK GREEN LIMITED OWNED LAND
- PROPOSED STRATEGIC EMPLOYMENT LOCATION UNDER POLICIES EC1 AND EC4



APPROXIMATE NORTH

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Job No / Drg No	Rev	Scale	Status
11/091 / SK-165	-	As indicated	PRELIMINARY
Date	Director	Author	Check
16/06/2023	JA	AH	--

Job  
GATWICK GREEN

Drawing  
Reg 19 (2023) - Appendix 1 - Site Plan

NOTE: All figures are approximate and have been measured and expressed in a manner as defined by the current edition of the RICS Code of Measuring Practice, unless otherwise stated. Figures relate to the current stage of the project and any development decisions to be made on the basis of this information should include due allowance for the increases and decreases inherent in the design and building processes. Reproduced from Ordnance Survey mapping under Licence Numbers 10002432 & 100018493

This drawing may be scaled or cross referenced to the scale bar for Planning Application purposes only. Do not scale for any other purpose, use figured dimensions only. Subject to site survey and all necessary consents. All dimensions to be checked by user and any discrepancies, errors or omissions to be reported to the Architect before work commences. This drawing is to be read in conjunction with all other relevant materials.

# Appendix 2

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## Outline Transport and Access Appraisal



**GatwickGreen**

WHERE THE FUTURE WORKS

## Appendix 2 – Outline Transport and Access Appraisal

### 1.0 Introduction

#### Background

- 1.1 This transport appraisal has been prepared by Empiric Partners and Steer (the transport consultants) on behalf of the Wilky Group (TWG). It provides a supporting Appendix to the representation by Savills relating to Strategic Policy EC4, Strategic Employment Location, in the Draft Crawley Borough Local Plan, (DCBLP) Submission Publication Consultation: May – June 2023 . It specifically addresses the ‘Movement and Accessibility’ provisions within Strategic Policy EC4 (provisions c – i) and sets out, at a policy level, how the proposals for Gatwick Green will comply with these provisions.
- 1.2 TWG owns about 48 ha (119 acres) of land east of Gatwick Airport. 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.
- 1.3 This appraisal should be read in conjunction with the Crawley Transport Study Report (CTSR - Transport Study of Strategic Development Options and Sustainable Transport Measures). The CTSR specifically considers an industrial-led Strategic Employment development at Gatwick Green of predominantly B8 storage and distribution uses: this is reflected in the central scenario tested by the Council’s consultants (Stantec) (Scenario 2), comprising of 77,500 square metres (SQM) (GFA) split into: B8 Parcels Distribution (10%), B8 Commercial Warehousing (60%) B2 Industrial estate (30%).

#### Strategy

- 1.4 The overall transport strategy for the Gatwick Green proposal is based on current transport practices including the philosophy which requires the application of an accessibility ‘hierarchy’: which assumes that, for employees, there will be a priority order of transport mode based on cycling/walking, bus, train and then private car. This ensures that the emphasis is placed first on sustainable transport modes before transport by private-car. This Appendix

confirms that the proposed development meets the criteria defined in Strategic Policy EC4, specifically to ensure that:

- A Transport Assessment will be provided to demonstrate that appropriate access can be provided to the Site;
- A Mobility Strategy is prepared to show optimisation in the use of sustainable modes;
- A decide and provide approach to infrastructure delivery is identified to mitigate development impacts ;
- The access strategy delivers a mitigation package that discourages HGV traffic on unsuitable roads and specifically restricts HGV movements through Horley;
- Improvements to public transport infrastructure are defined;
- Upgrades to cycle and pedestrian facilities are achievable; and
- Appropriate levels of on-site parking are provided in the context of the approach to sustainable transport.

1.5 The freight movements associated with the proposed uses can only use HGV-borne transport, requiring this traffic to be accommodated on the existing highway network in the most sustainable manner. Over time, the continued switch to hydrogen-powered HGVs, (which is expected to become common place over the early years of operation at Gatwick Green), will significantly improve the environmental and sustainability profile of this traffic.

1.6 The development scheme will be designed in accordance with the mitigation strategy identified within the CTSR and will bring forward a package of measures aimed at delivering non-car access as a priority, whilst ensuring the local highway network can accommodate predicted vehicular traffic. Whilst some car-borne traffic is inevitable, measures will be put in place to ensure trips are completed as sustainably as possible and that these measures assist with improving conditions for all users at a local level to encourage modal shift.

1.7 This appraisal is not intended to fulfil the requirements of a Transport Assessment, (TA) but does provide a policy-level appraisal of the impacts of the scheme, and related mitigation, using parameters which typically form the basis of a TA and which have been discussed with West Sussex County Council as Highway Authority whilst also taking account of the findings of the CTSR. It therefore defines an access and mobility strategy which demonstrates that the

Site can be accessed in a sustainable manner and that there are no major transport constraints or impediments which would prevent development of the Site.

### **Transport Assessment**

1.8 Following consultation with the relevant local authorities and stakeholders, a full Transport Assessment and Mobility Strategy will be provided in support of a Planning Application.

1.9 The Transport Assessment will be undertaken in accordance with the requirements of the National Planning Policy Framework (NPPF) and the National Planning Practice Guidance (NPPG) and, more particularly, the four key transport tests identified by paragraph 110 of the Framework, as summarised below:

- Will the opportunities for sustainable transport be taken up appropriately?
- Will safe and suitable access be provided?
- Will the design of streets, parking areas and other transport elements be acceptable?
- Will the traffic impacts be acceptable?

### **Report structure**

1.10 The remainder of this report is structured as follows:

**Section 2** – sets out the details of the proposed access strategy;

**Section 3** – sets out the outline mobility strategy to show how the development will optimise the use of sustainable modes of transport;

**Section 4** – provides an indication of improvements to public transport facilities and infrastructure;

**Section 5** – identifies potential upgrades and extensions to pedestrian/cycle routes;

**Section 6** – demonstrates that consideration has been given to the impacts of the development on the highway network along with some initial assessment of the infrastructure improvements required to avoid or mitigate such impacts;

**Section 7** – confirms that appropriate levels of on-site parking will be provided; and

**Section 8** – Summarises the findings and conclusions.

## 2.0 Access Strategy

- 2.1 The Site has ample frontage onto Balcombe Road, both north and south of Fernhill Road, as well as frontage onto Antlands Lane. It is currently proposed that two separate access points will be provided into the Site from Balcombe Road. There is no direct access planned to the M23, M23 spur or Junction 9A of the M23 spur.
- 2.2 The two junctions would be capable of operating independently (from each other), but could be linked via an internal spine road if necessary or desirable, through the evolution of the masterplan. A separate priority access will be provided for a Sustainable Transport Corridor (STC) through the site for pedestrians, cyclists and buses.. This will provide a safe route through the Site for these modes of travel and thereby promote alternatives to the private car.
- 2.3 This access strategy is in line with the modelling contained within the Crawley Transport Study Report (CTSR).
- 2.4 The STC will also be served by two public transport / mobility hubs that will enable safe and efficient transfer from bus / cycle modes to pedestrian mode, including a potential range of transfer facilities (bicycle racks, shelters, real-time information etc) to ensure a high level of service.
- 2.5 All junctions have been designed to accord with the latest guidance and best practice. The accesses have been sized, (and modelled) to accommodate likely traffic flows associated with the proposed development and flows associated with background traffic i.e. a cumulative assessment. This is based on trip generation rates, derived from TRICS, (and in line with those considered in the CTSR which will be reviewed as the mobility strategy progresses.
- 2.6 The development is likely to be constructed on a phased basis, with the necessary infrastructure being delivered at the time it is required. Given the recent changes in travel behaviour, as well as anticipated changes in the way in which mobility is considered, the Council's infrastructure delivery plan should be as flexible as possible. This is in line with latest 'Decide and Provide' guidance promoted by TRICS.

### **Northern Access**

- 2.7 Access to the northern section of the Site will most likely be provided via traffic signal controlled junction. The proposed junction is currently designed to maximise capacity by the provision of two lanes at the stop line on each approach.
- 2.8 Almost immediately opposite the proposed junction is a gated and unused access from Balcombe Road onto Buckingham Gate, which provides onwards access to the Gatwick Airport Road network. The Gatwick Green strategy does not prejudice the reinstatement of this access for pedestrians and cyclists accessing the South Terminal, or the significant benefits that could be derived if the access were reinstated for buses. It is acknowledged that the reinstatement of this access will require collaboration between West Sussex County Council, Gatwick Airport and Crawley Borough Council. This is not critical to achieving an acceptable transport strategy for the Site but does offer some wider benefits and so is supported by TWG.

### **Southern Access**

- 2.9 Access for general traffic into the southern section of the Site will be provided by a new three arm roundabout on Balcombe Road. This would be the primary access point to the Site, given the propensity for most traffic to arrive from/depart to the south.
- 2.10 Where necessary, it is proposed that the junction would accommodate new and improved pedestrian and cycle facilities.

### **Antlands Lane Access**

- 2.11 There is also an opportunity to provide access to Gatwick Green from Antlands Lane using the frontage of Balcombe Road and Antlands Lane. The development at Forge Wood has identified potential improvements at this junction in the form of signalisation. These improvements are included within the CTRS modelling. The delivery of Gatwick Green could bring forward additional land to further improve the junction, including the provision of priority to buses, pedestrians and cyclists.

### **Operational Assessments**

- 2.12 Initial assessments of the northern and southern access points identified above have been undertaken. These are based on anticipated future traffic flows on Balcombe Road, including those associated with the allocation of the Horley Business Park (HBP) under Policy HOR9 of

Reigate & Banstead Borough Council's Development Management Plan (DMP): this involves a proposed primary access via junction 9a of the M23 and very limited traffic access via Balcombe Road.

- 2.13 The northern and southern Site access junctions will be designed to work within their theoretical design capacities providing for future year traffic, with the additional trips generated by development at Gatwick Green (GG). The northern junction (signalised) is the most sensitive of the two, although there are no fundamental concerns in catering for the anticipated demand, whilst accommodating pedestrian, cycle and bus priority.
- 2.14 The north and south junctions would provide a high-quality access to the new development and critically, would do so without generating any significant detriment to the operation of Balcombe Road.

### **Limiting HGV traffic on inappropriate roads**

- 2.15 In line with Policy ST1, EC4 (c, d and e) any application(s) on the Site will be required to produce a Transport Assessment(s) which will be subject to a thorough review by the Local Highway Authority, National Highways and neighbouring authorities. These applications will be required to produce an Access and Mobility strategy which will include measures to restrict Heavy Goods Vehicles, (HGVs) to the most appropriate roads. This will ensure that such traffic does not utilise parts of the highway network which are not suitable for the defined vehicles.
- 2.16 There are a number of ways in which HGV routing can be managed and conditioned to prevent the use of unsuitable routes. These include, but are not limited to the design of the masterplan, the location of access points, banning specific turning movements at site accesses and in the vicinity of the site and the implementation of weight restrictions on specific roads.
- 2.17 During the scoping of the Transport Assessment and Mobility and Access Strategy, consultation with the relevant highway and planning authorities will determine the most effective way of restricting HGV movements to and from the site, so as to avoid traffic routing north through Horley and east through Cophorne, (via the B2037).
- 2.18 In respect to development at Gatwick Green specific attention will be given to addressing issues around HGV traffic arriving from and / or travelling;
- On Balcombe Road (north of the Site), and;
  - To the immediate east of the site via Antlands Road, (B2037).



- 2.19 The package of measures to deter / ban HGV traffic from unsuitable roads, is to be agreed with the local highway and planning authority at the application stage and will be secured through a Section 106 agreement.

### **Accommodating the proposed Gatwick Airport DCO and Southern Runway**

- 2.20 The proposed access strategy for Gatwick Green has respected the proposals for both the Gatwick DCO, based on plans shared by Gatwick Airport Limited (GAL) and the Gatwick Airport Master Plan (GAMP, 2019), potential Southern runway, based on the surface access strategy (2019) published by GAL. In summary;

- Land to the north of the site has been safeguarded by TWG which allows for proposed roads and embankments associated with both the DCO scheme and the Southern Runway Scheme. The latter identifies a diversion of Balcombe Road to a location adjacent to and west of the M23 motorway and along the southern side of the M23 Spur.
- The position of the northern access to GG does not prejudice the widening of the M23 spur over bridge proposed by GAL within the DCO.
- The northern diversion of Balcombe Road can be accommodated within the safeguarded land designated to the north of the Gatwick Green Site allocated in the Draft Crawley Borough Local Plan.
- Access through the existing (unused) Buckingham Gate to Gatwick Station and airport can be retained in both scenarios.
- The Southern Runway surface access does not prejudice the delivery of a southern access into Gatwick Green from Balcombe Road.
- The Gatwick Green development does not prejudice the delivery of the proposed grade separated junction as shown on the Southern Runway surface access plans and the network can be configured to retain access between the proposed car parks to the East and South of Gatwick Green. This can be achieved through the use of existing adopted roads, notably, Balcombe Road, Fernhill Road and Antlands Lane.

### **Construction phase**

- 2.21 Any planning application will be accompanied by a Construction and Environmental Management Plan (CEMP), which will ensure that all the junctions and the proposed construction phase of the development can be delivered with minimal impact on the highway network. The CEMP may include the identification of temporary construction access points, as part of any measures to minimise impacts.

## **Access Summary**

- 2.22 In the context of the NPPF transport tests, it is demonstrated that the Site benefits from two main deliverable points of access, plus a dedicated entry/exit point for cyclists and pedestrians, ensuring safe and suitable routes are provided for all modes.
- 2.23 The TA and Access Strategy will include a package of measures designed to deter HGV trips from unsuitable roads, especially to the north and within Horley and to the east through Cophorne.
- 2.24 The proposed access strategy does not prejudice the delivery of either the Gatwick DCO access scheme, or the Southern Runway Surface Access strategy.

### 3.0 Policy Review

- 3.1 As required by Policy EC4, TWG is committed to delivering a Mobility Strategy in line with the aspirations of both WSCC and CBC to establish a multi-modal, comprehensive and flexible Sustainable Transport Network.
- 3.2 The Mobility Strategy will draw on the excellent location of the Site to deliver development which can be accessed via a range of travel modes, with public transport, walking and cycling at its heart.
- 3.3 The location of new development in proximity to existing residential areas will reduce levels of “out-commuting” and, therefore, the length of trips, through the provision of a range of high-quality employment opportunities which will diversify and improve the skill-base of residents in Crawley and its immediate neighbours.
- 3.4 Given its sustainable location within Crawley’s boundary and close to existing employment areas and neighbourhoods, there is an opportunity to link the Site into established bus and Fastway routes and the emerging Fastway development programme. Targeted improvements to pedestrian and cycle routes will also benefit both existing residents and future travellers to Gatwick Green.
- 3.5 Transport and access for the Site would also be supported by a Full Travel Plan and associated environmental strategy with the aim to promote the use of sustainable travel options, including measures such as car clubs and digital travel platforms and to deliver Virtual Mobility.
- 3.6 The proposed approach to access, traffic impacts and sustainable transport are subject to ongoing discussions with Local Highway Authorities of West Sussex and Surrey County Councils, (WSCC and SCC); National Highways (NH); Crawley Borough Council (CBC), and the local Fastway and bus operator, Metrobus. In preparing this work, the following transport policies and documents were considered:
- National Planning Policy Framework (July 2021);
  - Draft Crawley Borough Council Local Plan 2020 – 2035;
  - West Sussex County Council Local Transport Plan (1 April 2022);

- The proposals within the Crawley Borough Council (CBC) Growth Programme;
- New Directions for Crawley - Transport and access for the 21st century (Crawley Borough Council) (March 2020);
- The Gatwick Airport Master Plan (GAMP, 2019), which proposes the use of the existing emergency runway (take-off only) as an operational runway for regular use in dependent operating modes with the existing main runway;
- The Development Consent Order (DCO) (Scoping Opinion) for the expansion of Gatwick Airport through use of the standby runway as submitted (October 2019). The currently identified improvements are noted and any additional information will be examined, and proposals considered as the DCO progresses. This will be considered in preparing the Transport Assessment for the planning application;
- The committed and proposed measures which form part of the Coast to Capital Growth Fund and those indicated in the Gatwick 360 Strategic Economic Plan;
- National Highways - Strategic road network and the delivery of sustainable development (December 2022)
- The published Transport Strategy for the South-East, TfSE 2022;
- Freight, Logistics and Gateways Strategy; TfSE 2022
- Local Transport Note 1/20 – Cycle Infrastructure Design (27 July 2020)
- The Network Rail improvements to Gatwick Railway station;
- Priorities and future aspirations of the transport network providers and operators;
- The committed and proposed development in the area, which includes promoted strategic schemes at pre-planning stage;
- Guidance and best practice, including Manual for Streets (MfS) and Manual for Streets 2 (MfS2);
- Gear Change – A bold vision for Walking and cycling (DT – July 2020);
- Decide and Provide Guidance (TRICS March 2021); and
- Active Travel England - Statutory Consultee Guidance 1 June 2023.

3.7 The Covid-19 crisis, aligned with the Climate Emergency has and will continue to have profound effects on traffic volumes, travel patterns and how people travel. The trends which emerge over time will be fully accounted within the Transport Appraisal and measures to reflect such trends included in the final strategy adopted for Gatwick Green.

3.8 The approach adopted by TWG is described in the following sections and confirms that in the context of the NPPF Transport tests, there will be enhanced opportunity for sustainable travel, attracting new users and simultaneously discouraging travel by private car.

3.9 The approach promoted by TWG accords with the modelling assessment undertaken by Crawley to support the Local Plan, as summarised in the Transport Study of Strategic Development Options and Sustainable Transport Measures Report (CTRS), which is supported by New Directions for Crawley – Transport and access for the 21st century, March 2020. In this context, the overarching objectives of the Mobility Strategy will be to:

- Provide a masterplan with sustainable movement and active travel at its heart, including a Sustainable Transport Corridor (STC) with dedicated pedestrian, cycle and public transport provision alongside public transport / mobility hubs;
- Promote the extension of the Fastway development programme;
- Link the Site to existing public transport infrastructure and the three local railway stations;
- Improve walking and cycling infrastructure in the local vicinity and link the Site to the network of routes to be delivered through Crawley's Local Cycling, Walking, and Implementation Plan (LCWIP);
- Contribute towards the delivery of the LCWIP;
- Encourage users of the proposed development as well as encourage residents from developments such as Forge Wood and Steers Lane to use these facilities rather than the car; and
- Promote sustainable travel options through a comprehensive Travel Plan.

