

Crawley

Local Plan

Crawley Borough Local Plan Examination

Crawley Borough Council Response to Inspectors' Matters, Issues and Questions

Matter 4: Economic Growth

November 2023



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Issue 1: Whether the employment land requirement (Policy EC1) will support sustainable economic growth.

- 4.1 Question 4.1: Is the employment land requirement identified in the Plan soundly based? Is it consistent with national policy at NPPF paragraphs 81-83 in terms of positively and proactively encouraging sustainable economic growth in the Borough? Does the proposed approach to employment land in the Plan provide the appropriate conditions for businesses to invest, expand and adapt?
- 4.1.1 Crawley Borough Council (CBC) consider the employment land requirement identified in the Crawley Borough Submission Local Plan, May 2023 (Submission Document Reference: CBLP/01) to be soundly based, consistent with national policy, and appropriate in providing the conditions for businesses to invest, expand and adapt.
- 4.1.2 The tests of soundness require Plans to be positively prepared, justified, effective, and consistent with national policy. As set out in Topic Paper 5: Employment Needs and Land Supply, July 2023 (Submission Document Reference: DS/TP/05) the EGA Crawley Update, January 2023 (Submission Document Reference: EGSM/EG/05) identifies a range of economic scenarios through which to plan for Crawley's employment land needs over the Plan period to 2040. These relate to Baseline Labour Demand, Past Development Rates, and Future Labour Supply, with the latter forecasting based on a supply-led figure of 314 dwellings per annum (dpa) and to account for the possibility of urban extensions to Crawley in Horsham and Mid Sussex, a higher average delivery of 544dpa. The forecasts respectively generate gross employment floorspace requirements of 26.1ha (Labour Supply at 314dpa), 26.2ha (Labour Demand), 32ha (Past Development Rates) and 69ha (Labour Supply at 544dpa) over the Plan period to 2040.
- 4.1.3 The Labour Demand forecast is taken forward as the Local Plan employment land requirement in Policy EC1, identifying need for a minimum 26.2ha employment land over the Plan period to 2040. This figure is found to align closely with the level of employment need (26.1ha) arising from the supply-led (314dpa) Labour Supply forecast (26.1ha), reflecting a broadly balanced approach between labour demand and labour supply-based growth. The Past Development Rates scenario projects need assuming a continuation of net completions achieved 2011 to 2021 over the forthcoming Plan period, identifying a slightly higher need of 32ha. As with the Labour Demand and Labour Supply (314dpa) forecasts, the bulk of identified need falls within the storage & distribution sectors, and the three forecasts are broadly aligned in terms of the amount of storage & distribution need identified (ranging from 27.6ha to 28.9ha before subtractions are made to account for projected decline in the light and general industrial sectors). The 'past trends' approach is not used as a basis for the Plan's employment land requirement, as although it is a useful barometer of need based on what has historically been delivered, use of past trends has limited scope to factor in changes in economic circumstance. The PPG identifies Labour Demand, Past Development Rates, and Labour Supply (supply-led) forecasts as all being reflective of market signals, and all point to similar levels of employment need, this falling significantly within the storage & distribution sectors.

- 4.1.4 The higher Labour Supply (544dpa) is not taken forward within the Local Plan – this is because whilst some employment needs arising from urban extension(s) would be met within Crawley, there is an expectation that at least some of the employment need generated would be met within the development itself, or elsewhere within neighbouring districts. As such, whilst any urban extensions would likely increase job growth, until plans are further progressed it is difficult to plan with certainty for any employment needs which may arise. Policy EC4 does however allow flexibility for additional employment growth, using the “minimum” formulation, which would allow for an element of employment arising from any urban extensions to be met.
- 4.1.5 Local Plan Policy EC1 outlines that the 26.2ha employment figure represents a minimum requirement over the Plan period to 2040. It is stated as a minimum in part recognising that the Labour Demand need figure is slightly lower than the level of growth that has been delivered historically under the Past Development Rates scenario. Given that the latter reflects actual employment delivery in Crawley under what has been a historically constrained land supply position, it follows that in unconstrained land supply position, the level of growth delivered (and therefore projected moving forward under this scenario) would be higher. Again, Policy EC4 provides flexibility to account for a higher level of growth having regard to market demand. The approach is thus to use the 26.2ha labour demand but to treat it as a minimum and to allow for it to be exceeded at the strategic allocation of Gatwick Green if justified. That justification could be: (1) employment needs arising from urban extensions; (2) employment growth meeting past development rates; (3) the consequences of mitigating historic constraints on land supply; and (4) market signals.
- 4.1.6 National policy, through NPPF 2021, paragraphs 81, 82, and 83, page 23 (Post-Submission Document Reference: PS/DS/NPPF/01), places significant weight on the need to support economic growth and productivity, including through allowing areas with high levels of productivity to capitalise on their potential, and working to address barriers to investment. Planning Practice Guidance: Housing and Economic Needs Assessments Paragraphs 026 and 027 requires close liaison with the business community to understand current and potential future requirements. Through the Manor Royal Economic Impact Study, 2018 (Submission Document Reference: EGSM/EG/09) and Northern West Sussex Economic Growth Assessment, January 2020 (Submission Document Reference: EGSM/EG/07), a range of market engagement has been undertaken. This is discussed in detail through sections 4.2 to 4.7 and 4.12 to 4.15 of Topic Paper 5, July 2023 (Submission Document Reference: DS/TP/05), but to summarise, a clear message from the market is that there is a significant unmet demand for logistics floorspace at Crawley, with very low market vacancy and a lack of larger ‘big box’ units resulting in a ‘pent up’ market that is currently significantly frustrated, serving as a barrier to economic growth. This qualitative market evidence has been taken into account in formulating EC1 and EC4.
- 4.1.7 The qualitative market feedback is signalling a demand for B8 storage & distribution land that goes beyond the Labour Demand forecast. Demand for storage & logistics floorspace is also evident in the amount of new B8 warehouse floorspace coming forward at Manor Royal, where there has been a recent historic trend of office and industrial uses being redeveloped for B8 warehouses. At the time of writing, there is