### **Policy Summary**

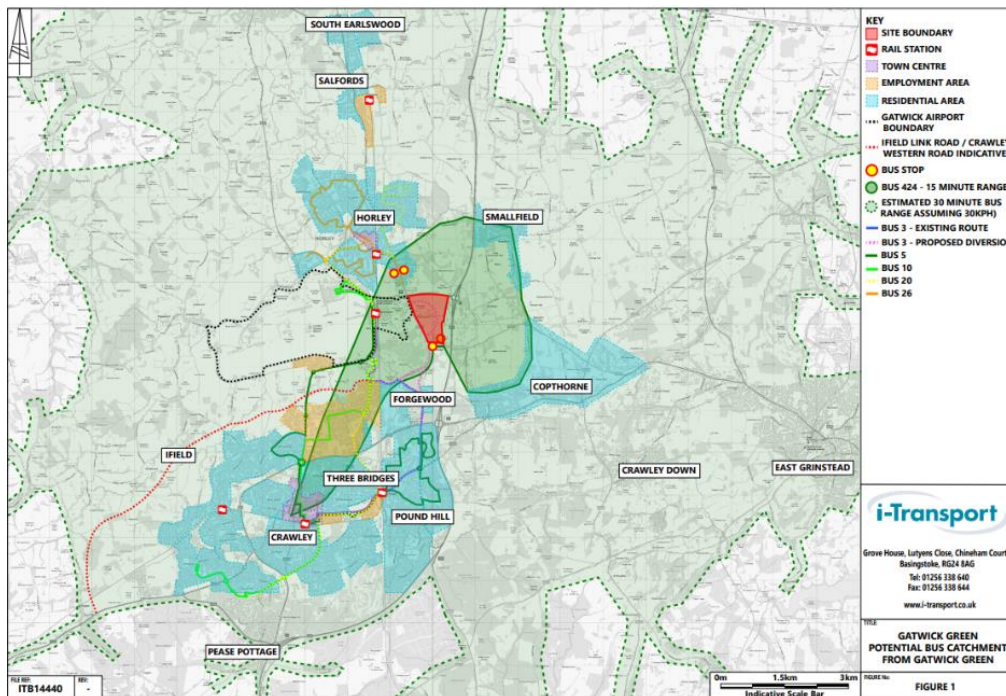
3.10 The proposed development is compliant with all guidance published to date and takes full account of National, Regional and Local Authority Transport policies, including the Regional TfSE Transport Strategy and the Logistics Freight and Gateways Strategy published by TfSE.

## 4.0 Mobility Strategy - Public Transport

### Bus Travel

- 4.1 Bus stops are located on Balcombe Road / Meadowcroft Close to the north of the Site and on Antlands Road to the south of the Site. The locations of these bus stops provide different opportunities to travel to a range of destinations including Horley, Crawley, Reigate and Redhill.
- 4.2 The bus stops on Balcombe Road / Meadowcroft Close are located some 1.3km to the north of the Site i.e., outside of typical walking distance and are served by route 26, which provides four services a day on Mondays, Wednesdays and Fridays. These provide a route to Horley and the nearby suburbs. The bus stop on Antlands Lane is some 1.2km from the centre of the Site and provides a more frequent, hourly service Monday to Saturday via bus service 424. This route provides the opportunity to travel to Crawley, Horley, Reigate and Redhill.
- 4.3 While there are bus services which operate within the local area, due to limited development in the immediate vicinity of the Site, the local bus infrastructure is limited. Figure 1 (also included in Appendix A) summarises a potential bus catchment assuming up to 15 and 30 minute journey times to the Site.

**Figure 1 - Potential Bus Catchment Area for Gatwick Green**



## The Bus and Fastway Strategy for Gatwick Green

- 4.4 The operator of bus services and Fastway in Crawley has been consulted and is closely involved in the development of the basis for a Bus and Fastway Strategy for Gatwick Green. As such an endorsement has been received from Patrick Warner, Head of Innovation Strategy in an email which contains the following statement:

*“It is with great pleasure that we are able to confirm that we have been collaborating with Wilky Group and Empiric Partners in the creation of a draft transport strategy to support the proposed Gatwick Green development.*

*Our shared vision as detailed in their strategy mentions zero emission buses, the future evolution of the highly successful Fastway network and the upcoming delivery of the first ‘Superhub’ mobility hub concept in Manor Royal. These are all high quality complimentary public transport assets that are subscribed to fully by us and a wide coalition of local stakeholders. We look forward to the opportunity to continue to work with Wilky Group, Empiric Partners, the planning and highway authorities to ensure that they are taken forward during any forthcoming planning process for Gatwick Green”. Patrick Warner, 15<sup>th</sup> June 2021.*

- 4.5 The strategy has four components, each designed to improve services, increase demand amongst existing travellers and form lasting “habits” amongst those working and visiting the new development at Gatwick Green. The four components are:

1. Strengthening existing services to offer an improved frequency and greater flexibility to those living and working along the Balcombe Road corridor or those travelling to origins and destinations within the Gatwick area. This could include:
  - a. The existing service number 3 (Crawley Town Centre - Forge Wood - Gatwick South Terminal) being extended and diverted into the Site;
  - b. Fastway 10 being extended to serve the Site; and
  - c. Further opportunities to extend bus services 4 and 5 to serve the development.
2. To provide a safe and prioritised route for buses travelling through the heart of the new development, offering faster journey times to encourage greater use of services as part of CBC’s wider aspirations to deliver Fastway across the Borough. This could be delivered via:
  - a. Dedicated access e.g., bus gate, priority incorporated into the junctions and on the approaches to Site access junctions.
  - b. An internal site layout designed to incorporate the extension of the Fastway network through the provision of priority to buses, with a Sustainable Transport Corridor through the Site.

3. To deliver mobility hubs which significantly improve waiting facilities and achieve better integration between active and carbon-neutral modes of travel and public transport services.
  4. To ensure that Gatwick Green is a key player in the creation of high quality connections between new residential and employment areas, including links with Reigate and other nearby centres in line with CBC aspirations.
- 4.6 The investment in zero carbon vehicles by Metrobus, in conjunction with CBC and other partners, has offered a key to improvements in air quality and an illustration of the benefits of transferring journeys by private car to public transport. Gatwick Green will promote this evolutionary approach, by providing a new development which recognises the climate change agenda and supports the delivery of high quality public transport services and their integration with active and carbon-neutral modes of travel.
- 4.7 The approach to providing twin accesses onto Balcombe Road/Antlands Lane, offers an opportunity to divert existing services or provide a new Fastway/bus route which will penetrate the Site. This will incidentally provide additional services to Balcombe Road, benefitting residents and businesses and potentially new development along the route towards Horley.
- 4.8 Public transport provision for the Site will, therefore, be integrated into the Fastway Development Programme and, subject to further analysis, provides an opportunity for additional funding to be made available to enhance the network of routes through targeted investment and the provision of new infrastructure. The Site could for example be linked via public transport to Manor Royal, Crawley Town Centre and the emerging development opportunities at Ifield (which includes 10,000 homes located within Horsham District ) and the planned Horley Business Park.
- 4.9 Within the Site, on the Sustainable Transport Corridor (STC), small public transport / mobility transport hubs and/or 'Super Hubs' will be developed. An illustration is provided below at Image 1.1. These hubs, which are already planned as part of a pilot scheme at Manor Royal, would act as a bus Fastway waiting area, but would potentially have expanded facilities such as shelters, Wi-Fi, phone charging, coffee outlet, charging and storage for electric bike and electric scooters (subject to legislation).



**Image 1.1. – Public Transport / Mobility Hub**



4.10 This type of infrastructure allows for seamless and hassle-free interchange between ride sharing, public transport and non-motorised modes of travel and is in line with existing initiatives, such as those identified within the Crawley Growth Programme and Crawley New Directions.

### **Rail Travel**

4.11 The Site is located within the vicinity of three local railway stations, with the closest being Gatwick Airport to the west. Horley Railway Station is located to the north, whilst Three Bridges is located to the south.

4.12 The Local Plan supporting evidence refers to station improvements at Crawley and Three Bridges which are included within the Crawley Growth Programme, while Gatwick Airport station is to be significantly improved and upgraded, alongside improved access to local Fastway bus services. These improvements will enhance the transport interchanges and help achieve modal shift from the private car.

### **Gatwick Airport Station**

- 4.13 Gatwick Airport is located some 1.7km from the centre of the Site and provides an opportunity to travel to key destinations including London Victoria, Brighton, Horsham, Cambridge, Peterborough and Reading.
- 4.14 A scheme to improve Gatwick Airport Railway Station is currently underway and could be complete by the end of 2023, including measures to improve accessibility, widening platforms 5 and 6 and installing new escalators, stairways and lifts. In addition, the size of the railway concourse will be increased and connections to the airport terminals and passenger wayfinding will be upgraded.
- 4.15 It is possible to access the station from Gatwick Green via existing pedestrian facilities and via Ring Road South, as well as via the Public Right of Way network using Footpath 359Sy. The station is also within easy cycle distance from the Site, via relatively quiet roads.
- 4.16 Pedestrian and cycle access between Balcombe Road and the station is expected to be improved as part of the DCO submission, as well as the Gatwick Airport Master Plan (GAMP, 2019).

### **Horley Railway Station**

- 4.17 Horley Railway Station is located some 2.3km from the centre of the Site and provides the opportunity to travel on the rail network with direct links to a variety of stations including Peterborough, London Bridge and Horsham. The railway station is within a reasonable cycle distance and there are 76 cycle spaces at the station. It can also be accessed using bus service 26 and 424. It is possible to access Horley Railway Station via Balcombe Road. At least one footway is provided along Balcombe Road and continues along Victoria Road from the roundabout. This footway continues to Horley Railway Station. An additional route via Footpaths 362a, 360 and 355a from Balcombe Road and across the railway line up to the station is also available.

### **Three Bridge Railway Station**

- 4.18 Three Bridges Railway Station is located some 5.2km from the centre of the Site and provides opportunities to travel to similar destinations to Horley and Gatwick Airport stations. Three Bridges has a station car park in addition to 276 cycle spaces. It is possible to access the station via Balcombe Road, Milton Mount Avenue and Worth Park Avenue. Although crossing points are limited in some locations at least one footway is provided for the entire route. A shared footway / cycleway is provided along Worth Park Avenue on approach to Three Bridges Railway Station.

### **Station Accessibility Improvements**

- 4.19 As part of the package of measures to improve and enhance accessibility, localised improvements to walking, cycling and Fastway routes will be brought forward which will improve accessibility between the Site and the local railway stations.

### **Mobility Strategy Summary – Public Transport**

- 4.20 The public transport strategy is consistent with CBC's New Directions (2020) and the WSCC Local Transport Plan (2022). The aspirations of local policies to achieve economic growth whilst promoting low or zero carbon transport lie at the heart of the public transport strategy for GG.

## 5.0 Walking and Cycling

5.1 One of the main transport / connectivity objectives for the Development is to deliver direct and safe connections which prioritise access on foot, bike or bus to/from neighbouring communities and places of employment, This includes improving existing cycling and walking infrastructure that link the development to neighbouring communities and to avoid severance.

5.2 Paragraph 4.4.1 of the Manual for Streets states:

*“Walkable neighbourhoods are typically characterised by having a range of facilities within 10 minutes’ (up to about 800m) walking distance of residential areas which resident may access comfortably on foot. However, this is not an upper limit and PPG13 states that walking offers the greatest potential to replace short car trips, particularly those under 2km. MfS encourages a reduction in the need to travel by car through the creation of mix-use neighbourhoods with interconnected street patterns, where daily needs are within walking distance for most residents”*

5.3 The DfT’s Cycling and Walking Investment Strategy (2017) states at Paragraph 1.16 that:

*“...there is significant potential for change in travel behaviour. Two out of every three personal trips are within five miles – an achievable distance to cycle for most people, with many shorter journeys also suitable for walking. For school children, the opportunities are ever greater. Three quarters of children live within a 15-minute cycle ride of secondary school while more than 90% live within a 5-minute walk or bus journey from a primary school.”*

5.4 The DfT’s Gear Change A Bold Vision for Cycling and Walking states (page 11) that:

*“In particular, there are many shorter journeys that could be shifted from cars, to walking, or cycling. We want to see a future where half of all journeys in towns and cities are cycled or walked. 58% of car journeys in 2018 were under 5 miles. And in urban areas, more than 40% of journeys were under 2 miles in 2017-1817. For many people, these journeys are perfectly suited to cycling and walking.”*

5.5 Against this background:

- 1.6km (circa 1mile) is a reasonable walking distance for most people and many journey purposes although some people may walk further (2km is referred to in Manual for Streets); and
- 8km (circa 5 miles) is a reasonable cycle distance for most people and many journey purposes, although some people, do cycle in excess of 8km on a regular basis. The use of e-bikes increases the range that cyclists will travel as well as reducing the effects of any gradients on routes and journey times.

- 5.6 The National Travel Survey (NTS) 2019 identifies the mode share of journeys of different lengths: the majority (80%) of trips are undertaken on foot for journeys up to one mile. The data also shows that approximately 31% of journeys between one and two miles (3.2 km) will be on foot i.e., a significant proportion of people are prepared to walk for journeys up to two miles.
- 5.7 The Chartered Institution of Highways and Transportation (CIHT) guidance 'Planning for Walking' (2015) further states that:
- "Across Britain, approximately 80% of journeys shorter than 1 mile are made wholly on foot – something that has changed little in 30 years. The main reason for the decline in walking is the fall in the total number of journeys shorter than 1 mile, which has halved in thirty years. It is not that people are less likely to make short journeys on foot but rather that fewer of the journeys they make can be accomplished on foot. If destinations are within walking distance, people are more likely to walk if walking is safe and comfortable and the environment is attractive."*
- 5.8 Locating employment within one mile (1.6km) of residential development and local facilities and services will provide the greatest opportunity for trips to be made by foot. One mile is not however, the maximum that people are prepared to walk, it is clear from the NTS data that around one-third of journeys between one and two miles are undertaken on foot.
- 5.9 Data provided within the National Travel Survey (NTS) demonstrates that the average distance per journey by bike is approximately 4.4km, with the current average length of an employment and leisure cycle trip some 5.2km. On this basis, a cycle distance of 5km is considered reasonable.
- 5.10 Furthermore, more people are acquiring e-bikes, which enable greater distances to be covered in shorter times travel. E-bikes are particularly useful for people who, for example, need to ride in business clothes, to ride up hills, to travel long distances, or who are older or less fit and discouraged by the physical effort of an ordinary bike. Journeys by e-bike of up to 8km are not uncommon.
- 5.11 The promotion of walking for short trips and cycling for increasingly longer distances, (because of the emergence of powered cycles), alongside conventional and demand responsive public transport networks is important and forms a key part of the Authorities' ambitions. It is central to The Crawley Transport Strategy, 'New Directions' and Crawley Growth Programme.

- 5.12 The proposal will contribute towards a defined strategy to link existing and developing residential areas, employment opportunities and day-to-day facilities, within Crawley town centre, Horley, Forge Wood, Manor Royal, Three Bridges and Gatwick Airport in line with '15 minute Neighbourhood' principles.
- 5.13 This will enable the development of infrastructure and transport services that cater for carbon-neutral modes of travel, potentially reducing reliance on the private car and in line with the concept of Mobility as a Service (MAAS), and the Governments ambition for a step-change in the number of walking and cycling trips undertaken daily.
- 5.14 **Figure 2** (included as Appendix A) shows a typical walk distance of 15 and 20 minutes from the Site.
- 5.15 **Figure 3** (also included as Appendix A) shows a typical cycle distance of 15 and 20 minutes to the Site.
- 5.16 It is evident that the development is within one mile (1.6km) of existing (Horley and Tinsley Green) and emerging development areas (Forge Wood and Steers Lane), which will provide the greatest opportunity for a significant proportion of trips to be made on foot. The Site is also within with a 20 minute cycle of large parts of Crawley and Horley.

**Figure 2 - Typical 15-20 minute Walk distance to / from Gatwick Green**

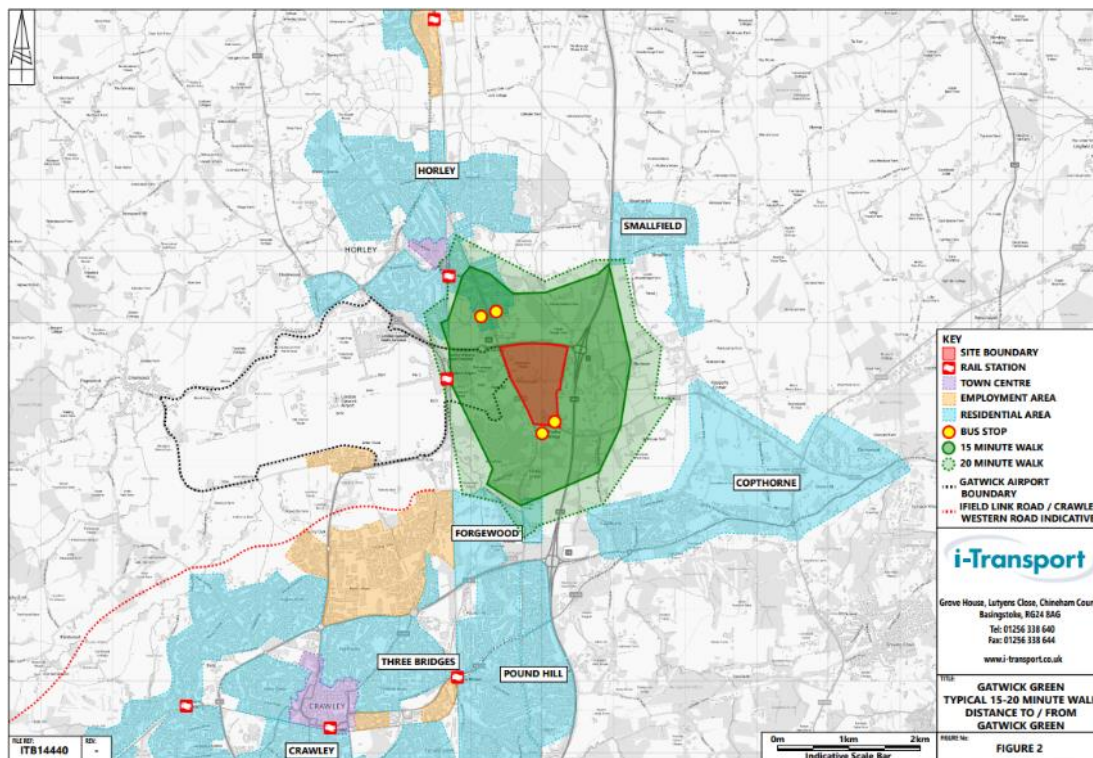
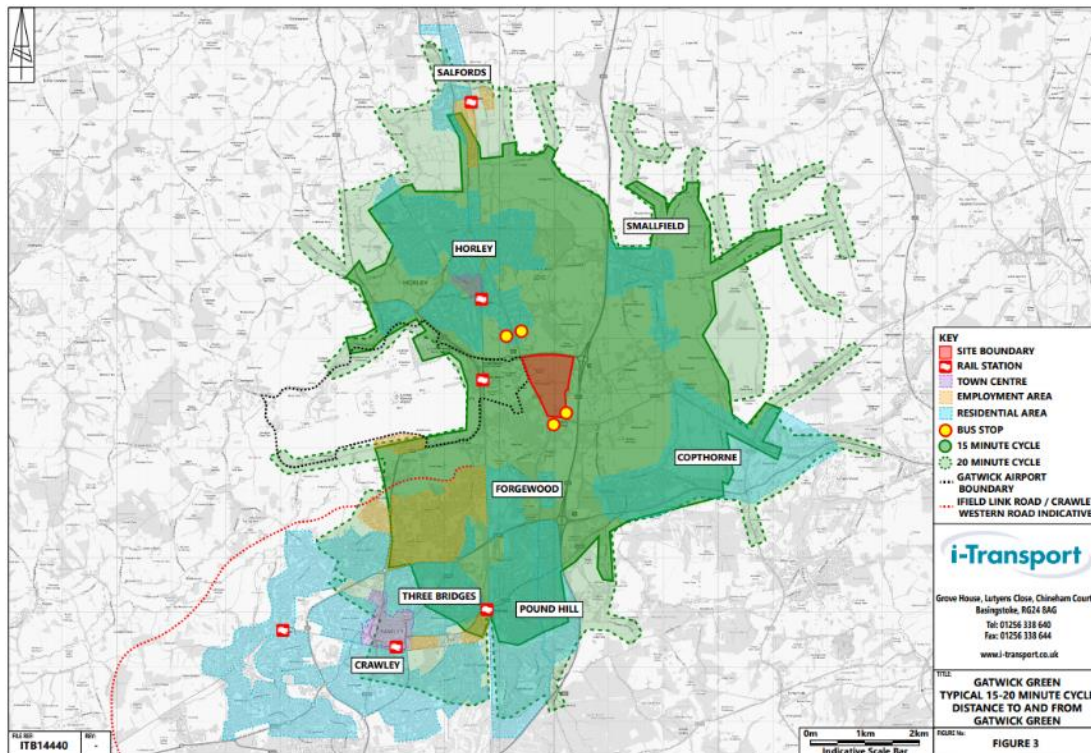


Figure 3 - Typical 15-20 minute cycle distance to and from Gatwick Green



### Public Right of Way Network

5.17 There are several public rights of way in the local area (Image 5.1). An existing public footpath runs through the northern part of the Site and connects onto Balcombe Road. Opposite the junction of Ferndown Road on Balcombe Road, adjacent to the southern development parcel, the network of public rights of way continues west providing access into Gatwick Airport and the Rail Station. As part of the package of sustainable transport measures, there will be an opportunity to improve this network, providing traffic free routes between residential areas and existing and future employment. This will both reduce the need for people to travel by private car and enhance the opportunity for sustainable travel modes to be taken up.

**Image 5.1 - Existing Public Rights of Way**



### **Local Cycling, Walking, and Implementation Plan (LCWIP)**

5.18 The Government’s first Cycling and Walking Investment Strategy (CWIS) (published in 2017) set out initiatives to make walking and cycling the natural choice for shorter journeys or as part of a longer journey. LCWIPs are a new strategic approach to identifying cycling and walking improvements required at the local level and enable a long-term approach (ideally over a 10-year period) to developing local cycling and walking networks. They form a vital part of the Government’s strategy to increase the number of trips made on foot or by cycle.

#### ***Crawley LCWIP***

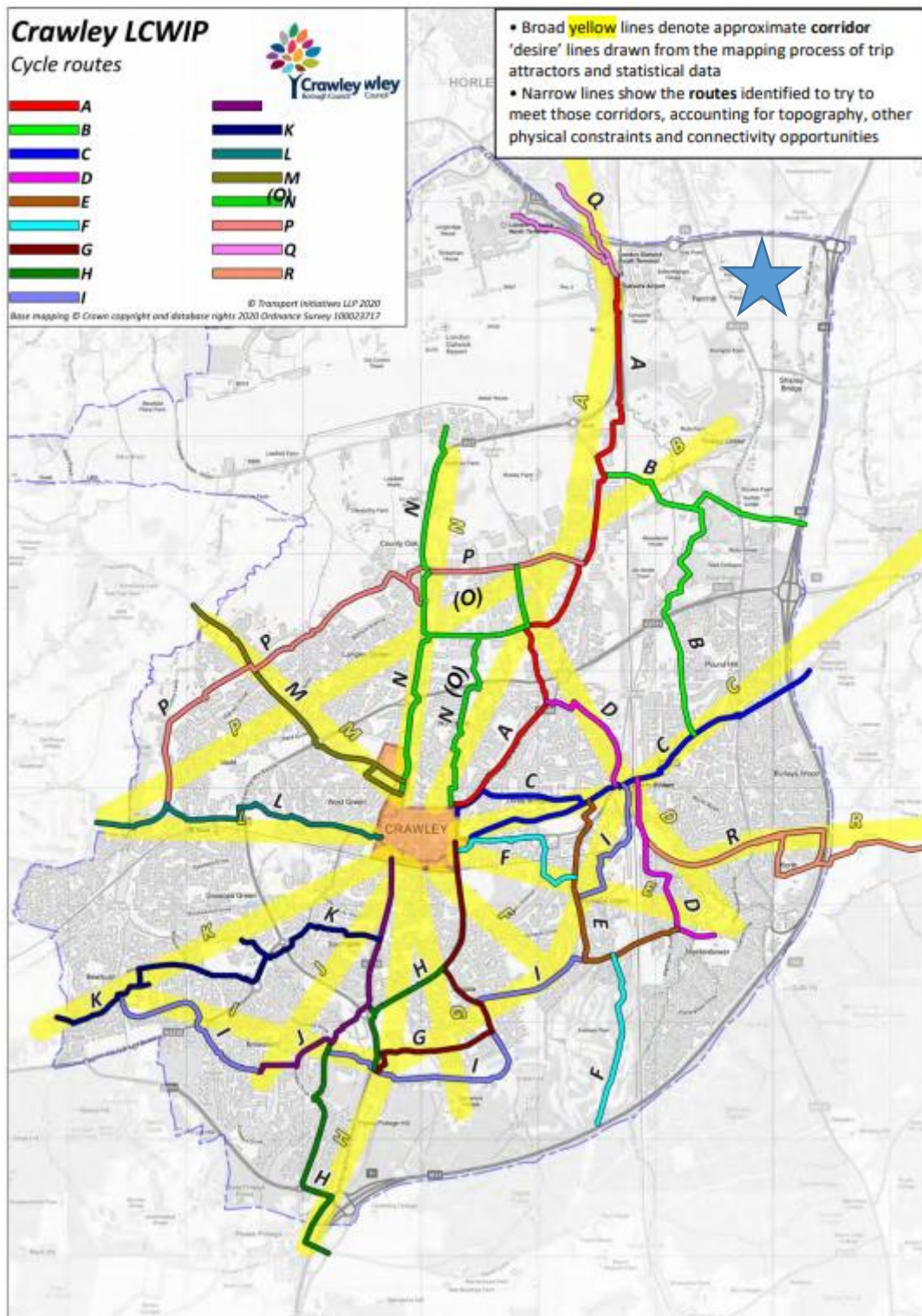
5.19 The Crawley LCWIP identifies functional, direct routes and zones and outlines measures to develop these into a connected network. It will inform the new Local Plan, guiding building development, and is an important contribution to New Directions for Crawley, the council’s transport and access plan.

5.20 As stated in the Crawley Transport Study, *“Investment in walking and cycling infrastructure to access key destinations and public transport services, will lead to greater uptake in active travel, healthier lifestyles, reduced carbon emissions, improved air quality, and a reduction in traffic volumes.”*

5.21 The Gatwick Green site is ideally placed to link into and assist in the delivery of pedestrian and cycling links, especially those identified within the Crawley Local Cycling, Walking, and Implementation Plan (LCWIP) (March 2021). An extract from the Crawley LCWIP, (Image 5.2) is provided below.



Image 5.2: Crawley Local Cycling, Walking and Implementation Plan (LCWIP)



Source: Extract from Page 22 of Crawley LCWIP – Gatwick Green site represented by star

- 5.22 There are opportunities to improve walking and cycling facilities on Balcombe Road to the north and south of the Site, with the potential to link the Site to the proposed routes A and B. In this respect, the Site is well located to the existing centre of Crawley and its northern suburbs (Pound Hill, Three Bridges, Northgate, Langley Green and Ifield), central Horley, the emerging residential areas such as Forge Wood, and complementary employment areas of Manor Royal and Gatwick Airport.
- 5.23 These opportunities align with the modelling associated with the Crawley Transport Study Report. The detail of these routes will be included within the Transport Assessment following consultation with relevant stakeholders.

#### ***Reigate and Banstead LCWIP***

- 5.24 The Reigate and Banstead LCWIP includes the following scheme pertinent to the Gatwick Green site.
- Phase 1 Westvale Park (Meath Green) to Horley Railway station via Horley Town Centre.
  - Phase Horley to Gatwick South Terminal (via Balcombe Road). This route would aim to connect Horley town centre to Gatwick Airport. Approximate length: 2.5 kilometres.

#### ***Mobility Strategy Summary – Walking and Cycling***

- 5.25 The transport strategy for Gatwick Green includes:
- Providing high quality walking and cycling routes within the Site. The delivery of facilities in line with latest guidance will prioritise and encourage travel via the walking and cycling network, reducing dependency on travel by private motor vehicles;
  - Providing improved connections to existing and proposed walking and cycling improvement schemes and plugging the ‘missing gaps’ on Balcombe Road and local roads to improve walking and cycling facilities; and
  - Contributing towards the delivery of the Crawley Local Cycling and Walking Infrastructure Plan and local upgrades to cycle and pedestrian facilities in the vicinity of the area as well as improving Public Rights of Way.

## 6.0 Traffic Impact and Infrastructure Improvement

- 6.1 In advance of a full Transport Assessment, initial junction capacity assessments have been undertaken for the local highway network.
- 6.2 This is based on traffic surveys completed in January 2020 (following agreement with WSCC that they represent typical operating conditions). These counts are worse case, since they were undertaken at a time when the economy was functioning normally, prior to the Covid-19 crisis. It is likely that there was higher than usual demand on Balcombe Road and surrounding roads in response to the ongoing traffic management on the M23 associated with the implementation of the Smart Motorways scheme.
- 6.3 Future year traffic forecasts were derived which included planned and committed development at, Forge Wood; Steers Lane, and Copthorne.
- 6.4 Based on the traffic generation, assignment and distribution, local junctions in the vicinity of the Site were tested using industry standard modelling tools. The identified capacity issues generally occur in the peak hour and for short periods, where there is a “mini” peak within that period. On this basis, it is reasonable to conclude that investing in a scheme to alleviate peak hour capacity is not an efficient use of capital funding. An alternative approach, (consistent with CTSR) would focus on investment in schemes which promote modal shift and provide benefit throughout the day and have more positive merit in delivering improvements to public transport and active travel modes.
- 6.5 Rather than follow an exclusive ‘Predict and Provide’ approach to addressing capacity issues, the Gatwick Green mobility strategy is designed to follow the ‘Decide and Provide’ philosophy in a way which complements the aspirations of WSCC and CBC. In this context it is pertinent to understand how changes in travel patterns and future opportunities will impact upon demands and to develop a range of plausible scenarios which can be developed and tested, to understand their impacts on the surrounding transport network.
- 6.6 The strategy for the Site is, therefore, to consult with the local highway authorities (WSCC and SCC) and Crawley Borough Council (CBC) to derive a holistic approach to mobility in the area, which may include proposals for some additional highway capacity schemes where appropriate.

## **Crawley Transport Study Report**

(Transport Study of Strategic Development Options and Sustainable Transport Measures  
Draft Crawley Local Plan 2021 – 2037) (December 2020)

- 6.7 Crawley published its study into the impact of the development proposed in the Local Plan in May 2021. The report specifically considers an industrial-led development of predominantly storage and distribution uses under use class B8 at Gatwick Green, comprising of 77,500 square metres (SQM) (GFA) split into: B8 Parcels Distribution (10%), B8 Commercial Warehousing (60%) B2 Industrial estate (30%). This is referenced as Scenario 2 within the modelling report.
- 6.8 The Report (CTSR) identifies the impacts likely to arise for planned development when no interventions are included and then considered mitigation in the form of modal shift resulting from improvements to pedestrian, cycling and public transport facilities. Where these interventions do not address congestion hotspots, additional ‘capacity’ improvements are identified, either in the form of modest junction amendments, or improvements to signal timing and equipment.
- 6.9 The ‘Decide and Provide’ approach set out in the CTSR is in line with the latest thinking and Government Policy, aimed at delivering sustainable interventions before physical capacity improvements. The mitigation identified builds on the existing Fastway network within Crawley and the already identified and costed improvements to walking and cycling as set out in the LCWIP.

### **Modelling parameters**

- 6.10 A review of the modelling parameters has been undertaken in order to test the robustness of the model, for the Local Plan purposes.

### **Trip generation**

- 6.11 The model considers a range of different land uses and their likely trip generation, which is consistent with Local Plan modelling. It is noted that the trip rate used by CDC in their modelling assumptions for B8 Parcel Distribution is a significant over estimation of the likely number of vehicles which would be generated by that land use. There are limited parcel distribution sites within TRICS and one site included within the assessment is the DHL

Headquarters in Slough, which includes a large proportion of office use. Experience of other site included in TRICS and from sites surveyed elsewhere has identified blended trip rates of 0.465 (morning peak hour) and 0.811 (evening peak hour) per 100sqm, compared to CDC's guide rate of 1.508 vehicles two way.

- 6.12 Other rates within the CDC modelling are equally robust and as such, once traffic is assigned and distributed across the network, variations in the type and mix of development within the model are unlikely to be noticeable.

### **Modal Shift**

- 6.13 As set out in the Crawley Transport Study, the modal shift assumption assumed in the Draft Crawley Local Plan modelling are conservative assumptions, proportionate to the scale of the development sites proposed. There is potential to achieve higher levels of reductions in future as peoples' attitudes towards movement change, with more people choosing to travel by sustainable and low carbon modes.

- 6.14 With a greater mode shift towards cycling, further investment in bus priority measures and continued changing trends in working practices along with virtual mobility, it is likely that there will be greater uptake of sustainable travel modes, and less reliance on private car trips during the Local Plan period. This could translate, in future, to higher levels of sustainable travel using sustainable modes and cutting down on car use.

- 6.15 In summary, there is the potential for sustainable mitigation to play a bigger role in future and thus minimise or eliminate the need for extensive physical mitigation. Contributions from development sites towards targeted highway and junction improvements, on a 'decide and provide' approach to highway capacity rather than the 'predict and provide' approach will ensure that investment is targeted at improving conditions for all users. This will avoid the provision of highway capacity improvement schemes which have typically been implemented at the expense of public transport, walking, and cycling, without solving long terms issues around mobility and accessibility.

### **Summary of results**

- 6.16 Section 7.8 of the CDC report identifies that the unmet demand at almost all junctions analysed can be addressed through sustainable mitigation measures. These measures would include:

- Limited bus priority measures to increase uptake of bus ridership;
  - The delivery of the LCWIP to increase uptake in active modes walking and cycling; and
  - Increased Virtual Mobility, particularly working from home which would lead to reduced car travel at peak times.
- 6.17 The report identifies that in respect to Scenario 2 and 3, the sustainable travel interventions could mitigate the impacts of the development in most locations. However, the Ifield Roundabout/Ifield Avenue/A23 Crawley Avenue junction would benefit from a modest improvement in terms of improving capacity on its link approaches.
- 6.18 It should be noted that a junction operating at or over its theoretical capacity in a future year does not mean that the junction will operate unsatisfactorily or be unsafe.
- 6.19 With the decide and provide approach identified by CDC, it would not be best practice to identify and implement capacity led mitigation schemes at all junctions which were at stress or over capacity. To do so would only replicate past mistakes, where additional capacity has induced more demand. A monitor and manage approach should be taken whereby an Infrastructure Delivery Plan can be developed, creating a transport budget out of which transport improvements to serve the development would be funded for the purpose of achieving the preferred vision.
- 6.20 The need for capacity improvements can then be reviewed prior to implementation in accordance with the preferred vision and ensuring that road capacity schemes are only considered after all other options have been explored.
- 6.21 The report confirms that any impacts on the Strategic Route Network (SRN) i.e., the M23 and associated junctions, can be mitigated through planned improvements and signal optimisation.
- 6.22 The strategy identified by Crawley, though the CTSR modelling report, is wholly in line with the mobility strategy identified for Gatwick Green. As such, development at Gatwick Green provides the opportunity to deliver improved walking, cycling and public transport infrastructure, with targeted junction improvements. This approach will not only mitigate the impacts of the development, but also assist in the delivery of the Local Plan as a whole, as these active mode improvements will benefit existing residents and businesses as well as those travelling to Gatwick Green.

## Traffic Impact Summary

- 6.23 In advance of a full Transport Assessment being produced an initial assessment has been undertaken on a first principles basis. This identified that with a suitable mitigation package in line with Policy EC4 requirements that Gatwick Green can come forward safely and without any severe residual capacity or safety impacts.
- 6.24 CBC has developed a transport strategy, which:
- Considers the cumulative impacts of development;
  - Robustly assess the impacts of Gatwick Green;
  - supports a decide and provide approach to mitigation;
  - will deliver modal shift; and
  - Allows for additional mode shift as a result of other interventions if necessary.
- 6.25 It is evident that the traffic modelling is suitably robust for the purpose of allocating development.

## 7.0 Provision of Parking

7.1 Whilst the parking provision on Site is a matter for planning, normally determined at the Reserved Matters stage, the masterplan will be developed after considering:

- Assumptions on changing travel behaviour and modal shift;
- Local Parking Standards for commercial uses;
- A parking accumulation analysis utilising TRICS arrival and departure patterns throughout a typical day;
- Experience of other similar sites;
- Input from typical end users; and

7.2 A full detailed analysis will be provided within the Transport Assessment that will accompany any planning application. This will identify that:

- Adequate parking for cars and HGVs will be provided in line with local parking standards;
- That there will be no overspill parking onto local roads;
- Adequate lay-over parking with associated facilities will be provided for HGVs to ensure that there is no HGV parking off site and that any parking is appropriately provided for;
- Facilities will be provided for Electric Vehicle charging;
- Opportunities for alternative future fuelling, such as hydrogen will be considered, and
- Space will be provided for Car Clubs and priority spaces for car/ride sharing etc.

### Parking for Gatwick

7.3 The Gatwick Green development does not prejudice the delivery of the Southern Runway surface access plans identified in the Airport Masterplan. The network can be configured to retain access to GAL's remaining proposed airport car parks via Balcombe Road, Fernhill Road and Antlands Lane (see **Appendix B**).