a gross pipeline of some 50,000sqm new warehouse floorspace either permitted or being built out, as per Table 5.2, Topic Paper 5, July 2023 (Submission Document Reference: DS/TP/05) at Manor Royal, reflective of the pressures Crawley faces for this type of floorspace. Recent delivery at Manor Royal has broadly focused on mid-size units, and not meeting demand for small and larger warehouses. Some Manor Royal redevelopments are seeking to meet larger-scale needs, for example the Land at Faraday Road scheme, but opportunities for large-scale warehouse schemes in Manor Royal remain limited by plot constraints, and in the absence of new employment land being allocated, needs for larger-scale warehouse premises will likely remain frustrated.

- 4.1.8 Local Plan Strategic Policy EC1 therefore identifies the Labour Demand figure as a minimum requirement, and taking account of Crawley's employment land supply pipeline outlines a net requirement for a minimum 13.73ha, principally within the storage & distribution sectors, to be accommodated at the Gatwick Green Strategic Employment Location. The 44ha Gatwick Green site will provide as a minimum the 13.73ha predominantly B8 storage & distribution land, with Policy EC4 allowing flexibility for a larger quantum of floorspace beyond this figure to come forward, where justified by evidence. The intention of this approach is to allow flexibility for further growth to address the factors listed at para 4.1.5, having regard to the suppressing impacts of Crawley's historically constrained land supply and the wider qualitative signals of unmet market demand.
- 4.1.9 Therefore, the employment land requirement identified in the Plan ("a minimum of...26.2ha") is considered by CBC to be soundly based. It is closely aligned with the supply-led Labour Supply (314dpa) figure taken forward through the Plan, and broadly in line with historic levels of growth based on the Past Development Trends scenario. With regards to NPPF paragraph 81/82/83, the strategy allocates a new Strategic Employment Location at Gatwick Green, which will readily meet Crawley's objectively assessed employment needs for the Plan period to 2040. The strategy will enable Crawley to build upon its strengths, and counter the key issue of constrained land supply, a historic barrier to investment that has frustrated the logistics sector despite its clear desire to locate at Crawley.
- 4.1.10 In stating the 13.73ha figure as a minimum, and allocating a much larger site of 44ha, the Plan meets Crawley's employment needs in full, with scope for a higher level of growth at Gatwick Green. It therefore provides flexibility to accommodate needs not anticipated in the Plan (NPPF paragraph 82(d)) and responds to market signals that identify demand for B8 storage & distribution needs. The Gatwick Green allocation identifies new employment land in Crawley, where there is a clear desire to locate, addressing the locational requirements of the logistics sector (paragraph 83) and accommodating demand from a currently partly frustrated market. Gatwick Green will particularly focus on the provision of smaller industrial and larger warehouse footprints, meeting a need that Manor Royal has struggled to deliver. By offering new land on a dedicated logistics site, the allocation meets a need not currently being catered for in Crawley, creating conditions in which businesses can invest, expand and adapt (paragraph 81).
- 4.1.11 Feedback submitted by interested parties to the Local Plan puts forward that factoring in market demand would increase Crawley's overall employment land

requirement to range between 48ha and 118ha. The Council's approach is fully consistent with national policy and guidance, and whilst the Council does not accept the criticism that its EGA fails to reflect market signals and whilst it is clear that market signals have been considered as part of the overall approach in the EGA, the council has undertaken further work to test whether a different approach to assessing market signals makes the allocation of 44 ha (with the 13ha initial figure) inappropriate, commissioning Lichfields to prepare a Market Signals Assessment for Industrial and Warehousing Needs, November 2023 (Post-Submission Document Reference: PS/EGSM/EG/12). This is a different way of looking at market demand and takes account of net absorption (a measure of floorspace occupied minus floorspace vacated over a specific period) and latent/supressed demand (identifying the amount of floorspace required in a given period to achieve an 'equilibrium' of 8% vacancy) to identify a market signals requirement for Crawley over the Local Plan period to 2040. There are major caveats to the use of this methodology – it is not set out in any NPPF nor approved in any government policy and its limitations have been highlighted (for example in the Warrington Local Plan Examination). However, it provides an added piece of evidence relevant to the soundness of CBC's approach. The market signals work identifies a total industrial/ warehouse requirement of 48.7ha. CBC note that the implied industrial and warehousing land requirement would be within the range identified within the 2023 EGA Update (which set out a range of 22.8 – 60.2ha over the 2023-2040 period). This reinforces the view that the 44ha allocation at Gatwick Green is justified.

- 4.2 Question 4.2: Including by reference to PPG paragraphs 2a-026-20190220 and 2a-027-20190220 does the analysis and assessment of employment land required over the plan period take sufficient account of local economic strategies, market demand, the current condition and employment land stock (including losses of employment space to other uses) and local market signals?
- 4.2.1 Yes, in Crawley Borough Council's view, this analysis and assessment, which has informed the strategic economic policies of the Local Plan, has been formulated having regard to PPG Paragraphs 026 and 027, relating to the preparation of business needs evidence and forecasting of future need.
- 4.2.2 Paragraph 026 focuses on liaison with the business community to understand current and future requirements. This includes assessment of the FEMA, stock of employment land, patterns of employment loss and supply, evidence of market demand including locational and premises requirements, market signals (relating to growth, diversification and innovation) and any evidence of market failure.
- 4.2.3 Paragraph 027 sets out that an idea of future need should be developed, based upon data which is current and robust, such as:
- sectoral and employment forecasts and projections (Labour Demand);
 - demographically derived assessments of current and future local labour supply (Labour Supply);
 - analysis based on past take-up of employment land and property and/or future property market requirements (Past Development Rates);
 - consultation with relevant organisations, studies of business trends, and understanding of changing business models.

- 4.2.4 These requirements have been considered through the EGA January 2020 (Submission Document Reference: EGSM/EG/07) and its subsequent Crawley focused updates (Submission Document Reference: EGSM/EG/05 and EGSM/EG/06). With reference to the specific points raised in Question 4.2, these are addressed below.

Local Economic Strategies

- 4.2.5 Local Economic Strategies have shaped the overall approach of the Local Plan strategy in planning for sustainable economic growth. These are discussed at Section 2 of Topic Paper 5, July 2023 (Submission Document Reference: DS/TP/05) and summarised in brief below.
- 4.2.6 The Coast to Capital LEP Gatwick 360 Strategic Economic Plan 2018-2030 (Submission Document Reference: DS/LEP/01) identifies Crawley as a key location for economic growth. Delivery of new business floorspace is identified as a priority, particularly close to Gatwick Airport.
- 4.2.7 The Gatwick Diamond Local Strategic Statement, 2016 (Submission Document Reference: DS/GD/01) outlines objectives to meet the expectations of modern investors and businesses, providing an environment allows and encourages it to flourish. Providing a flexible supply of employment land, including new sites, is again identified as a priority.
- 4.2.8 Crawley's One Town Crawley Economic Recovery Plan, 2021 (Post-Submission Document Reference: PS/EGSM/EG/11) presents a vision for the borough's future socio-economic prosperity, supporting its continued economic recovery. This includes the unlocking of sufficient suitable land for new sites to provide for all Crawley's employment growth sectors, helping to boost jobs for residents, and increasing economic resilience to unforeseen economic challenges.
- 4.2.9 The Manor Royal Economic Impact Study, 2018 (Submission Document Reference: EGSM/EG/09) undertakes qualitative market engagement, finding the industrial property market in Manor Royal to be tight, with increased rents and a decreasing supply of developable land. Occupiers unable to find space in Manor Royal are typically relocating elsewhere in the Gatwick Diamond or locations further away. Gaps in the supply of small and larger industrial units are identified, with a major pinch point being the lack of available land for developing new premises to meet demand.
- 4.2.10 The economic strategies reiterate the position of Crawley/Gatwick as a key business location of sub-regional significance but are clear in identifying a lack of available land supply as an obstacle to growth, with delivery of new employment land to meet business needs considered a priority. This situation has been accounted for in the Local Plan, which uses the baseline Labour Demand figure of 26.2ha as a basis in planning for employment growth but is clear in stating this as a *minimum* requirement given the clear position set out in economic strategies and wider qualitative market demand evidence. This is taken forward through allocation of the 44ha Gatwick Green Strategic Employment Location, which is capable of accommodating residual growth from the Labour Demand figure, and additional development requirements arising from market demand.