## 8.0 Summary and Conclusion

### Summary

- 8.1. The Wilky Group (TWG) propose to bring forward an innovative industrial and logistics development and co-ordinated infrastructure solution to deliver the 47 ha (116 acre) Gatwick Green site allocation which lies within the heart of the Gatwick Diamond.
- 8.2. This Appraisal has been undertaken in support of the Regulation 19 representation by Savills on behalf of TWG on the Draft Crawley Borough Local Plan (Submission Publication Consultation: May – June 2023 ).
- 8.3. The Gatwick Green allocation has been tested in terms of its impacts on the strategic and local transport networks, both by TWG and through Crawley’s CTSR. Both studies conclude that the impacts of Gatwick Green can be addressed and mitigated through a combination of improved infrastructure for walking, cycling and public transport, alongside some targeted capacity improvements. The CTSR additionally concludes that the impacts arising from the Local Plan generally, including Gatwick Green, can be adequately dealt with.
- 8.4. The allocation proposal will bring forward a package aimed at delivering non-car access as a priority, whilst ensuring that the local highway network can accommodate predicted vehicular and HGV traffic. While some car-borne traffic is inevitable, measures will be put in place to ensure trips are completed as sustainably as possible. The transport strategy includes:
  - Delivery of an access strategy and internal layout with a Sustainable Traffic Corridor (STC) which prioritises on-site public transport (Fastway) provision, with high quality walking and cycling routes in line with latest emerging guidance;
  - An access strategy which will deter HGV users from Inappropriate roads, including those in Horley and Copthorne.
  - Contributions towards strengthening existing Fastway and bus routes and delivery of targeted Fastway/bus infrastructure, including bus priority and transit routes alongside enhancing existing pedestrian and cycle routes.
  - Plugging the ‘missing gaps’ and connecting to both the Crawley and Reigate and Banstead Borough Councils Local Cycling and Walking Infrastructure Plan.
  - A ‘Decide and Provide’ approach to highway capacity rather than the ‘Predict and Provide’ approach which has led to capacity improvement schemes designed to accommodate car based journeys at the expense of public transport, walking, and cycling.

- The emerging masterplan and proposed access strategy do not prejudice the delivery of either the Gatwick DCO or the Second Runway surface access strategy.

8.5. The proposal will contribute towards a defined strategy to link existing and developing residential areas, employment opportunities and day-to-day facilities within Crawley town centre, Horley, Forge Wood, Manor Royal, Three Bridges and Gatwick Airport in line with the principle of the '15 minute Neighbourhood'. This will enable the development of infrastructure and transport services that cater for carbon-neutral modes of travel, potentially reducing reliance on the private car and in line with the concept of Mobility as a Service, (MAAS) and the Government's ambition for a step change in the number of walking and cycling trips undertaken daily.

8.6. The allocation proposals can therefore meet Strategic Policy ST1 which sets out the requirements for development in relation to sustainable transport. The objectives of the policy are set out below, followed by how the Gatwick Green proposals can fulfil these (in italics):

- Locating and designing development to prioritise and encourage travel via the walking and cycling network and public transport routes, while reducing dependency on travel by the private motor vehicle.

*Gatwick Green is located in a highly sustainable location between Crawley and Horley, offering significant opportunities to provide infrastructure that prioritises public transport.*

- Development should contribute to improved sustainable transport infrastructure off-site, including, where appropriate, bus priority measures, enhanced passenger information, and routes identified in the Council's Local Cycling and Walking Infrastructure Plan.

*Gatwick Green can bring forward a range of off-site sustainable transport infrastructure to support and advance the use of public transport for access to the Site and more widely in Crawley.*

- Development should provide an appropriate amount and type of parking in accordance with Policy.

*Gatwick Green will include appropriate parking provision aligned with the sustainable transport strategy for the Site.*

- Developments should not cause an unacceptable impact in terms of increased traffic congestion or highway safety.

*The CTSR and TWG's transport investigators demonstrate that Gatwick Green can be developed without unacceptable harm in terms of highway capacity and safety.*

- Development will be considered acceptable in highways terms unless there would be an unacceptable impact on highway safety, or the cumulative impact on the transport network is severe and cannot be satisfactorily mitigated.

*The CTSR concludes that with mitigation, the cumulative impacts of the DCBLP proposals on Crawley's transport networks and in terms of highway safety are acceptable.*

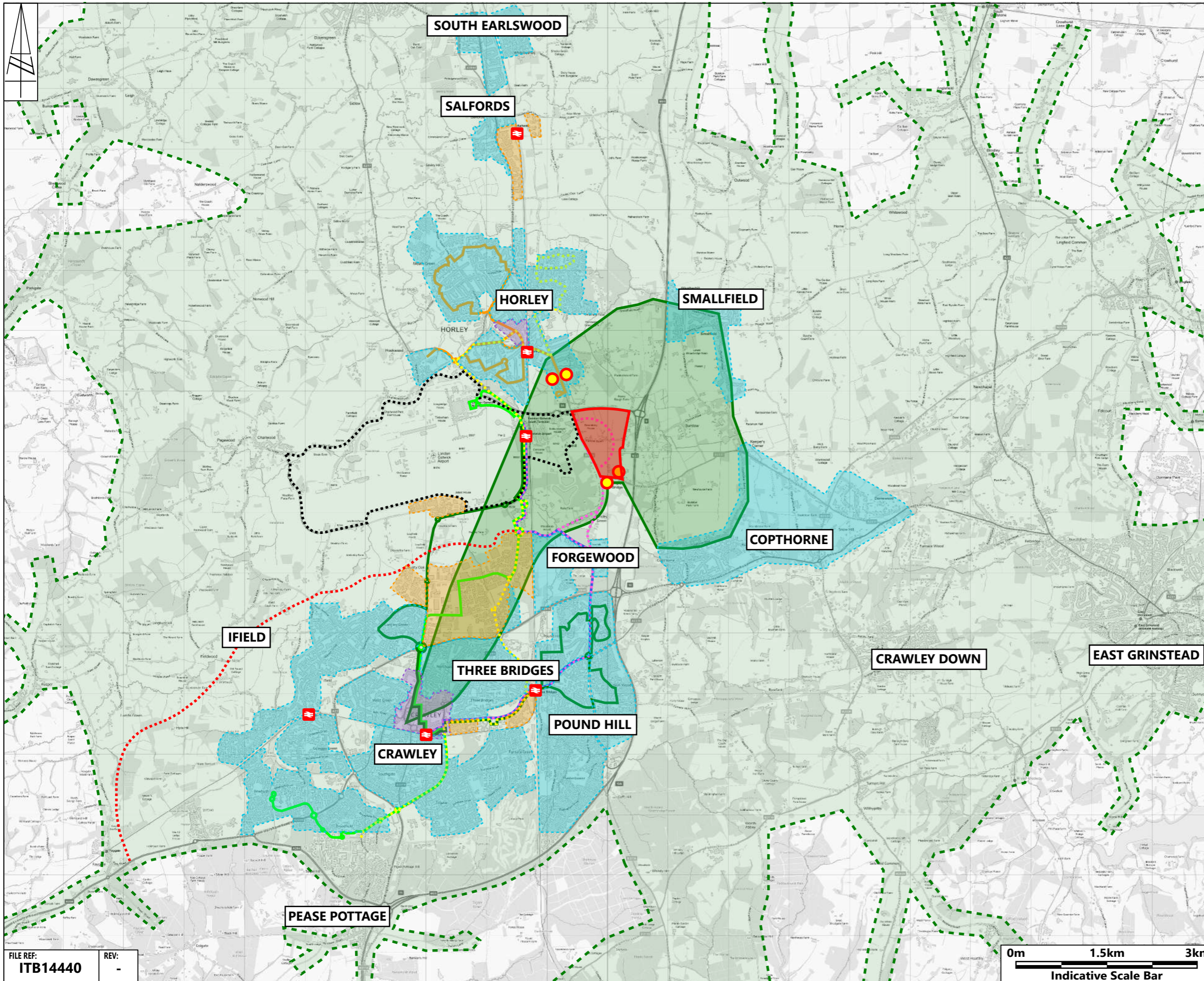
## **Conclusions**

- 8.7. This appraisal contains the findings of an initial assessment of access and transport considerations to support the allocation of the Gatwick Green site.
- 8.8. The Appraisal work has identified that there are no fundamental issues to access, promoting sustainable travel or mitigating traffic impacts. Any applications will be supported by a full Transport Assessment to demonstrate that the proposals can be accessed sustainably and would not have a severe impact upon the local highway network.
- 8.9. Initial assessments for a mobility strategy demonstrate how the Site will be integrated into the existing network, with off-site improvements aimed at promoting sustainable modes of travel for both future users of the Site and existing residents / businesses;
- 8.10. Any planning application will be accompanied by a range of infrastructure improvements to active travel and public transport to cost effectively mitigate development impacts;
- 8.11. Proposals to improve accessibility to the Site by public transport have been discussed and agreed in principle with Metrobus and the proposed site layout will bring forward bespoke public transport infrastructure;
- 8.12. Local upgrades to cycle and pedestrian facilities in the vicinity of the local area as well as Public Rights of Way are achievable and can be linked to improvements identified in the Crawley Walking and Cycling Infrastructure Improvement Plan.
- 8.13. The Site can be designed to provide appropriate levels of on-site parking for both cars and Heavy Goods Vehicles to ensure that all demand can be accommodated on site.

# Gatwick Green – Access and Outline Transport Appraisal Note

## Appendix A – Figures





- KEY**
- SITE BOUNDARY
  - RAIL STATION
  - TOWN CENTRE
  - EMPLOYMENT AREA
  - RESIDENTIAL AREA
  - GATWICK AIRPORT BOUNDARY
  - IFIELD LINK ROAD / CRAWLEY WESTERN ROAD INDICATIVE
  - BUS STOP
  - BUS 424 - 15 MINUTE RANGE
  - ESTIMATED 30 MINUTE BUS RANGE ASSUMING 30KPH)
  - BUS 3 - EXISTING ROUTE
  - BUS 3 - PROPOSED DIVERSION
  - BUS 5
  - BUS 10
  - BUS 20
  - BUS 26



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 www.i-transport.co.uk

TITLE:  
**GATWICK GREEN  
 POTENTIAL BUS CATCHMENT  
 FROM GATWICK GREEN**

FILE REF:  
**ITB14440**

REV:  
 -

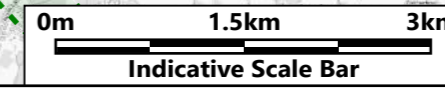
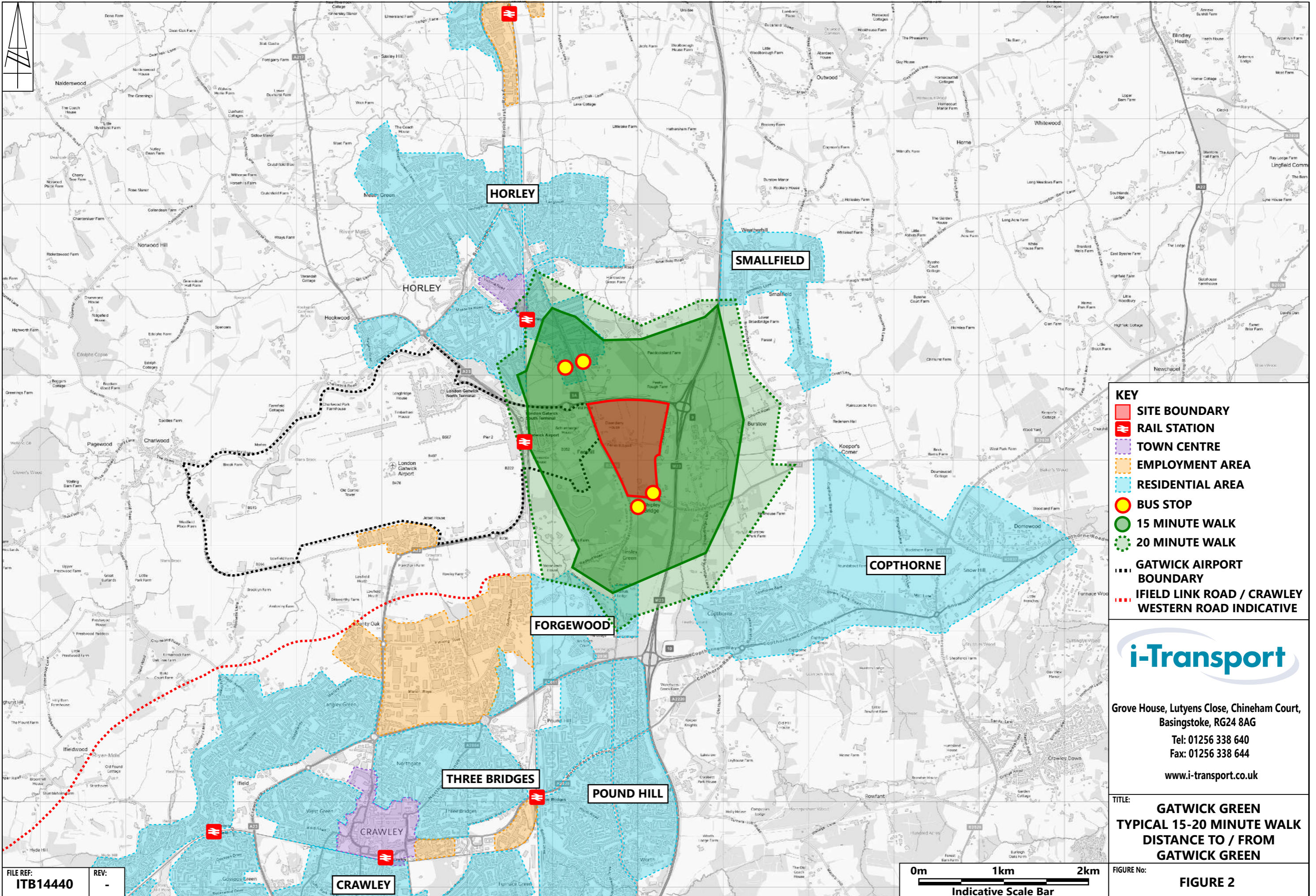


FIGURE No:  
**FIGURE 1**

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- KEY**
- SITE BOUNDARY
  - RAIL STATION
  - TOWN CENTRE
  - EMPLOYMENT AREA
  - RESIDENTIAL AREA
  - BUS STOP
  - 15 MINUTE WALK
  - 20 MINUTE WALK
  - GATWICK AIRPORT BOUNDARY
  - IFIELD LINK ROAD / CRAWLEY WESTERN ROAD INDICATIVE



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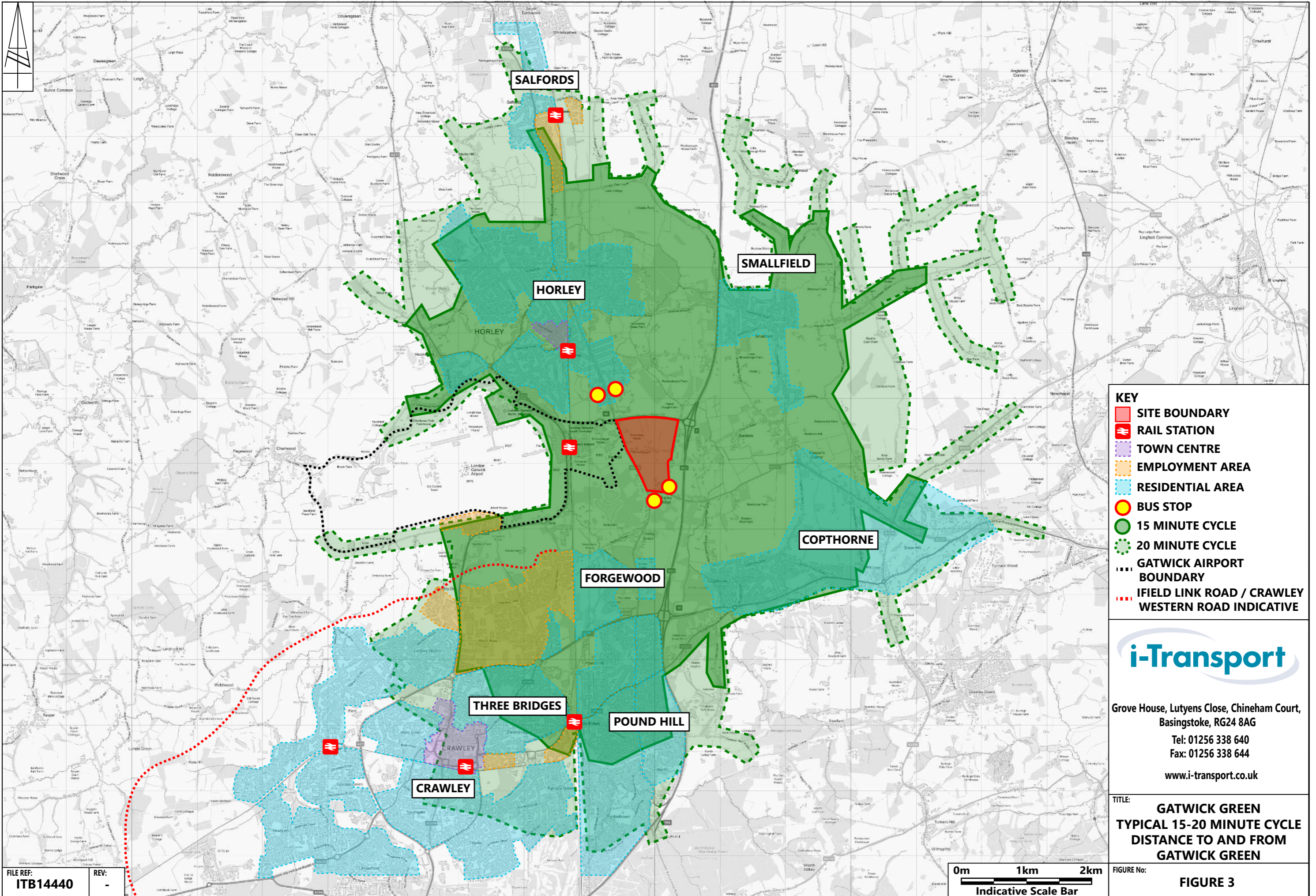
TITLE: **GATWICK GREEN  
TYPICAL 15-20 MINUTE WALK  
DISTANCE TO / FROM  
GATWICK GREEN**