Market Demand and Signals

- 4.2.11 Market engagement relating to the FEMA and Crawley has been undertaken through the Manor Royal Economic Impact Study, 2018 (Submission Document Reference: EGSM/EG/09) and 2020 Northern West Sussex Economic Growth Assessment (Submission Document Reference: EGSM/EG/07). This work is summarised at Sections 4.2-4.7 and 4.12-4.15 of Topic Paper 5, July 2023 (Submission Document Reference: DS/TP/05). Further work is presented through Section 5 of Topic Paper 5, discussing key factors driving logistics demand at Crawley. The key themes from this work are considered below.
- 4.2.12 The Manor Royal Economic Impact Study, 2018 (Submission Document Reference: EGSM/EG/09) finds Crawley to represent the largest and most significant commercial centre within the sub-region, with its locational strengths including proximity to Gatwick Airport, the M23/M25 and rail links to London and the South Coast combining to make it an attractive business location. Manor Royal has historically provided a popular location for industrial occupiers and now represents the main driver of market demand from a commercial property perspective. Commercial property agent feedback finds the availability of new industrial premises and land for new industrial development to be extremely low, resulting in a 'pent-up' market where occupier demand is often unsatisfied. With strong market demand outstripping the limited available supply, rents are found to have increased significantly. A lack of available land supply has resulted in supply gaps in the delivery of small and larger 'big box' units that is currently not being met.
- 4.2.13 The 2020 Northern West Sussex Economic Growth Assessment (Submission Document Reference: EGSM/EG/07) undertakes further market consultation, with its key messages reiterating previous feedback. The commercial property market in the Northern West Sussex FEMA is found to be relatively buoyant, with Crawley representing the dominant commercial centre in NWS, driving demand for employment space, attracting the most activity and commanding the highest rents. Market feedback is clear that Crawley requires additional employment land (for industrial uses in particular) to accommodate strong levels of market demand and development activity, with its historically constrained land supply acting as a significant obstacle to growth.
- 4.2.14 Consistent with national guidance, market signals and wider market indicators should be taken into account as these are important to fully understanding the scale of demand for employment land. In Crawley, demand is primarily focused on the industrial and logistics sector, with the key factors driving demand discussed in detail at Section 5 of Topic Paper 5, July 2023 (Submission Document Reference: DS/TP/05). These can be summarised as follows:
- Nationally, demand for industrial and logistics space is being driven by structural, rather than temporary, changes in consumer habits. Consumer expectations, particularly the desire for same or next-day delivery are reshaping the operating models of logistics companies and adding to the demand for space.
 - Locational considerations: stock needs to be held near the end customer before it is picked up for the last mile delivery. This requires logistics and storage space in regional and local distribution hubs near to population centres. Locations with

tri-modal (air, rail, road) transport connectivity, such as Crawley/Gatwick, are particularly desirable to logistics providers.

- 4.2.15 Long-standing market demand for storage and distribution floorspace and land is evident in the prevalence of industrial-led development that has come forward in recent years. Reference to past development data, Crawley EGA 2023, Table 2.9 shown below (Submission Document Reference: EGSM/EG/05) shows that just under 85% of floorspace completed annually fell within the industrial sectors (E(g)(iii)/B2/B8).

Table 2.9 Net Employment Requirements (sq.m, ha) in Crawley 2023 to 2040 – Past Development Rates

Type of Space	2011-2021 Net Annual Completions (sq.m)	2023-2040 Net Floorspace Requirement (sq.m)	2023-2040 Net Land Requirement (ha)
Office and R&D E(g)(i)/(ii)	1,120	19,040	2.9
Industrial E(g)(iii)/B2/B8	6,180	105,060	26.3
Total	7,300	124,100	29.1

Source: WSCC / Crawley Borough Council / Lichfields analysis

- 4.2.16 Given the limited scope for new employment land, the market has largely been led to redeveloping and/or intensification of existing Manor Royal sites to deliver the required floorspace, often through the demolition of office space or outdated warehouse stock. This is evident in Table 5.1 of Topic Paper 5, showing notable warehouse schemes delivered in Manor Royal since adoption of the 2015 Local Plan, where a net loss of office and general industrial floorspace in favour of warehousing can be seen. That approach has led to meeting some of the demand but places the mixed use essential character of Manor Royal at risk if it continues unabated and if other land is not made available.
- 4.2.17 From the above, there is clear evidence that market demand and signals are pointing towards a significant need for new business land to accommodate growth in the warehouse and logistics sector. By identifying the Labour Demand figure as a minimum, allocating a Strategic Employment Allocation, and providing flexibility for additional growth, CBC is of the view that the Local Plan appropriately has regard to market demand and signals in its analysis of employment needs.

Current condition and employment land stock (including loss of employment space to other uses)

- 4.2.18 The 2020 Northern West Sussex Economic Growth Assessment (Submission Document Reference: EGSM/EG/07) assesses employment land stock, finding the majority of Crawley sites to be well occupied and performing an important business role. The quality of business space at many sites is found to be relatively low grade and serving a lower value segment of the market, with Manor Royal providing higher quality accommodation by comparison. Within Manor Royal, there is limited scope to accommodate new business development of size and scale.
- 4.2.19 Loss of employment floorspace to non-employment through permitted development rights has been a significant issue in Crawley. Since adoption of the 2015 Local Plan, just under 50,000sqm of office space has been lost, largely through permitted development. Article 4 Directions have been in place at Manor Royal since 2016, and for identified other Main Employment Areas since 2021 to protect their employment

function. Loss of industrial floorspace to non-employment use has been far lower, at 6,358sqm over the same period.

- 4.3 Question 4.3: Is the submitted Plan consistent with the economic priorities for the Local Enterprise Partnership(s) and Gatwick Diamond and will it appropriately support Crawley as the prime industrial location in Northern West Sussex?
- 4.3.1 Yes, the council does believe that the submitted Crawley Borough Submission Local Plan (Submission Document Reference CBLP/01) is consistent with economic priorities. This is considered below in brief.
- 4.3.2 The Coast to Capital Gatwick 360 Strategic Economic Plan 2018-2030 (Submission Document Reference: DS/LEP/01), identifies need for a more sustainable economic base, noting that demand for business space outstrips supply, and states an ambition to improve existing business space whilst meeting demand for new high-quality business and science parks to build on sectoral strengths. The area around Gatwick, represents a key focus for growth given its access to transport links. Similar themes are present in the Gatwick Diamond Local Strategic Statement (Submission Document Reference: DS/GD/01) which again identifies need for provision of new employment sites.
- 4.3.3 Local Plan Strategic Policy EC1 responds to these objectives, seeking to maintain and enhance Crawley's role as the key economic driver for the sub-region. The Plan sets out clear objectives to reinforce Manor Royal as the business-led economic heart of Crawley, with the other Main Employment Areas representing a focus for flexible and sustainable economic growth. Consistent with the LEP and Gatwick Diamond economic priorities, Strategic Policy EC1 supports intensification and redevelopment of these locations for employment use, maximise the available employment land supply.
- 4.3.4 Reflecting strategic priorities, new employment land is allocated at Gatwick Green to accommodate Crawley's need for new industrial and logistics space. This will address Crawley's employment land supply-constraint, which has represented a significant barrier to investment and growth. With Gatwick Green meeting demand for larger B8 units that Manor Royal is not able to accommodate, the two sites are complementary, and the allocation may reduce current pressures on Manor Royal for warehouse use, helping maintain its mixed-use business function. Delivery of new industrial land at Crawley meshes well with planned employment growth elsewhere in the Northern West Sussex FEMA, including the office-focused Horley Business Park, Burgess Hill Science Park, and a focus on smaller start-up/grow-on space in Horsham.
- 4.3.5 Therefore, Crawley Borough Council is confident the submitted Plan is consistent with the economic priorities of the Coast to Capital LEP and those identified in the Gatwick Diamond LSS.

- 4.4 Question 4.4: Does the plan provide sufficient flexibility to accommodate needs not anticipated in the Plan and to enable a rapid response to changes in economic circumstances in accordance with NPPF paragraph 82(d)?
- 4.4.1 Crawley Borough Council (CBC) considers that the plan does provide sufficient flexibility to accommodate needs not anticipated in the Plan and to enable a rapid response to changes in economic circumstances. Policy EC1 sets out the overall economic strategy, seeking to reinforce its role as the key economic driver in the sub-region. This is to be achieved through a strategy that protects and maximises the economic role and function of existing Main Employment Areas and allocating new employment land to meet Crawley's employment need over the plan period. However, flexibility is built into the strategy, allowing scope to respond to changes in circumstance whilst staying true to the Plan objectives.
- 4.4.2 A key aspect of flexibility in the Local Plan is through allocation of the Gatwick Green Strategic Employment Location. The allocation will meet as a minimum Crawley's outstanding industrial/storage & distribution employment needs for the Plan period, though as discussed previously, covers a larger area (44ha) than the remaining 13.73ha need from the 2023 EGA labour demand forecast. After allowing space for appropriate landscaping, the larger site allocation provides scope for flexibility.
- 4.4.3 First, it allows scope to accommodate growth beyond the Labour Demand forecasts, capable of addressing market demand evidenced qualitatively through the Northern West Sussex Economic Growth Assessment, January 2020 (Submission Document Reference: EGSM/EG/07) with the further Market Signals Assessment for Industrial and Warehousing Needs, October 2023 (Post-Submission Document Reference: PS/EGSM/EG/12) reinforcing this view. Flexibility is thus built into the allocation which would allow, if needed, the applicant to respond at the time of application (or subsequent applications) to any changed circumstances that may justify an alternative range or quantum of industrial-led uses on site. Second, identification of a larger allocation means that there is flexibility included in the Plan to allow for unforeseen economic circumstances.
- 4.4.4 More broadly, the allocation is viewed as being central to the economic strategy for Crawley. As discussed for Question 4.2, Crawley's One Town Crawley Economic Recovery Plan 2021 (Post-Submission Document Reference: PS/EGSM/EG/11) finds a need, post-pandemic, to diversify Crawley's economy, reducing its reliance on aviation sectors. Key to this is the unlocking of sufficient suitable land for new sites to provide for all Crawley's employment growth sectors, and help boost jobs for residents, increasing economic resilience to unforeseen economic challenges.
- 4.4.5 How the existing Main Employment Areas secure flexibility is considered next. Policy EC2 supports a wider range of economic growth in Crawley's other designated Main Employment Areas. Policy EC3 relates to Manor Royal, supporting business (office/industrial/warehouse) uses within the business district whilst allowing flexibility for other development where it can be demonstrated that this is of a scale and function that supports and does not undermine, the established business role of Manor Royal. Town Centre policies seek to strike an appropriate balance between the role of the Town Centre as a place to live and work, and Policy GAT4 provides flexibility as to the use of employment within Gatwick Airport.