FILE REF: **ITB14440**  
REV: **-**



FIGURE No: **FIGURE 2**

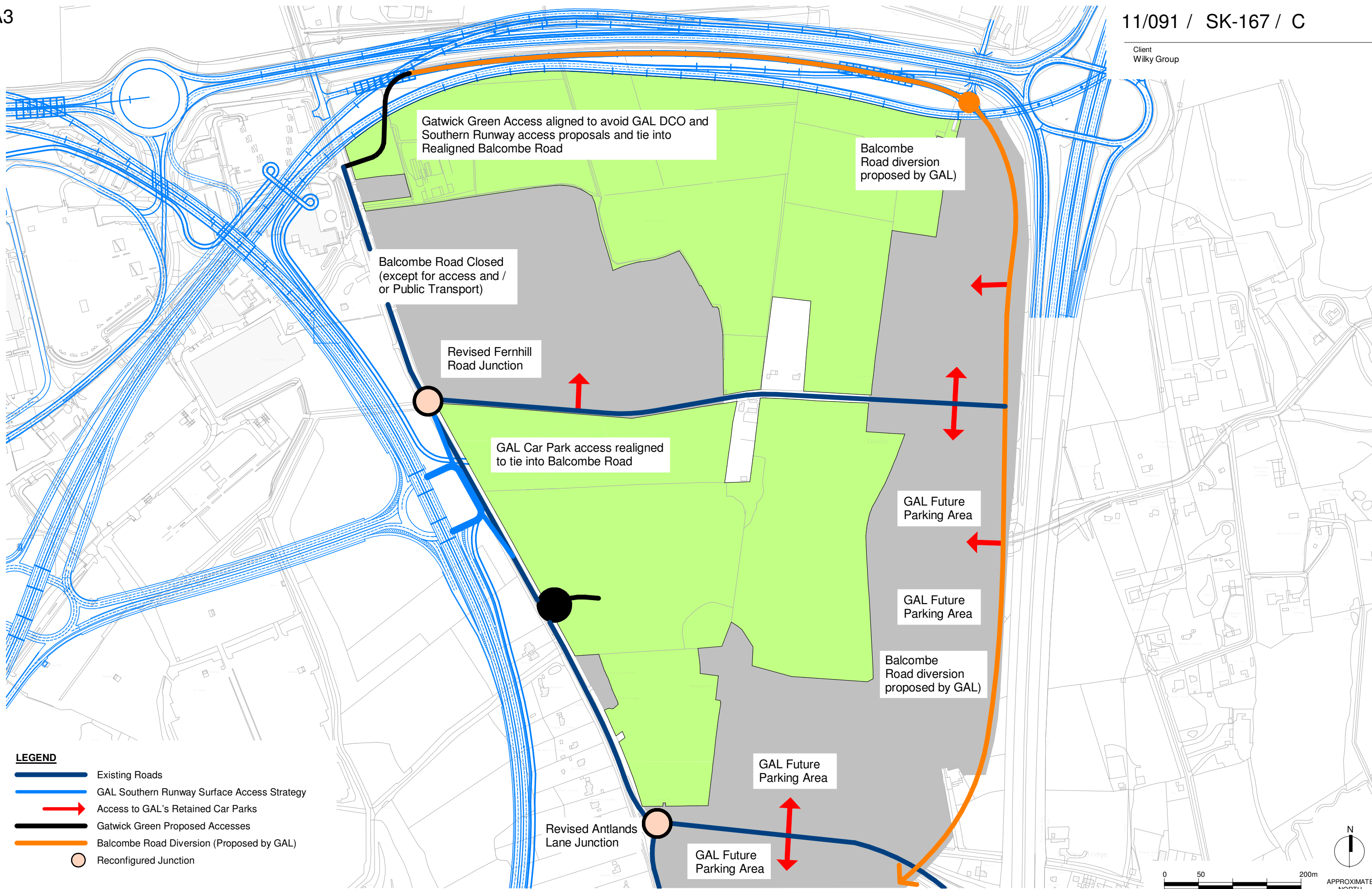
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## Appendix B – Indicative GAL Car Park Access Plan







**LEGEND**

- Existing Roads
- GAL Southern Runway Surface Access Strategy
- Access to GAL's Retained Car Parks
- Gatwick Green Proposed Accesses
- Balcombe Road Diversion (Proposed by GAL)
- Reconfigured Junction



Job N Drg N	Rev	Scale	Status
11/091 / SK-167	C	1 : 5000	PRELIMINARY
Date	Director	Author	Check
15/06/2023	JA	AH	--

Job  
GATWICK GREEN

Drawing  
Indicative GAL Car Park Access Plan

NOTE: All figures are approximate and have been measured and expressed in a manner as defined by the current edition of the RICS Code of Measuring Practice, unless otherwise stated. Figures relate to the current stage of the project and any development decisions to be made on the basis of this information should include due allowance for the increases and decreases inherent in the design and building processes. Reproduced from Ordnance Survey mapping under Licence Numbers 100022432 & 100018493

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# Appendix 3

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## Development Management Provisions



**GatwickGreen**

WHERE THE FUTURE WORKS

See document attached

# Appendix 4

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Strategic Industrial and Logistics – Location and Complementarity



**GatwickGreen**

WHERE THE FUTURE WORKS

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# Strategic Logistics

## Location and Complementarity

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## **Appendix A** - Examples of co-location of Airports and logistic parks

# 1 Introduction

## 1.1 Purpose

- 1.1.1 This report has been prepared on behalf of the Gatwick Green Limited (GGL) and is provided to support GGL's representations to the Draft Crawley Borough Local Plan 2024-2040, May 2023, (DCBLP). Its aim is to identify the factors that influence the location of strategic logistics and to provide evidence that there is a high degree of complementarity between Gatwick Green, the Manor Royal Business District (Manor Royal), the Horley Business Park and the other Main Employment Areas (MEAs) in Crawley Borough.

## 1.2 Report Structure

- 1.2.1 The report is structured as follows:

- **Section 2** discusses the guidance on the locational considerations for strategic Industrial & Logistics (I&L) uses in national and local policy and regional strategies.
- **Section 3** presents what the I&L market considers to be the key locational considerations to provide quality logistics and supply-chain linkages.
- **Section 4** evidences the role of airports in attracting strategic I&L development, with reference to several benchmark airports.
- **Section 5** provides evidence to support the complementarity between Gatwick Green, Manor Royal, the Horley Business Park and the other MEAs.
- **Section 6** provides conclusions.

## 1.3 Report's Key Findings

- 1.3.1 The report's key findings include:

- National, regional and local policies guidance and strategies all variously identify the key factors that drive the location of strategic I&L uses, such as: accessibility to the motorway network, customers and suppliers, a large labour pool, freight handling infrastructure (such as Gatwick Airport) and London.
- When policy and guidance is applied to the regional/local context, it points directly to the Crawley/Gatwick area as the prime location for such uses to leverage various economic benefits.
- UK airports are a major locational driver for strategic I&L development – by comparison with several benchmark airports, it is clear that the strategic I&L uses are very under-represented in the hinterland of Gatwick Airport, and especially with regard to very large units (above 250,000 sq.ft).
- A range of property-based evidence clearly shows that Gatwick Green would complement Manor Royal, the other MEAs in Crawley and the Horley Business Park by offering different and mutually supportive opportunities for large and very large I&L units that cannot be accommodated at Manor Royal without harming its mixed business function.

- The agglomeration benefits of Gatwick Green further strengthen the complementarity between the Site and the other MEAs by providing business growth opportunities for existing general business employment areas.

#### **1.4 Reader Note**

- 1.4.1 When we refer to the Industrial and Logistics (I&L) sector we mean Light Industrial (formerly B1c use class now part of Class E), General Industry (B2 use class) and Storage and Distribution (B8 use class). Effectively the primary use classes that require warehouses and factories (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 Policy considerations

### 2.1 Introduction

2.1.1 An understanding of the advice and guidance contained in national and local policies and other regional studies provides an important overview of what the UK Government, regional authorities and Crawley Borough Council consider are the priorities for the location of strategic I&L from a public interest perspective. This, in turn, provides a useful context for the assessment of the market locational drivers for strategic logistics and the extent to which these indicate the optimum location for such economic infrastructure within the Coast to Capital LEP and Gatwick Diamond areas.

2.1.2 This section therefore outlines key policy / guidance on the location of strategic I&L contained in the following documents:

- The National Planning Policy Framework 2021 & Planning Practice Guidance
- The TfSE Freight Logistics and Gateways Strategy (2022)
- The Local Industrial Strategy, 2021 and the Strategic Economic Plan (2018) (Coast to Capital LEP)
- The adopted Crawley Borough Local Plan 2015-2030 (CBLP, December 2025)
- The Draft Crawley Borough Local Plan 2024-2040 (DCBLP, May 2023)

### 2.2 National Planning Policy Framework, 2021 (NPPF) & Planning Practice Guidance (PPG)

2.2.1 The NPPF contains high level guidance on what LPAs should do to address the needs of the different sectors, including for storage and distribution operations. This states that LPAs should, *inter alia*, recognise and address the specific locational requirements of storage and distribution operations at a variety of scales and in suitably accessible locations.

2.2.2 PPG provides further guidance (Paragraph: 031 Reference ID: 2a-031-20190722) on what these locational requirements are. It states as follows (Savills emphasis):

*“The logistics industry plays a critical role in enabling an efficient, sustainable and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities, and has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land).*

*Strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport networks, sufficient power capacity and access to appropriately skilled local labour. Where a need for such facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas.”*

2.2.3 National planning policy and guidance therefore recognises the critical role of the logistics sector to the UK economy – this represents important economic infrastructure, which has the potential to improve the UK’s productivity in line with the objectives in the UK Government’s policy paper on growth<sup>1</sup>.

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<sup>1</sup> Build Back Better: our plan for growth, UK Government, March 2021

- 2.2.4 The locational requirements of the sector are set out clearly in PPG, including the need for significant areas of land, access to strategic transport networks, sufficient power capacity and access to skilled labour; the last point recognises that modern strategic logistics requires a highly skilled and professional workforce.

## 2.3 Regional guidance

- 2.3.1 Transport for the South East (TfSE) has published an important strategy on freight logistics and gateways, supported by a significant evidence base prepared by WSP consultants: the Freight, Logistics and Gateways Strategy (FLGS, 2022). This is a comprehensive report details TfSE's commitment to reducing carbon, improving efficiency in Freight Transport and improving understanding of the needs of the logistics sector. The FLGS highlights the importance of logistics and freight and how it can be accommodated in more sustainable ways; in relation to the location of logistics development in the South East, Work Package 5 (Operational & Planning Considerations, para 2.3.34) states that:

*"The burgeoning freight and logistics sector is an emerging economic driver driven by both the proximity of strategic road and rail networks, international gateways and clustering of suppliers, wholesales and third party logistics providers, offering competitive advantages through supply chain efficiencies. Alongside high-profile companies such as Amazon who had established distribution hubs pre pandemic across counties such as Kent amidst the boost in e-commerce, there is a requirement by public authorities to unlock land in conducive locations and provide the necessary infrastructure. The TfSE area is blessed with several international gateways which should be exploited."*

- 2.3.2 The advice to LPAs is therefore to harness the locational advantages of their areas to accommodate this critically important economic infrastructure. In the case of Crawley, this means land accessible to the Strategic Road Network (M23 motorway), international gateways (Gatwick Airport), the London to Brighton mainline rail (Gatwick Airport and Three Bridges stations), and other major employment areas that could offer agglomeration benefits (e.g. Manor Royal).
- 2.3.3 Further regional guidance is contained in a number of strategies produced by the Coast to Capital LEP, which contain a number of findings on the locational aspects of major industrial and logistics development. The Local Industrial Strategy (LIS) is specifically referenced in PPG as a consideration in determining the scale and location of strategic I&L development. Various extracts are noted below (with Savills emphasis).

### **Local Industrial Strategy (LIS) and the evidence based documents (Coast to Capital LEP, 2020)<sup>2</sup> (Savills emphasis)**

*"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."<sup>3</sup>*

*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).*

<sup>2</sup> Local Industrial Strategy - Commercial Property Study (CPS) December 2019; Draft Economic Profile (DEP), February 2020

<sup>3</sup> Coast to Capital Local Industrial Strategy, Draft Interventions and Logic Chains, LIS Panel, January 2020

*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).*

*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).*

### **Coast to Capital Strategic Economic Plan 2018-2030 (Gatwick 360°, 2018)**

- 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.

### **Build Back Stronger, Smarter and Greener (Coast to Capital LEP, 2020):**

This study contains a section dedicated to the importance of Crawley/Gatwick as a key location for growth (Build back stronger. Crawley and Gatwick: A centre for global growth); it concludes:

*“We need to learn to see Gatwick airport for what it is: a large scale integrated transport hub which has the same potential as any of the new HS2 destinations for economic transformation. This will require an appropriate growth vehicle to create the vision and attract public and private investment to deliver the infrastructure that the region needs to support development. To do this, we must promote the untapped potential of Crawley and the towns around it, to leverage the airport and make a full contribution to the future economy of Global Britain.”*

### **“One Town” Crawley’s Economic Recovery Plan 2022-2037 (Crawley Borough Council, 2021)**

This plan provides a vision for Crawley’s future socio-economic prosperity, including a strategy for existing delivery programmes. The critical elements of the recovery plan are:

1. A ‘one town’ vision centred on green growth economy delivered through, *inter alia*, a new site to help boost jobs for residents.
2. Tackle long term structural economic challenges by attracting business investment, addressing the limited supply of employment land, unlocking green infrastructure, strengthening the local workforce and transforming sustainable transport and digital capacity.
3. Delivering a diverse and resilient economy – though flagship interventions, including unlocking sufficient suitable employment land to drive recovery.
4. A Green Transformation based on a comprehensive approach to securing a greener economy, including green transport.
5. Skills for the Future – though new and upgraded skills and training facilities.
6. A connected Crawley through a range of sustainable transport infrastructure.

## **2.4 Crawley Borough Local Plan 2015 – 2030 (adopted 2015)**

- 2.4.1 The adopted Crawley Borough Local Plan identified a shortfall in employment land of 35 ha and the need for this to be addressed in the future. In terms of the location of that economic growth, the Plan

states that:

*“...a thorough assessment of employment site options will be undertaken once a final decision has been made by the government on UK airport expansion and safeguarding. It is recognised that the significant demand for business land should in the first instance be directed to Crawley, building upon its key role as the economic focus at the Heart of the Gatwick Diamond and excellent connectivity with Gatwick Airport.”*

- 2.4.2 This emphasis was enshrined in Policy EC1, which identified an Area of Search for strategic employment (Savills emphasis):

*“The preferred location for strategic employment is within the borough, to the north of Manor Royal and south or east of Gatwick Airport, identified as the Area of Search on the Key Diagram. However, given current safeguarding of this land for a possible second runway at Gatwick, work required to identify an appropriate site, or sites, for further business development will take place after the government has issued a final decision on additional runway capacity in the UK, and has determined whether the area should still remain safeguarded.”*

- 2.4.3 The Council’s long-standing strategy recognises the major locational attributes of the Crawley/Gatwick area, which are enshrined in policy, i.e. its connectivity to the Airport and its location at the heart of the Gatwick Diamond<sup>4</sup>. This focus on accommodating strategic employment at Crawley has been continued into the Draft Crawley Borough Local Plan 2024-2040 (DCBLP, May 2023): this recognises the locational advantages of the land east of Gatwick by allocating it for a 44 ha Strategic Employment Location (SEL), whilst also retaining the long-term possibility of a southern wide-spaced runway at Gatwick Airport. There are two points to note, (1) that the decision on runway capacity in the South East has been taken with the expansion of London Heathrow Airport, so now is the right time to be addressing these long-standing unmet employment land needs, and (2) that the land south of Gatwick Airport is safeguarded for airside operational uses associated with the possible wide-spaced second runway, so Crawley BC has rightly concluded that land to the east of the Airport previously safeguarded for landside surface level car parking uses should be the focus of meeting the outstanding needs.

- 2.4.4 Overall, the national, regional and local policy guidance and strategies all variously identify the key factors that drive the location of strategic I&L uses, and when applied to the regional/local context, point directly to the Crawley/Gatwick area as the prime location for such uses to leverage various economic benefits.

- 2.4.5 The following section goes on to outline the why the market sees Crawley as a prime I&L location and why the proposed Gatwick Green allocation represents a strategically important site.

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<sup>4</sup> The Gatwick Diamond is a not-for-profit organisation, owned and run by our members, with the purpose to **support** the success of Gatwick Diamond businesses and to **promote** the **Gatwick Diamond** as an economic area of regional and national importance, extending from Croydon to Brighton with Gatwick Airport at its heart.

## 3 Crawley is a Prime I&L Location

### 3.1 Introduction

- 3.1.1 Within this section, we consider how Gatwick Green's (the Site) location and scale afford it a number of strategic advantages which make it a regionally significant I&L opportunity. It considers the Site's locational context including proximity to strategic HGV and LGV routes, major freight handling infrastructure, and access to end customers, businesses and labour supply. Effectively, it is a prime I&L site of regional significance that can meet local needs and service the M23 corridor and the wider south coast sub-markets.
- 3.1.2 Crawley, like all local areas, is part of a wider sub-regional market, and therefore is subject to supply and demand forces which need to be assessed beyond its local authority boundaries. This is true for many commercial sectors, but it is particularly important for I&L occupiers which typically have distribution networks linking their customers and suppliers of between 1 to 4 hours' travel time, sometimes longer, depending on their size. The strategic nature of I&L means that it can service the needs of a regional and national market, whilst providing employment and skills training both locally, and also off-site across the wider supply chain.

### 3.2 Crawley is a prime I&L location

- 3.2.1 Gatwick Green's location benefits from a number of strategic advantages which make it ideal for I&L development as detailed below. This largely reflects the locational factors identified in PPG and regional strategies.
- **M23 is a nationally significant motorway** - As shown in **Figure 3.1**, the M23 is a nationally significant movement corridor that facilitates over 10,000 HGV and LGV movements per day. Being directly adjacent to a junction on such an important motorway is extremely beneficial for I&L occupiers. According to Savills European Logistics Census<sup>5</sup>, location is the most important factor impacting business investment decisions in the I&L sector (89% of respondents).