- 4.4.6 On this basis, CBC is of the view that the Local Plan provides sufficient flexibility as required by NPPF paragraph 82(d).
- 4.5 Question 4.5: Does the Economic Growth Assessment (EGA) evidence inform an appropriate strategy for the Local Plan in terms of looking at both baseline jobs growth and past development rates in terms of the figure of 26.2ha representing a positively prepared approach in planning for sustainable economic growth? The 26.2ha is expressed as a minimum requirement yet the submitted plan does not appear to allocate more than the net 13.73ha needed to achieve 26.2ha over the plan period. Is that correct or does the 44ha Gatwick Green site provide a buffer?
- 4.5.1 44ha is allocated at Gatwick Green. The 13.73ha reflects the council's view as to the quantum of that which is now necessary to meet current needs as a minimum. The 44ha and the approach in EC4 creates flexibility and a "buffer" to deliver well beyond that if justified on market evidence, delivery, and market signals. Through the 2020 Northern West Sussex Economic Growth Assessment (EGA) (Submission Document Reference: EGSM/EG/07) and its subsequent updates, Crawley Borough Council (CBC) has identified an appropriate strategy, based on evidence, that plans for sustainable economic growth over the period to 2040. As discussed in Topic Paper 5: Employment Needs and Land Supply, July 2023 (Submission Document Reference: DS/TP/05) the evidence has evolved over time, with the EGA Crawley update, September 2020 (Submission Document Reference: EGSM/EG/06) sensitivity testing its predecessor's findings and considering forecasts from the Covid-19 pandemic, and the current EGA Crawley Update, January 2023 (Submission Document Reference: EGSM/EG/05) taking account of up-to-date forecasts at the time of Local Plan submission.
- 4.5.2 The EGA Crawley Update, January 2023 (Submission Document Reference: EGSM/EG/05) advises that as a minimum, the Local Plan should seek to accommodate the requirements related to the labour demand scenario, of 113,390sqm floorspace (26.2ha). This aligns closely with the supply-led labour supply (314 dpa) scenario and represents a broadly balanced approach between labour demand and labour supply-based growth. The past development rates figure is slightly higher (32ha), consistent with market analysis pointing to strong growth being experienced in the industrial and logistics market. Given the close alignment of the baseline labour demand forecast and the supply-led labour supply scenarios, the 26.2ha land requirement is taken forward through the Local Plan. If past trends are replicated and if market signals justify further development above the Labour Demand forecast, Policy EC4 provides for this.
- 4.5.3 It is necessary to consider the identified employment land need against the available employment land supply pipeline. This has been identified through the Employment Land Trajectory (ELT) Base Date, May 2023 (Submission Document Reference: CBLP/01) which details sites with planning permission and/or anticipated to come forward for employment use. As Topic Paper 5, Table 4.6 shows, subtracting the available land supply pipeline from the baseline labour demand, there is sufficient office land to meet Crawley's baseline job growth needs, but a shortfall of -13.73ha industrial land.

- 4.5.4 The minimum 13.73ha industrial land requirement in the plan is therefore a result of subtracting the available industrial land supply pipeline from the overarching 26.2ha need. This figure must however be seen as a minimum requirement, recognising that the past development rates figure, itself representing a constrained land supply position, is greater. This is consistent with the message from qualitative market feedback set out in the Manor Royal Economic Impact Study, 2018 (Submission Document Reference: EGSM/EG/09) and 2020 EGA (Submission Document Reference: EGSM/EG/07), which identifies market frustrated by a lack of available land, with pent up demand for B8 logistics space, particularly larger warehouse units.
- 4.5.5 The 44ha allocation site therefore provides a buffer to plan for growth beyond the minimum 13.73ha requirement, enabling wider market demands, where evidenced, to be taken into account. It should be noted that a significant landscape buffer will be required to ensure the appropriate mitigation of landscape character and amenity impacts, in addition to the provision of infrastructure necessary to serve the allocation. As such, 44ha represents the gross site area, but the net developable area will be smaller.
- 4.6 Question 4.6: Does the latest Economic Growth Assessment (EGA) Supplementary Update for Crawley 2023 potentially underplay the likely demand for additional employment land over the plan period by: (i) extrapolating growth from 2011-21 which would include an element of suppression during the Covid-19 pandemic; and (ii) factoring-in past constraints in land supply in the Borough?
- 4.6.1 This question appears to focus on *Scenario 2 'Past Development Rates'* from the EGA 2023. It should be noted that CBC has not used this scenario as the main basis for its approach to employment land provision in the Plan, and plans for economic growth based on Labour Demand using Experian 2022 forecasts. Notwithstanding this point, past development rates reflect market demand and actual development patterns, so can provide a reasonable basis for informing future space needs. In this regard, the 11-year period of monitoring referred to (2011-21) in the EGA only captures the effects of Covid-19 towards the end of the monitoring range, and it also includes a period of macro-economic growth. In this sense, completions over a period of ten years or more should even out demand fluctuations over a business cycle, and normally provide a reasonable basis for estimating future needs provided land supply has not been unduly constrained.
- 4.6.2 In terms of point (ii), the 'Past Development Rates' scenario does inevitably factor-in past constraints in land supply in the Borough (insofar as these have influenced rates of new development/take-up), but this scenario has been considered as required by PPG and does not directly inform the Local Plan approach to employment land provision.
- 4.6.3 Growth based on the Experian Labour Demand figure (26.2ha) is lower than the level of growth (32ha) suggested by the 'Past Development Rates' scenario. Recognising these concerns, CBC has undertaken further work through an up-to-date Market Signals Assessment for Industrial and Warehousing Needs, October 2023 (Post-Submission Document Reference: PS/EGSM/EG/12). This takes account of latest market signals evidence and historic 'suppressed demand' in the borough, which will

have built up as a result of the recognised land supply constraints. This market signals exercise reinforces qualitative market feedback from the 2020 EGA, identifying a significant need for new industrial and storage & distribution land in Crawley.

- 4.7 [Question 4.7: Is the interpretation of the economic land forecasts in the EGA, and as explained in Topic Paper No.5, reasonable and reliable?](#)
- 4.7.1 Crawley Borough Council (CBC) consider the interpretation of the economic land forecasts in the EGA to be reasonable and reliable. As noted in the question, this is discussed in detail through Topic Paper 5, though key themes from that analysis, alongside further rationale regarding the Local Plan approach, is set out below.
- 4.7.2 The Economic Growth Assessment 2020 (Submission Document Reference: EGSM/EG/07) and its subsequent updates, most recently the EGA Crawley Update, January 2023 (Submission Document Reference: EGSM/EG/05) undertake a robust and PPG compliant assessment of employment need over the Plan period to 2040. As required by the PPG, this is based on a range of data that is current and robust, including labour demand, labour supply, past take-up, and consultation with relevant organisations, with qualitative evidence through consultation with key representatives from the local and sub-regional commercial property market.
- 4.7.3 In assessing employment need based on Labour Demand, the 2023 EGA Crawley Update, January 2023 considers two sets of forecasts, from Oxford Economics and Experian (both dated 2022 Q4). The Oxford Economics outlook is generally more pessimistic than Experian when considering 'all sectors' job growth, and it is the Experian outlook that is more optimistic and closer (when compared with BRES data) to Crawley's historic growth. The key difference between the two forecasting houses is found in their expectations of key growth and decline sectors. In absolute terms the greatest difference is in the 'transportation and storage sector', where Oxford Economics forecasts limited growth of +104 total jobs to 2040, compared with Experian's anticipated +3,300 total jobs for the same period. This sector is typically associated with warehousing and logistics use, though 'passenger air transport' remains the largest sub-sector within it.
- 4.7.4 To understand which set of forecasts might be more appropriate for planning purposes, comparison is made with BRES sectoral change data, showing actual job growth for the period 2009-2021. This finds the transportation and storage sector to have grown by 3,000 jobs (231 jobs per annum) in Crawley over this period, aligning more closely with Experian's outlook for the sector of 183 jobs per annum. This also reflects market analysis in the NWS EGA 2020, which points to strong growth in the wider industrial and logistics market. Whilst the two sets of forecasts have significant differences in terms of growth across all sectors, within the business focussed sectors of office/industrial/warehousing, they ultimately point to similar levels of growth. However, it is Experian's projection of annual growth for the office, industrial and distribution-based sectors that more closely aligns to what has been recorded historically by BRES, and in the case of transportation and storage, it is Experian's outlook that more accurately reflects the market demand feedback collected at the time of the EGA. This is reflected in the 2023 EGA taking forward the Experian forecast to inform its 26.2ha Labour Demand figure.

- 4.7.5 The Past Development Rates forecast (32ha), discussed at Questions 4.1 and 4.6 above, is not used as a basis for the Plan's employment land requirement. This is based on a recognition that whilst past-trends can be an indicator of need based on what has historically been delivered, such historic data cannot take account of current economic trends and changes in key growth sectors. The past trends data does however show significant growth in the industrial sectors of light industrial, manufacturing and storage & distribution, underlining the role of these sectors as the main driver of net completions of employment space in the borough over recent years.
- 4.7.6 The Labour Supply forecasts are discussed in greater detail in response to Question 4.8. These identify employment need of 26.1ha based on the Local Plan supply-led housing figure of 314dpa, or a higher employment need of 69ha based on a housing figure of 544dpa which assumes for some of Crawley's unmet housing need being met in the form of urban extensions to Crawley.
- 4.7.7 Use of past trends has limited scope to factor in changes in economic circumstance. Notwithstanding, the close alignment between the Labour Demand, Past Development Rates, and Labour Supply (supply-led) forecasts all point to similar levels of employment need, this falling significantly within the storage & distribution sectors.
- 4.7.8 Given the alignment between the Labour Demand and the supply-led Labour Supply figure, CBC considers that its approach, in planning for 26.2ha employment land, represents a reasonable and reliable interpretation of the EGA 2023 forecasts, achieving a relatively balanced approach between housing and employment. Noting the Past Development Rates figure is slightly higher and having regard to the clear market demand for storage & distribution land, the Plan identifies this figure as a minimum, and provides flexibility for further growth at the Gatwick Green allocation. This will allow the allocation to pick up on wider market demands, whilst also allowing scope for some of the employment need arising from urban extensions to Crawley to be accommodated within the borough.
- 4.8 [Question 4.8: Is the employment land provision in the plan aiming to provide the minimum necessary to support the Plan's housing requirement \(314dpa\)? The local housing need is forecast to be significantly higher \(755dpa\), which historically has been met by adjoining authorities. Is there an additional requirement for employment land to support labour demands from the projected increase in local housing need and how would this be met?](#)
- 4.8.1 Crawley Borough Council (CBC) is of the view that the Plan applies a positive approach in planning for Crawley's employment land requirements, balancing this with (through necessity) a supply-led approach in planning for housing need.
- 4.8.2 Through the process of the Economic Growth Assessment and updates, CBC has assessed a range of Labour Supply focussed employment scenarios. The Economic Growth Assessment 2020 (Submission Document Reference: EGSM/EG/07) prepares its Labour Supply forecast using Crawley's full 'uncapped' housing need of 752dpa using the standard method, resulting in an employment land requirement of 113ha. The EGA is clear to recognise this figure as a 'starting point' for the Local Plan, with adjustment likely needed to reflect the spatial capacity for accommodating new

housing development and continued cross-boundary working through Duty to Cooperate. The EGA therefore advises that the 'uncapped' Labour Supply figure should be treated with an element of caution.