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<sup>5</sup> Savills European Logistics Census (2021) is a survey of over 400 occupiers, developers, investors, landowners, asset managers, agents and advisors involved in the I&L sector. Its aim is to understand opportunities and challenges facing the sector and is available at <https://pdf.euro.savills.co.uk/european-commercial-markets/spotlight---european-logistics-census-winter-2021-2022.pdf>

**Figure 3.1 Busiest LGV and HGV Movements**

Source: Savills; DfT, 2023

- High accessibility to suppliers and end customers** - Most I&L occupiers have supply chains linking themselves with their suppliers and end customers of between 1 to 4 hours travel time. If we take a middle ground of 2 hours, which is appropriate for most companies, over 24 million people (40% of England and Wales's population) and over 1 million businesses (45% of England and Wales's businesses) can be accessed from Gatwick Green<sup>6</sup>. Such impressive numbers are because of large conurbations including London, Southampton, Portsmouth and others which are all accessible from the Site within 2 hours.
- High accessibility to a large labour pool** - We consider a 32-minute drive time catchment to be appropriate for accessing labour from the Site. This is the average home-to-work travel time for Crawley BC<sup>7</sup>. Within this catchment, approximately 580,000 working-age people (aged 16-64) are reachable, representing a high level of workforce accessibility and a considerable labour pool for future businesses located at Gatwick Green.
- Ability to link with major freight handling infrastructure** – I&L developments not directly linked to or within the estate of key freight handling infrastructure, but located nearby, can benefit from its use as part of their wider supply chains. We consider a 2 hour drive time catchment as suitable in capturing the majority of I&L businesses that may use freight handling infrastructure as part of their supply chains. There are 19 rail freight interchanges within the 2 hour drive time catchment of the Site, 13 ports including Dover, Southampton and Portsmouth, and 9 airports including Luton, Heathrow and Gatwick. Gatwick airport specifically, which the Site lies directly

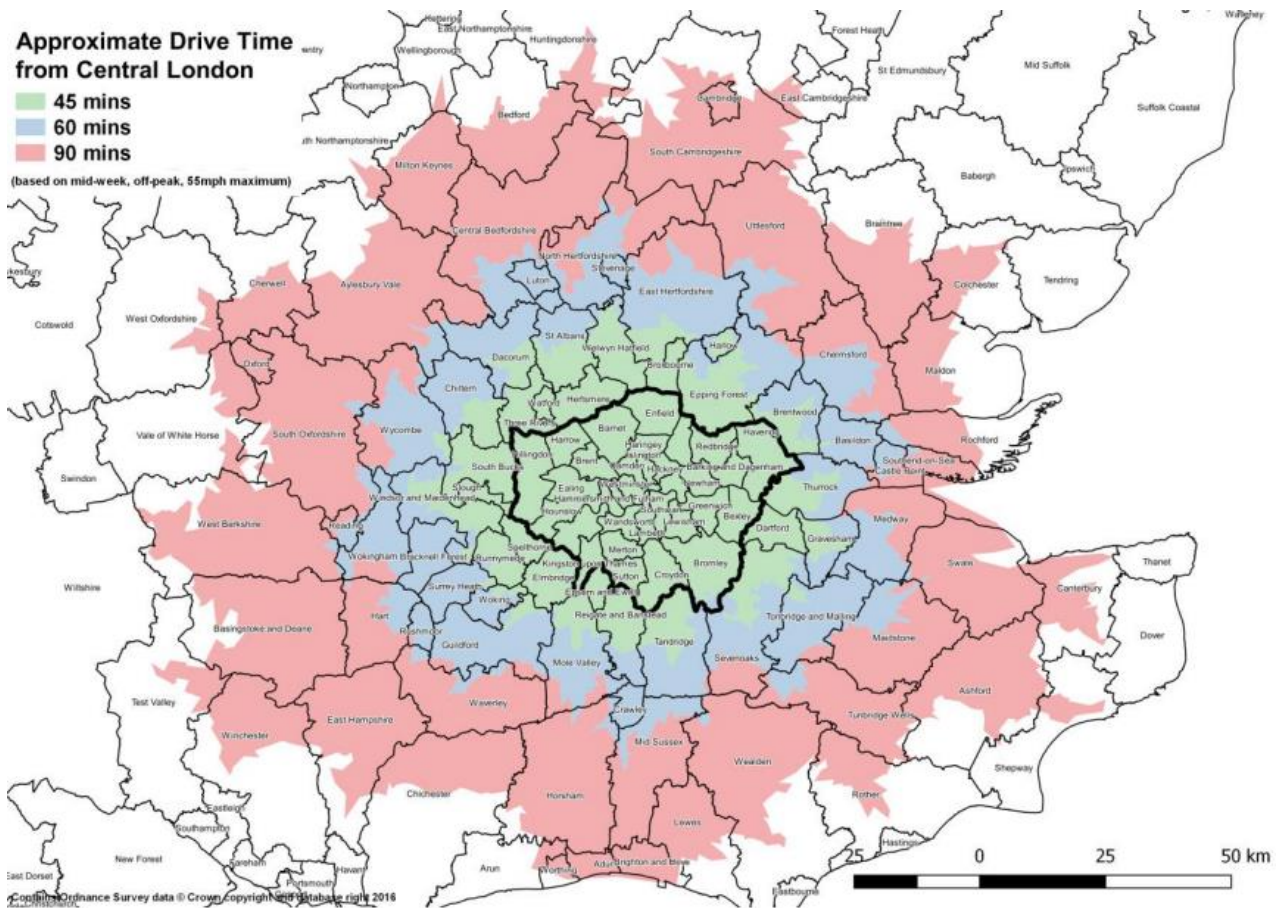
<sup>6</sup> This analysis uses GIS conducted on ONS Population Estimates and Business Count data at Middle Layer Super Output Areas (MSOAs)

<sup>7</sup> ONS User Request Data – 2018: TRVTME Usual home to work travel time (minutes) by local authority

adjacent to, is the 2<sup>nd</sup> busiest passenger airport in the UK (pre-pandemic - over 46 million passengers per annum<sup>8</sup>).

- Proximity to London** – Gatwick Green lies approximately 10 miles and 25 miles from junction 7 of the M25 and Central London, respectively. As a result, it provides ready access to London and subsequently affords future occupiers the ability to service the London market which suffers from a serve lack of I&L supply. The 2017 London Industrial Land Demand Study<sup>9</sup> provided an indication of the potential to service the London economy from outside by illustrating drive-time catchments to Central London. As illustrated by the map in **Figure 3.2**, Crawley BC is fully contained within the 60-minute drive time catchment from Central London, which makes it ideally located to attract demand from I&L occupiers which service the London economy. This is likely to become a growing phenomenon given former I&L sites are being redeveloped in London for housing to help address the housing crisis. According to the London Industrial Land Demand Study, between 2006 and 2015, London’s loss of industrial employment land averaged 96 ha per annum, increasing to 106 ha per annum for the more recent 2010 to 2015 period.

**Figure 3.2 Drive Time Catchment Areas to Service Central London**



Source: CAG, 2017

3.2.2 Overall, there are six reasons why Gatwick Green is considered to be a prime I&L location. These are closely aligned with the locational considerations identified in national planning guidance (PPG) and regional strategies, and in turn are reflected in the identification of the Area of Search for

<sup>8</sup> Civil Aviation Authority (2020)

<sup>9</sup> CAG (2017), London Industrial Land Demand Study

employment development east and south of Gatwick, and the proposed allocation of Gatwick Green.



## 4 The role of Airports as a focus for logistics

### 4.1 Gatwick Airport

- 4.1.1 Airports have always been important economic generators for the local and regional economies within which they are located. However, in more recent times they have transformed from a facility with the sole purpose of transportation to one which offers an array of services and amenities, including shops, restaurants, hotels and entertainment. This recognises that airports can perform beyond their traditional aeronautical services to obtain high amounts of revenue (40-60%) through non-aeronautical revenue, as well as catalysing numerous real estate opportunities in the areas surrounding them, such as hotels, offices, medical facilities and more. In response, the 'Airport City' concept has emerged in many airports across the world and its applicability to Gatwick Airport is evident.
- 4.1.2 Within this report, a number of key European Airports were reviewed to help understand how commercial development is responding to airport growth. These case studies help to demonstrate that the 'Airport City' concept is real and is being aggressively pursued in Europe and throughout the world, whether it be a 20 million or 70 million passenger airport. A clear correlation has been established between growth in passenger numbers and freight volumes and the ability of airports to attract new commercial development, both in terms of larger companies as well as certain business sectors that are attracted to the agglomeration benefits of an airport location. Land surrounding airports has always been suitable for I&L development and the unique location of Gatwick Airport in proximity to major roads and urban centres means it is a natural location for the storage and management of goods.
- 4.1.3 Accordingly, adjacency to Gatwick Airport is considered to be crucial to maximising the economic and investment opportunity for commercial uses in particular. Focusing development activity where it will be in most demand and achieve the highest values should enable new commercial uses at Gatwick Green to best contribute to wider infrastructure needs of the region, sub-region and Borough. The majority of future infrastructure requirements will benefit both the Airport and Gatwick Green and therefore offer investment and utilisation efficiencies that will also advance the transport sustainability objectives of the Council. Finally, there is a lack of alternative development sites in the wider region of this scale with such strong motorway and rail accessibility, not to mention adjacency to a large and growing international airport. Existing employment clusters within a 10 km radius of Gatwick Airport are relatively small in size at between 5 to 15 ha versus 44 ha for Gatwick Green. Manor Royal is the exception at 240 ha, but it is restricted from growing its footprint under adopted Local Plan policy on safeguarding. The existing employment areas within a 10 km radius of the Airport have limited land and floorspace availability to accommodate the strong future I&L floorspace demand identified in Savills report on Crawley's employment land needs<sup>10</sup>. Gatwick Green represents a prime opportunity to accommodate this future demand alongside a growing Gatwick Airport.
- 4.1.4 The importance of Gatwick Airport is acknowledged by the Coast to Capital (CTC) LEP, which identifies it as the single biggest driver of economic growth in the area. Its influence is especially important to the M23 corridor. CTC encourages the collaboration of planning and strategic authorities around Gatwick to maximise the economic potential of the area around the airport. The excellent public transport and road connectivity of the airport, and the lack of planning constraints on land to its east (with the removal Safeguarding from the Gatwick Green allocation in the DCBLP, 2023), make it an ideal anchor for further development of I&L space, which is in acute demand in the area.

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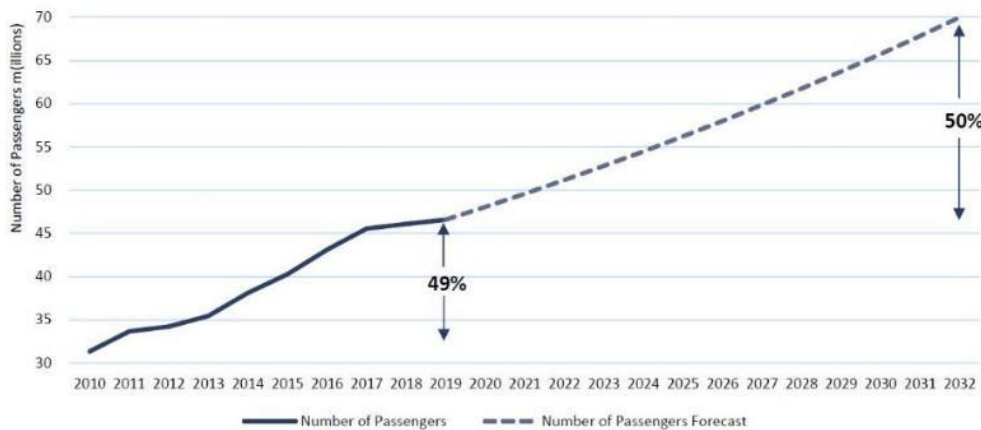
<sup>10</sup> Gatwick Green, Crawley – Strategic Industrial & Logistics – Market Demand Forecasts for Crawley, Savills, June 2023

By developing the economic infrastructure around the airport, the airport and its zone of influence can benefit not only Crawley, but the wider sub-region and region.

**Gatwick Airport & Crawley Area**

4.1.5 Figure 4.1 below shows that the historic number of passengers flying from and to Gatwick airport (data from February 2019). The number of passengers has grown by 49% over the nine years prior to 2019. This is equal to a compound annual growth rate of 4.5%.

*Figure 4.1 – Number of Passengers*



Source: Department for Transport Statistics Table TSGb0202b (AVI0102b), Gatwick Airport Master Plan 2019

Source: Department for Transport Statistics Table TSGb0202b (AVI0102b), Gatwick Airport Master Plan 2019

4.1.6 Gatwick Airport consulted on its Northern Runway plans in 2021 and 2022. This proposes the use of the northern emergency runway for operation use, enabling the airport to grow its passenger numbers ahead of its proposed long-term plans for a southern wide-spaced runway; the Gatwick Airport Master Plan (GAMP) was published in 2019 and whilst retaining the long term safeguarding for the wide-spaced runway, it stated that it is no longer actively pursuing plans for an additional runway. The Northern Runway plans contain a forecast of 75 million passengers by 2038 based on bringing the standby (emergency) runway into regular use for departing aircraft. This is a 127% growth over 16 years. Alongside significant forecast growth in passenger numbers, the volume of cargo handled by Gatwick is forecast to increase from 150,000 tonnes in 2019/20 to around 350,000 tonnes per year by 2047 if Northern Runway proposals are realised<sup>11</sup>, an increase of 223%.

**4.2 UK Airports and Commercial Floorspace**

4.2.1 Land surrounding airports is generally well-connected with regard to major roads and population centres. The economic role of airports and the land surrounding them has therefore rightly been recognised in Government policy through the designation of Enterprise Zones (EZ) and Freeports (FP), e.g. Solent centred on Southampton Airport (FP), and East Midlands (FP). For example, in the Solent Freeport, the proposed Navigator Quarter comprises parcels of land adjacent to the North and East of the Airport comprising c 46 ha of light industrial, warehouse and science park

<sup>11</sup> London Gatwick Press Releases (2021) [https://www.mediacentre.gatwickairport.com/press-releases/all/21\\_09\\_20\\_cargo\\_and\\_nrp.aspx#:~:text=The%20volume%20of%20cargo%20handled,into%20routine%20use%20is%20realised.](https://www.mediacentre.gatwickairport.com/press-releases/all/21_09_20_cargo_and_nrp.aspx#:~:text=The%20volume%20of%20cargo%20handled,into%20routine%20use%20is%20realised.)

development.

4.2.2 These designations have and are attracted significant strategic I&L uses, attracted by co-location with international airport hubs and the Strategic Road Network (SRN). The key airports where these designations apply are:

Enterprise Zones:

- Blackpool Airport
- Luton Airport
- Manchester Airport City
- Cardiff Airport

Freeports:

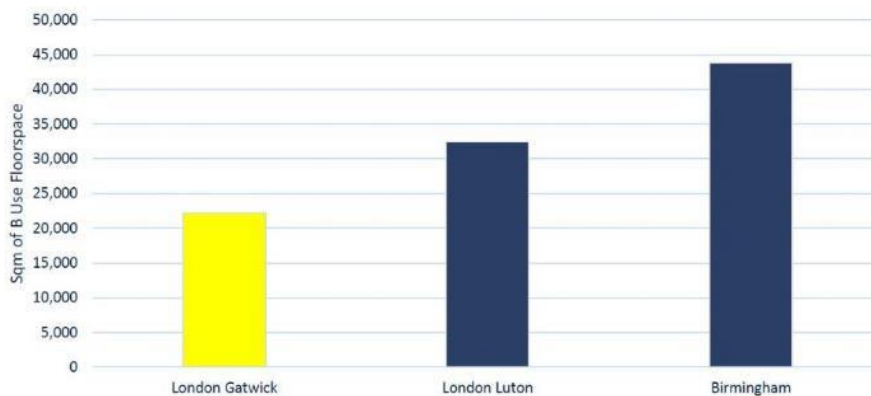
- East Midlands Airport
- Teesside International Airport
- Liverpool Airport
- Southampton Airport

4.2.3 A good example is the Manchester Enterprise Zone (MEZ), which contains the nearby Global Logistics, just southwest of the airport, and offers flexible plots for logistics development from 20,000 sq.ft to 600,000 sq.ft, with capacity for over 2m sq.ft of logistics.

4.2.4 Local Authorities are also recognising the important contribution airports and nearby I&L development can play, with consents recently granted next to Stansted Airport for a new industrial estate of c 40 ha with capacity for c 2m sq.ft of logistics. Hounslow Council has also proposing a major new I&L allocation on Hatton Fields next to Heathrow, and the development of CGX Connect at Gloucestershire Airport.

4.2.5 Figure 4.2 below shows the existing provision of B use floorspace per million of passengers within a 2 mile radius from key UK airports (based on data from February 2020). This shows Luton and Birmingham having a higher provision per million passengers than Gatwick Airport, illustrating the under-provision of B use floorspace in Gatwick’s zone of influence. This is 32% less than London Luton and 49% lower than Birmingham, despite these being much smaller airports.

Figure 4.2 – Existing B Use Floorspace Provision per Million Passengers



Source: CoStar 2020, Department for Transport Statistics Table TSGb0202b (AVI0102b)

Source: CoStar 2020, Department for Transport Statistics Table TSGb0202b (AVI0102b)

- 4.2.6 Outline planning permission was granted some years ago to deliver Century Park, a 28 ha (70 acre) commercial development east of London Luton airport. The park is part of the London Luton Airport Enterprise Zone, supported by South East Midlands LEP. The enterprise zone is anticipated to deliver up to 7,200 new jobs and attract inward investments to support economic growth across the sub-region. More recently, the Airport has had a Development Consent Order (DCO) application accepted by the Planning Inspectorate to permit the airport to expand from c 18 mppa to about 32 mppa, alongside the provision of a similar scale of adjacent commercial development to that envisaged by the Century Park proposal, but reconfigured to enable a viable arrangement. Plans for the Airport Business Park are also under development, proposing further office space and light industrial units.
- 4.2.7 Birmingham Airport has high access to employment floorspace with Birmingham Business Park (60 ha), Elmdon Trading Estate (17 ha) and Jaguar Land Rover Solihull (105 ha) being within a two-mile radius from Birmingham Airport. The draft local plan for Solihull identifies the airport's area as unique with the potential to deliver major growth on a nationally significant scale both to meet the economic growth aims of the Borough as well as the wider growth aspirations of the Greater Birmingham and Solihull LEP and the West Midlands Combined Authority. The same plan identifies land for employment at Damson Parkway to allow for the future expansion of Jaguar Land Rover.
- 4.2.8 It is evident from these two examples how airports are being viewed by their respective local planning authorities and LEPs as major economic drivers for attracting further economic activity. Therefore, its vitally important Crawley Borough Council and CTC LEP has taken the opportunity to identify the potential of the zone of opportunity at Gatwick and allocate prime employment land at Gatwick Green now that the DCBLP review has removed some of the safeguarding from the land east of the airport. If the Council does not seize the opportunity to harness the economic potential of a growing Gatwick Airport, the economic downsides will be felt both in Crawley Borough and more widely in the region.
- 4.2.9 This picture is reinforced when Gatwick is compared with Birmingham, Manchester and East Midlands in terms of larger I&L units over 100,000 sq.ft. Crawley currently has a significant undersupply of larger I&L units above 100,000 sq.ft 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 sq.ft. In Crawley, the proportion is much lower at only 28% or 2,380,233 sq.ft of floorspace.
- 4.2.10 Other UK airports also have much higher quanta of I&L floorspace within larger units within a 3km radius (based on data from 2021), including:
- Birmingham Airport - 3,687,990 sq.ft in large units above 100,000 sq.ft
  - Manchester Airport - 2,599,522 sq.ft in large units above 100,000 sq.ft
  - East Midlands Airport - 11,021,105 sq.ft in large units above 100,000 sq.ft
- 4.2.11 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 that economic opportunities in the I&L sector haven't been leveraged adequately in response to Gatwick Airport's growth. Gatwick Airport grew in size (passengers) by 39% over the ten year period from 2011 to 2021, yet Crawley's I&L stock grew by only 6% over the same period. However, it's not just growth at Gatwick Airport that makes Crawley such an in-demand market for I&L investment, but also the M23 and convenient links to London and the south coast.

4.2.12 The under provision of larger units in Crawley is due to the lack of large employment sites, other than Manor Royal, where capacity for large development is limited. The proposed Gatwick Green allocation will help address this. It is vitally important Crawley increases its stock of larger units. Savills Big Shed Briefing (which assesses I&L premises above 100,000 sq.ft) found that gross take-up nationally was 56% above the long-term average and that the 2022 year-end take up exceeded the pre-Covid high watermark of 37 million sq.ft by 10 million sq.ft<sup>12</sup>. The manufacturing and logistics companies which occupy larger units are major employers, many of whom are keen to locate within Crawley, but can't currently find the available space to do so.

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<sup>12</sup> Savills Research (2023), Big Shed Briefing (January 2023) Available at: <https://pdf/euro.savills.co.uk/commercial---other/big-shed-briefing-jan-23.pdf>

## 5 Complementarity with Manor Royal & Horley Business Park

### 5.1 Introduction

5.1.1 Given the evidence that points towards the importance of Crawley/Gatwick as a location for strategic I&L uses, it is important that such development would be complementary to the existing employment areas within Crawley. Policy EC4 of the DCBLP requires that this is the case. This section therefore considers how Gatwick Green will complement rather than compete with Manor Royal and thereby with the other Main Employment Areas (MEAs). We analysis inventory levels by use class at Manor Royal, demonstrating that it is a mixed business location. It also presents the size of I&L units at Manor Royal, demonstrating that larger units are underrepresented, and Gatwick Green provides an opportunity to service this segment in the market.

### 5.2 Policy Context

5.2.1 Manor Royal has an established role as a strong and competitive mixed business district. Strategic Policy EC1 (Sustainable Economic Growth) of the DCBLP states that the Council's recognised economic role and function will be maintained and enhanced through building upon and protecting the established role of Manor Royal as the key mixed business location in Crawley.

5.2.2 In comparison, the focus of Gatwick Green is towards the delivery of larger I&L units. This distinction is recognised in the DCBLP at paragraph 9.20 (p109) that states that Manor Royal is identified as the focus for mixed business-led development, and Gatwick Green is in contrast allocated for industrial and distribution-led growth. Paragraph 9.27 (p110) states that land at Gatwick Green is allocated for the delivery of a high-quality industrial-led Strategic Employment Location.

5.2.3 It is considered that these policy aspirations are reflective of market realities.

### 5.3 Manor Royal is a mixed-use employment area

5.3.1 Manor Royal is a mixed commercial location comprising 12% industrial (former B1c now E Class/B2) floorspace, 57% logistics (B8) floorspace, and 31% office (former B1a now Class E) floorspace<sup>13</sup>. **Table 5.1** presents Manor Royal's current split of inventory by Number of Buildings and average size.

**Table 5.1 Manor Royal's Inventory by Number of Buildings (%) and average size**

Use Class	Number of Buildings	Average Unit Size (sq.ft NIA)
Industrial (B1c/B2)	27 (12%)	39,508
Logistics (B8)	127 (57%)	43,370
Office (B1a)	68 (31%)	27,994

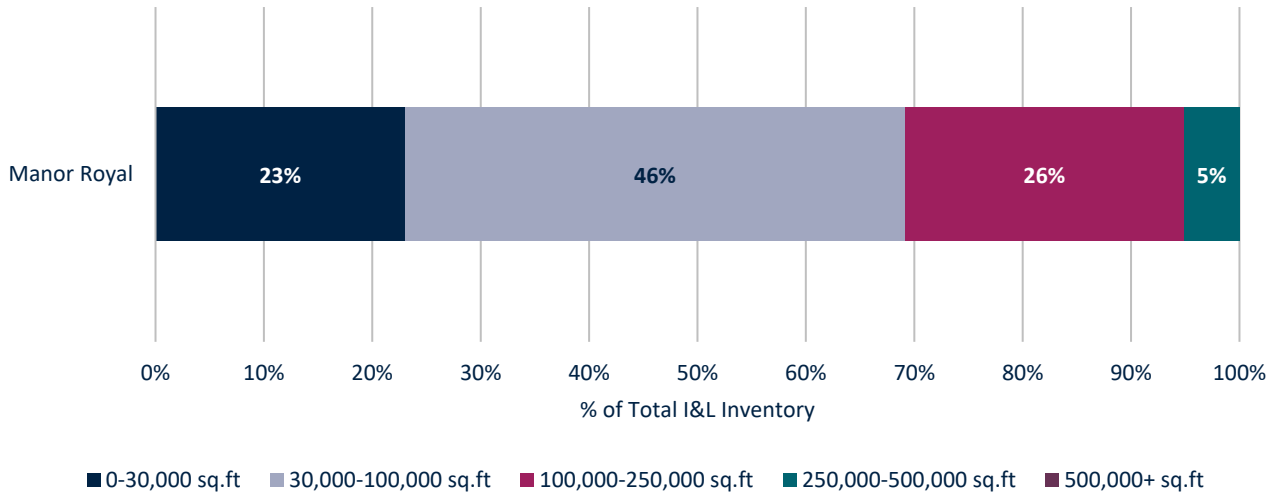
Source: CoStar, Savills 2023

<sup>13</sup> CoStar 2023

**5.4 Manor Royal’s I&L inventory is concentrated in smaller and mid-box units**

5.4.1 Figure 5.2 presents Manor Royal’s I&L inventory by size band. It shows that the majority of I&L inventory (69%) are small and mid-box units of less than 100,000 sq.ft in size. The remaining inventory is split 26% in units between 100,000 to 250,000 sq.ft, with only 5% in units above 250,000 sq.ft.

**Figure 5.2 Manor Royal’s I&L Inventory by Size Band**



Source: CoStar, Savills 2023

5.4.2 Gatwick Green proposes to predominantly cater for strong demand from larger logistics and industrial occupiers. Crawley BC and the FEMA have a lack of supply of larger units relative to the England average and a 0% availability rate for units above 250,000 sq.ft. Given I&L units of this size represent only a small proportion of Manor Royal’s employment premises, it’s clear Gatwick Green will fill a gap in the market for larger units and will complement Manor Royal’s commercial offer.

5.4.3 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>14</sup>). Crawley has a relative under provision of very large units above 250,000 sq.ft (Figure 5.2) at 7% of total inventory, when compared to the national average of 23%, 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-represented segment of the market. Given the site is currently undeveloped, Gatwick Green’s economic impact via new jobs and investment will be purely additional.

5.4.4 This contrasts markedly with Manor Royal. According to CoStar<sup>15</sup> only 21 of its 193 I&L premises are large units of over 75,000 sq.ft, with only 1 of these being very large 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

<sup>14</sup> Crawley Borough Local Plan Topic Paper 5: Employment Needs and Land Supply (January 2021)

<sup>15</sup> CoStar (2023) is a leading commercial database tracking commercial lease and sale transactions, space available to the market, quality of stock, tenant information and market trends

Manor Royal.

- 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.
- 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.

5.4.5 In terms of the final bullet point, the Manor Royal Economic Impact Study (2018)<sup>16</sup> 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."*

5.4.6 As set out in the DCBLP, Manor Royal is proposed to remain a 'focus for business-led economic growth, for office, industrial and storage and distribution-led uses supported by other employment uses where these support the core mixed business function' rather than a strategic site solely for large/very large I&L units.

## 5.5 Horley Business Park

5.5.1 The other major employment site near to Crawley is the planned Horley Business Park (HBP) located in Reigate & Banstead Borough Council's area just south of Horley. HBP is allocated under Policy HOR9 of the Reigate & Banstead Borough Council Development Management Plan (DMP) for 31 ha (up to 200,000 sq.m) for an office-led development. Policy HOR9 states that the site is allocated for a strategic business park of predominantly offices, with a complementary range of commercial, retail and leisure facilities to serve and facilitate the main business use of the site. Gatwick Green's proposed I&L offering would not therefore compete with the strategic office provision of Horley Business Park.

## 5.6 Employment Land Trajectory

5.6.1 Savills considers strategic employment sites to be those over 20 ha 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 B and E, both of which are about 4 ha in size.

5.6.2 Manor Royal has historically been successful at redeveloping and rejuvenating itself to match prevailing market demand at the time. 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

<sup>16</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



inventory.

## **5.7 Agglomeration Benefits**

- 5.7.1 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 phenomenon is known as the benefits of agglomeration. 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 Coast to Capital and Gatwick Diamond areas.
- 5.7.2 It should also be noted that smaller companies like being located close to larger companies due to potential agglomeration benefits: Gatwick Green can offer an injection of large / very large logistics units to the benefit of Manor Royal . The benefits of this symbiotic approach would include:
- Servicing the supply chains of these larger companies.
  - Increased labour pool of skilled workers.
  - Knowledge spill over through an increased concentration of economic activity.
  - Reduction in transport costs<sup>17</sup>.
- 5.7.3 The benefits of agglomeration noted above further reinforce the complementarity of Gatwick Green with Manor Royal and the other MEAs in the Borough.

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<sup>17</sup> Brookings Institution (2015): <https://www.brookings.edu/blog/africa-in-focus/2015/11/19/industrial-cluster-who-benefits/>

## 6 Conclusions

- 6.1.1 Crawley is a pre-eminent location for strategic I&L uses in the Gatwick Diamond and Coast to Capital economic areas. These locational advantages are recognised in national and local planning policy and regional economic and transport strategies. The locational attributes of Crawley/Gatwick, and in turn Gatwick Green, include proximity to the M23 motorway; accessibility to suppliers and high-end customers; access to a large labour pool; linkages with major freight handling infrastructure (including airports), and proximity to London.
- 6.1.2 The role of airports in attracting and supporting major I&L uses is well evidenced. Gatwick has far lower amount of employment space relative to a number of benchmark UK airports, and a far lower proportion of large I&L units above 100,000 sq.ft. This demonstrates the economic draw of airports for strategic I&L uses provided the land is identified through the planning process, which has historically not been possible at Crawley/Gatwick.
- 6.1.3 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 expected planning activity is focused. Gatwick Green will therefore 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 therefore considered to be highly complementary with Manor Royal, and consequently the other Main Employment Areas in Crawley and in the neighbouring council areas.
- 6.1.4 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.
- 6.1.5 The amalgamation and redevelopment of existing employment sites in Manor Royal has a number of potentially negative implications and is contrary to the intentions of the Council and the Manor Royal BID Company, and Policy EC3. Further, the ELT demonstrates that the opportunities for redevelopment at Manor Royal are limited; involve small sites; includes several redevelopment opportunities offering limited floorspace gain, and so contrasts clearly with the large / very large logistics opportunities offered by Gatwick Green.
- 6.1.6 Gatwick Green would also be highly complementary to the Horsley Business Park, with its focus on office development, which is in stark contrast to the strategic I&L uses envisaged for Gatwick Green.
- 6.1.7 Gatwick Green offers contrasting strategic logistics opportunities that can best deliver significant agglomeration benefits to support the growth of existing Crawley businesses and attract new investment to the Borough. Such benefits cannot be delivered by the limited redevelopment and change-of-use opportunities at Manor Royal. 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 other MEAs. Such business synergies arise from the effects of agglomeration and will ensure that Gatwick Green will help to strengthen Crawley's overall economic base.
- 6.1.8 Overall, based on all the evidence, Gatwick Green is the prime location for strategic I&L uses in the sub-region, based on its proximity to Gatwick Airport and the M23 motorway. It is also considered to have a high degree of complementarity with Manor Royal, the other MEAs in Crawley and proposed Horley Business Park.



## **Appendix A**

### **Examples of Airports co-location with logistics parks**

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# Appendix A

## Examples of Co-located Airports and Logistics Parks

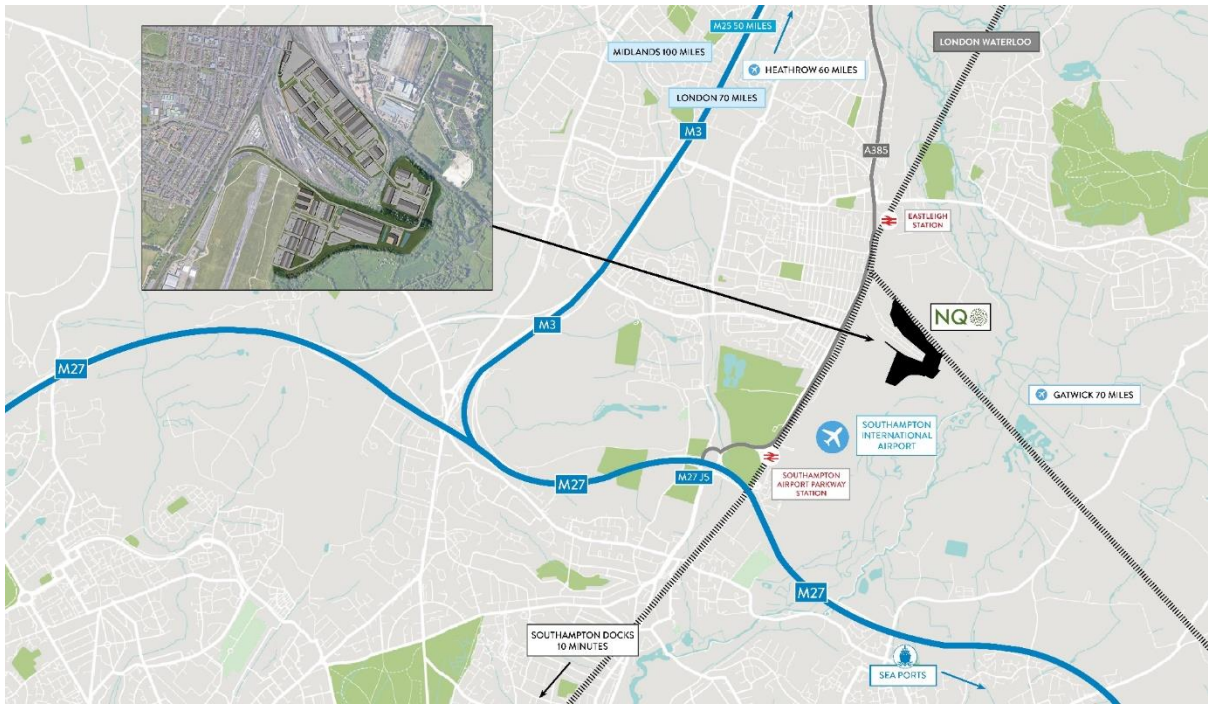
### Manchester Global Logistics Park



# East Midlands Gateway Masterplan



# Southampton Airport – Navigator Quarter





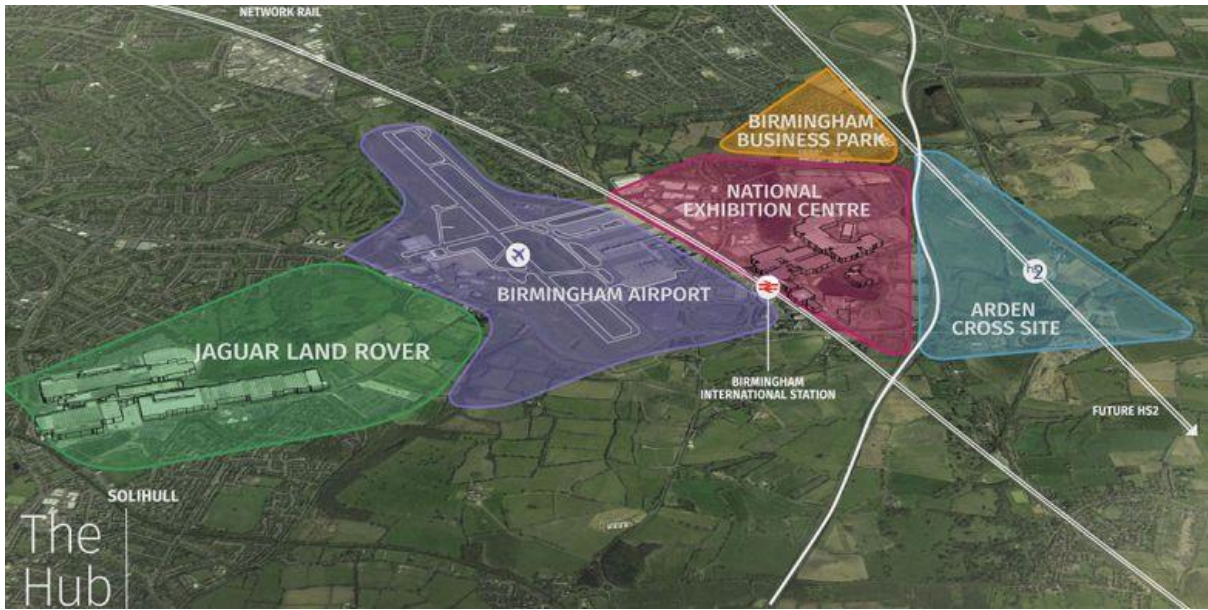
## Newcastle International Airport logistics



# Glasgow Airport



# Birmingham Business Park



# Luton Airport DCO

The London Luton Airport Enterprise Zone, current and proposed projects



# Exeter Airport



Size: 40 hectares Jobs: 6,500

A major business park equipped to accommodate high quality business and services, including creches, cafes, shops and 150 bed hotel with leisure and conferencing facilities. Skypark will combine environmentally sustainable office, industrial and distribution space in a landscaped environment next to Exeter Airport and close to Junction 29 of the M5.



# Appendix 5

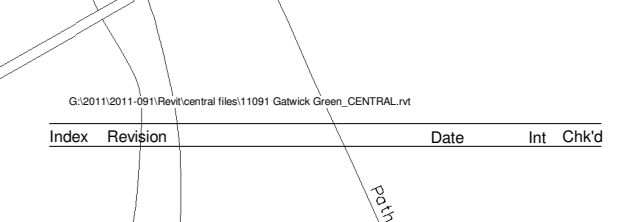
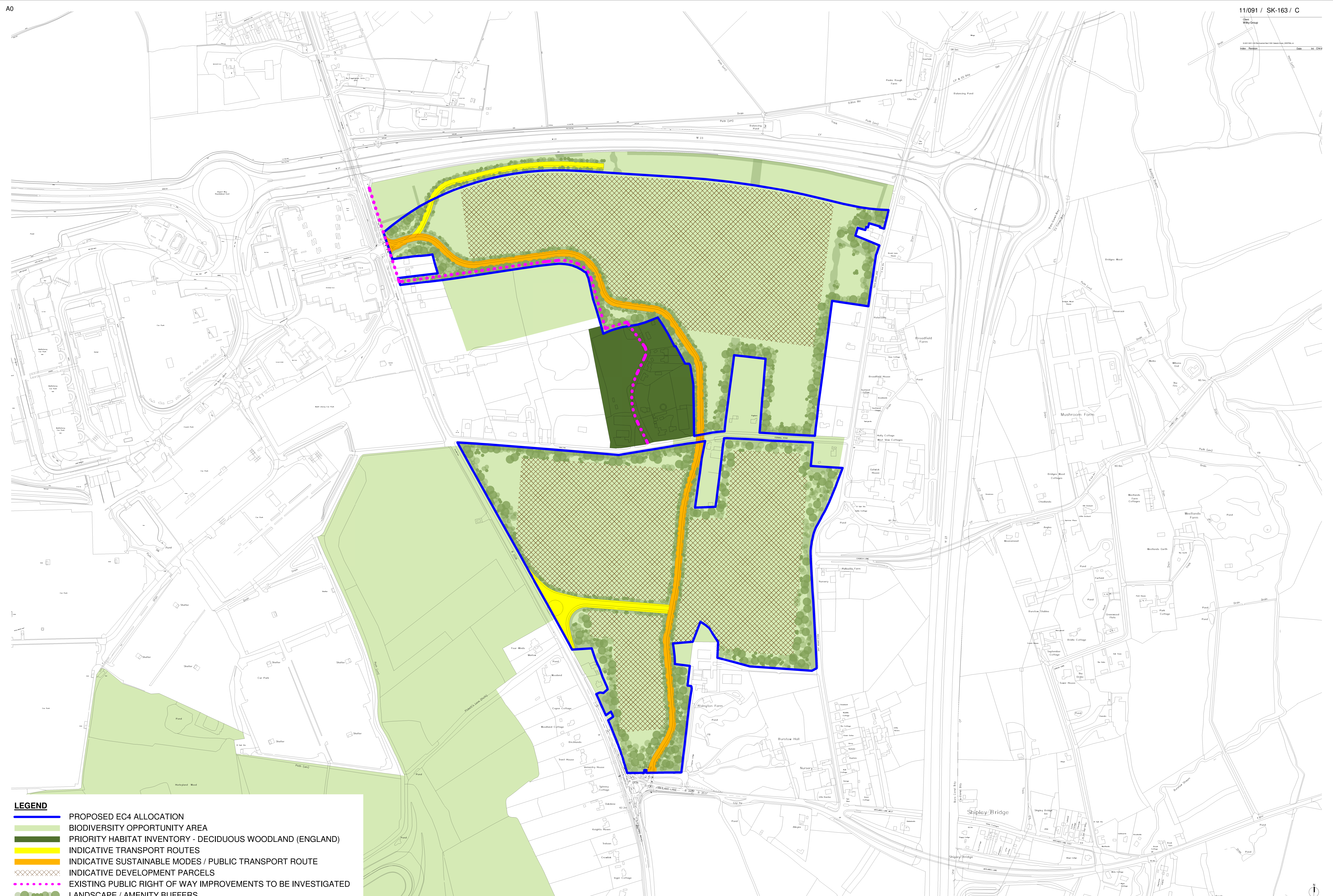
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## Development Framework Plan



**GatwickGreen**

WHERE THE FUTURE WORKS



**LEGEND**

- PROPOSED EC4 ALLOCATION
- BIODIVERSITY OPPORTUNITY AREA
- PRIORITY HABITAT INVENTORY - DECIDUOUS WOODLAND (ENGLAND)
- INDICATIVE TRANSPORT ROUTES
- INDICATIVE SUSTAINABLE MODES / PUBLIC TRANSPORT ROUTE
- INDICATIVE DEVELOPMENT PARCELS
- EXISTING PUBLIC RIGHT OF WAY IMPROVEMENTS TO BE INVESTIGATED
- LANDSCAPE / AMENITY BUFFERS

# GATWICK GREEN

# Appendix 6

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Gatwick Green Viability Note



**GatwickGreen**

WHERE THE FUTURE WORKS



# Appendix 9 – Gatwick Green Viability Note

**Savills Economics**

April 2021



## **1.0 Introduction**

- 1.1 This appendix provides Savills review of the Council's viability evidence specific to the proposed Gatwick Green allocation.

## **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 Crawley Viability Evidence**

- 3.1 The viability evidence in support of the Submission Version of the Local Plan is detailed in the Local Plan Review: Whole Plan Policies & Community Infrastructure Levy Viability Assessment (March 2021).
- 3.2 We agree with the overall conclusion of the viability evidence that the proposed Gatwick Green allocation is deliverable and generates a Residual Land Value in excess of Greenfield Land Values of circa £250k per gross hectare which we consider reasonable for high level viability testing. We do note however the upper Greenfield Land Value of £500k per gross hectare is higher than typically applied in Local Plan and CIL viability testing.
- 3.3 We agree with the conclusions of paragraphs 3.8.22, 3.11.35 and 4.1.23 that S106 rather than CIL is the more appropriate mechanism for securing enabling infrastructure for strategic development projects such as the proposed Gatwick Green allocation. S106 will ensure critical infrastructure is delivered alongside the development and therefore avoid delays which is common place with the collection and then subsequent spending of CIL receipts.
- 3.4 We broadly agree with the viability assumptions used to test the deliverability of the proposed Gatwick Green allocation and the subsequent sensitivity testing detailed within Table 4i of Appendix IIIb.
- 3.5 In our view I&L yields relevant to the Gatwick Green allocation are likely to be in the range of 4.5% to 5.5% as indicated in paragraph 3.8.21 of the main report. We also consider the £500k per gross hectare for site works and infrastructure costs to be

reasonable for high level viability testing. While this assumption is mentioned in paragraph 2.11.2, for clarity we feel it should be reiterated specific to Gatwick Green in either Appendix 1 or Table 4i of Appendix IIIb.

- 3.6 **Appendix 3 – Industrial & Logistics Land Needs**<sup>1</sup> demonstrates Gatwick Green will experience strong market demand, including for larger units over 100,000 sqft which are currently under-represent in the Crawley market. In this regard the baseline rental assumption of £120 psqm is considered to be at the high end for larger units although we note sensitivity testing goes as low as £100 psqft, which is considered more appropriate as a blended rate should only larger units come forward at Gatwick Green. The counter balance to this is that larger units may have lower build costs to the £826 sqm assumption used which we note does not appear to have been sensitivity tested.

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<sup>1</sup> Appendix 3 to the representation by TWG on Strategic Policy EC1

# Appendix 7

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Proposed changes to Strategic Policy EC4 and supporting text



**GatwickGreen**

WHERE THE FUTURE WORKS

# Proposed changes to the Draft Crawley Borough Local Plan 2024-2040 (May 2023)

Savills on behalf of Gatwick Green Limited

## 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 EC4

*“Land east of Balcombe Road and south of the M23 spur comprising 44 hectares and referred to as Gatwick Green, is allocated for the comprehensive development of an industrial-led Strategic Employment Location.*

### **Requirements**

*Proposals for development of the Strategic Employment Location will be required to:*

#### *Employment Uses*

- a. ~~provide as a minimum 13.73ha for new industrial land, predominantly for B8 storage and distribution use, demonstrating through appropriate evidence the justification for any further industrial floorspace beyond this amount;~~*
- b. justify any limited complementary ancillary uses such as office floorspace, small-scale convenience retail and small-scale leisure facilities that would support the principal industrial-led storage and distribution function....”*

## Paragraph 9.58

*“Anticipated to be built out over a seven ~~to ten~~ year period, completed by ~~2040~~ 2035, the Gatwick Green allocation will meet Crawley’s economic needs in the ~~latter~~ early to middle part of the Plan period.”*

The above change to Strategic Policy EC4 would require consequential changes to the text of the DCBLP:

### **Supporting text**

Paragraph 9.53

### **Reasoned Justification**

Paragraphs 9.54 and 9.58

# Crawley 2040

Draft Crawley Borough Local Plan 2023 – 2040

June 2023

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Regulation 19 Consultation  
Representation on behalf of  
Gatwick Green Limited



**GatwickGreen**

WHERE THE FUTURE WORKS

**Policy EC5**  
Employment and Skills Development  
June 2023



# Crawley Local Plan

<p><b>Ref No:</b></p>  <p><i>Office use only</i></p>
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## Crawley Submission draft Local Plan Representation

Please return your completed representation form to Crawley Borough Council.

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:	Gatwick Green Limited	Savills
Address line 1:	Fetcham Park	Wessex House

Address line 2:	Lower Road	Priors Walk
Town/city:	Leatherhead	Wimborne
Postcode:	KT22 9HD	BH21 1PB
Telephone:	01483 230320	01202 856912
Email:	<a href="mailto:Sally.fish@wilky.co.uk">Sally.fish@wilky.co.uk</a>	<a href="mailto:sfife@savills.com">sfife@savills.com</a>



## 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 response

*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 response

*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:**

Policy EC5 is an important policy that sets out the requirements for major developments to make a contribution towards Crawley's Employment and Skills Programme. In the context of the proposed allocation of Gatwick Green, GGL is seeking an important change to the supporting text to the policy to provide for some flexibility in the form of contributions. It is therefore considered that the representation raises important and significant planning matters relating to the need for some flexibility in the provision for skills and employment facilities in the Borough, which justify the attendance of GGL 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**

19/06/2023

**Draft Crawley Borough Local Plan 2024 - 2040  
May2023**

**Regulation 19 Consultation**

**Representation on behalf of Gatwick Green Limited**

**Policy EC5: Employment and Skills Development**

**June 2023**



## 1.0 Introduction

### Background

- 1.1 This representation is submitted on behalf of Gatwick Green Limited (GGL). For clarification, Gatwick Green Limited is a wholly owned subsidiary 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. Previous representations were submitted by TWG, but the land is now vested in Gatwick Green Limited. This representation relates to Policy EC5 Employment and Skills Development in the Draft Crawley Borough Local Plan, 2023 (DCBLP).
- 1.2 GGL owns about 48 ha (119 acres) of land east of Gatwick Airport. The land has been promoted by TWG/GGL as a strategic employment opportunity known as Gatwick Green, most of which forms a proposed allocation as a Strategic Employment Location (SEL) of 44 ha (108.7 acres) (the Site) under Strategic Policy EC4 in the DCBLP. The proposed allocation is for a comprehensive industrial-led development of predominantly storage and distribution uses under use class B8.

### Scope of representation

- 1.3 This representation sets out the evidence in support of Policy EC5 reference to:
- The National Planning Policy Framework (NPPF, 2021).
  - The planning Practice Guidance (PPG).

## 2.0 Policy EC5

### Intention of the policy

- 2.1 The purpose of Policy EC5 is to bring forward initiatives to improve the skills of the local workforce and training opportunities to raise educational attainment levels within the Borough. These are considered to be important to reduce the disparity between the educational levels and earning potential of the local workforce and those who commute into Crawley. These characteristics are reflected in Crawley's position near the bottom of the social mobility rankings as 304<sup>th</sup> out of 324 local authorities (DCBLP, para 9.65). The Council estimates that £49 million GVA per annum is lost from Crawley due to skills shortages in the local workforce. The Council has committed to reduce the skills gap to help Crawley to continue to attract inward investment (DCBLP, para 9.66).

- 2.2 Policy EC5 has two parts. Part i requires all major developments at the application stage to prepare an Employment and Skills Plan to demonstrate how the construction and occupier (where known) phases of the development will support the initiatives identified in the Crawley Employment and Skills Programme. Part ii requires major developments to make a proportionate financial contribution towards employment and skills initiatives in Crawley.
- 2.3 The Policy cross-refers to the Planning Obligations Annex (the Annex), which contains the basis for development contributions to ensure development within Crawley is served by, and helps provide, infrastructure of a suitable scale, quality and location so as to avoid harmful impacts. The Annex sets out the basis for planning obligations under various policies in the form of works or derived from contribution amounts based on formulas or generic approaches. This includes a formula for an employment and skills development financial contribution, which applies to all major residential and commercial developments so as to help improve social mobility, inclusion and address the existing skills gap.
- 2.4 GGL supports Policy EC5 in principle, but considers that, in line with national planning policy and guidance, the Plan should acknowledge the scope for greater flexibility in its application with regard to major developments such as Gatwick Green.

### **National planning policy and guidance**

- 2.5 Policy EC5 is considered to be in accordance with the policy and guidance contained in the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). The need to plan for and protect infrastructure features throughout the NPPF. With regard to infrastructure associated with strategic land use policies, such as Strategic Policies EC1 and EC4, the NPPF requires such policies to make sufficient provision for, *inter alia*, infrastructure to serve strategic development: such infrastructure includes transport, telecommunications, security, waste management, water supply, wastewater, flood risk and coastal change management, the provision of minerals and energy (including heat), and community facilities (such as health, education and cultural infrastructure) (para 20). The NPPF requires joint working between strategic policy-making authorities and relevant bodies to determine where additional infrastructure is necessary (para 26).
- 2.6 Local Plans should set out the contributions expected from development, including for infrastructure such as that needed for education, health, transport, flood and water management, green and digital infrastructure. Such policies should not undermine the deliverability of the Plan (para 34). Paragraphs 55 – 58 deal with planning obligations to

bring about the delivery of infrastructure related to new development. The policy guidance states that planning authorities should use conditions on a planning permission where possible, or otherwise where a condition is not appropriate, use planning obligations. Where planning obligations must be secured, they must only be sought where they meet the tests set out in Regulation 122(2) of the Community Infrastructure Levy (CIL) Regulations 2010, i.e. they are necessary to make the development acceptable in planning terms, directly related to the development and fairly and reasonably related in scale and kind to the development.

- 2.7 NPPF paragraph 58 goes on to confirm the importance of up-to-date policies that identify contributions expected from development – planning applications in accordance with such policies will be treated as being viable in line with the viability assessment of the Local Plan. The weight to be given to scheme-specific viability assessments at the application stage will depend on how up-to-date the Plan and related viability assessment are, and any changes in the circumstances of the site since the Plan was adopted.
- 2.8 The importance of providing infrastructure features throughout the NPPF in relation to achieving sustainable development (para 8a); building a strong and competitive economy (para 82); promoting healthy and safe communities (para 92c); promoting sustainable transport (Section 9); supporting high quality communications (Section 10), and meeting the challenges of climate change (Section 14).
- 2.9 The NPPF policy is supplemented by more detailed guidance in Planning Practice Guidance (PPG) on planning obligations<sup>1</sup>. PPG sets out guidance on the scope, nature and use of planning obligations under CIL or developer contributions. PPG states that policies for planning obligations should be set out in plans and examined in public, and informed by evidence of infrastructure needs and a proportionate assessment of viability (Paragraph: 004 Reference ID: 23b-004-20190901).

### **The need to retain flexibility in application**

- 2.10 PPG states that the evidence of need for infrastructure can be standardised or formulaic, and plan-makers should consider how needs and viability may differ between site typologies and may choose to set differential requirements. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land. PPG also states that developers may be asked to provide contributions for infrastructure in several ways (Paragraph: 003 Reference ID: 23b-003-20190901), implying that there should be

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<sup>1</sup> <https://www.gov.uk/guidance/planning-obligations>

flexibility in how that is achieved, such as through planning obligations or contributions under CIL.

- 2.11 PPG goes on to state that *“...if a formulaic approach to developer contributions is adopted, the levy can be used to address the cumulative impact of infrastructure in an area, while planning obligations will be appropriate for funding a project that is directly related to that specific development”*. Whilst this guidance implies a binary approach to the funding and delivery of infrastructure, in reality the picture will be somewhat less clear. Some infrastructure ‘projects’ may be best provided by the Council utilising funding secured via development contributions, or could be better provided on-site via works. In the case of Gatwick Green, meeting the objectives of Policy EC5 are likely to be best achieved through the provision of an on-site education/training facility for apprenticeships or ongoing skills development. It is therefore important that Policy EC5 can be applied in a way that responds to specific circumstances; this could be achieved with some additional text that reflects the need for a flexible approach to the application of Policy EC5 in relation to major developments such as Gatwick Green.
- 2.12 This flexibility could be included in the supporting text to Policy EC5 so as to inform its application in relation to major developments such as Gatwick Green. Aligned with the need for some flexibility, GGL has made representations to the Planning Obligations Annex seeking flexibility in how planning obligations are secured and delivered, and a change to reflect the approach to the application of Policy EC5 outlined in this representation in relation to major developments such as Gatwick Green.
- 2.13 GGL supports the objectives behind Policy EC5, but considers that there is a need for more flexibility in the case where a development provides on-site employment and skills training capacity, that ought to be assessed as providing for skills training, in lieu of a contribution under Policy EC5 and the Annex (DCBLP page 278, item (ii)). For major developments, such a Gatwick Green, providing on-site skills and apprenticeship training facilities in the area of strategic logistics and advanced manufacturing would provide a suitable alternative way of delivering significant social and economic value to Crawley. Therefore, there should be flexibility on the application of Policy EC5, in combination with the Annex, to recognise that such value can equally be provided as works in lieu of a financial contribution.

### **3.0 Proposed changes to Policy EC5**

- 3.1 It is considered that Policy EC5 provides an appropriate basis for securing reasonable and proportionate planning obligations in relation to employment and skills development from new development. It is therefore consistent with national policy and guidance on

infrastructure and planning obligations, and so represents sound guidance in the context of the tests at paragraph 35 of the NPPF.

3.2 However, in order to acknowledge that the financial contribution towards employment and skills training in Crawley could equally be in the form of on-site skills training and education facilities, paragraphs 9.76 and 9.77 of the Plan should be amended as follows (additional text shown underlined):

9.76 A planning obligation or a developer contribution will be sought for all major residential and employment applications to deliver employment and skills development in Crawley. This will be used to support *Employ Crawley* in the borough wide coordination of training and employment schemes supporting local people in gaining access to the job market. Contributions or obligations will be agreed by the council and developer and secured through a S106 legal agreement.

9.77 Further information on the preparation, content and outcomes required from part i, the *Employment and Skills Plan*, is set out in the *Employment and Skills Provision Guidance Note*<sup>87</sup>. The *Planning Obligations Annex* sets out detailed guidance on the requirements of Strategic Policy EC5, part ii. relating to the calculation and payment of a developer contribution towards employment and skills development. It is recognised however, that for some major developments it may be more appropriate for provision to meet part ii.) of the policy to be in the form of on-site education and skills training facilities to be funded by the development and its occupiers. Both parts of Policy EC5 should be satisfied in accordance with the *Planning Obligations Annex*