- 4.8.3 For Crawley, assessing Labour Supply based on the full Standard Method housing delivery figure of 752dpa does not provide a realistic impression of the actual labour supply associated with the Local Plan, as Crawley is unable to meet its housing need in full. The EGA Crawley Update January 2023 (Submission Document Reference: EGSM/EG/05) therefore prepares Labour Supply forecasts based on Crawley's supply-led Local Plan figure of 314dpa and a higher 544dpa figure which factors in the potential for growth immediately adjacent to Crawley. This generates Labour Supply employment land requirements of 26.1ha and 69ha respectively. The latter of these two forecasts is not taken forward directly within the Local Plan for the reasons set out in para 4.1.4 above.
- 4.8.4 The Local Plan sets out to accommodate employment growth based on the Labour Demand figure of 26.2ha, which is virtually identical to the supply-led Labour Supply employment need of 26.1ha and reflects an aligned approach in planning for housing and employment need. However, the Local Plan is clear that this figure represents a *minimum* employment land requirement, recognising that qualitative market feedback points strongly in favour of there being greater a need beyond this figure for industrial and storage & distribution land.
- 4.8.5 Overall, in planning to accommodate as a minimum the Labour Demand figure of 26.2ha, the Local Plan identifies sufficient employment land to support the Plan's housing requirements based on Labour Supply at 314dpa (26.1ha). Not providing employment land for the 544dpa figure is explained in para 4.1.4 above and in any event there is flexibility in the use of the term "minimum" in EC1 and EC4 and in the fact that the net developable area at the strategic employment allocation at Gatwick Green is significantly larger than the 13.7ha.
- 4.9 Question 4.9: The NPPF refers to flexibility and often an element of 'buffer' is built into employment land requirements. Is the proposed 10% buffer in the EGA justified in light of the circumstances in Crawley including potentially past constraints in supply and any trends in replacement / loss of existing stock?
- 4.9.1 The PPG provides no specific guidance or recommendations in relation this. The EGA evidence therefore draws on the former South East England Partnership Board (SEEPB) guidance on employment land assessments, which recommended an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years. This is equivalent to around 10% of the total 17-year study period for the EGA Update and has informed the 10% buffer applied in the EGA.
- 4.9.2 The land supply constraints that exist in Crawley mean that any buffer that is applied to employment land requirements needs to be reasonable and proportionate, recognising that the borough has not historically been able meet its objectively assessed needs in full. Beyond applying a 10% buffer allowance, the evidence could theoretically look to forecast the quantity of floorspace that will be lost in future and assume that a high proportion of this space will need to be replaced. The issue here is that there is no robust or scientific way of forecasting how much space will be lost,

and the future may be very different from the past. This would make any additional allowance difficult to justify.

- 4.9.3 The EGA applies other moderating factors recognising the limitations of individual forecasting approaches, for example by halving the negative floorspace requirements associated with forecast job losses associated with some industrial sectors, recognising that even if employment levels do reduce (e.g. as businesses increase automation), it does not necessarily follow that all existing employment space will no longer be required. Such an adjustment provides further flexibility.
- 4.10 [Question 4.10: What reasonable alternative employment land scenarios have been considered through the Sustainability Appraisal process?](#)
- 4.10.1 The economic strategy of the Crawley Borough Local Plan, informed by up-to-date evidence and steered by the Sustainability Appraisal process, has evolved during the Plan making process. Throughout, CBC has sought to meet objectively assessed employment needs within the borough, whilst liaising with its neighbours through Duty to Cooperate should there be unmet need.
- 4.10.2 The 2020 Northern West Sussex Economic Growth Assessment (Submission Document Reference: EGSM/EG/07) identified a range of employment growth scenarios, forecasting Labour Demand of (negative) -1.1ha, Past Development Rates demand of 33ha, and Labour Supply of 113ha, the latter based on Crawley 'uncapped' housing need of 752 dpa using the standard method. Given that the Labour Demand figure fell significantly below past job growth and did not align with market feedback that identified an employment land shortfall, the Past Development Rates figure of 33ha was considered an appropriate basis on which to plan for economic growth. Subtracting off Crawley's land supply pipeline at the time, this would still leave a shortfall of 21ha, all for industrial uses. Given land supply challenges, pursuit of the Labour Supply figure of 113ha (752 dpa) would result in a much greater employment land shortfall.
- 4.10.3 The Crawley Local Plan Sustainability Appraisal, 2020 (Submission Document Reference: KD/SA/03) considered three options: Option 1 being to rely on the NPPF to direct employment to sustainable locations; Option 2 being to plan for the 33ha 'Past Development Rates' figure, maximising use of Crawley's Main Employment Areas, seeking to identify small-scale extensions to Manor Royal, and working with neighbours through Duty to Cooperate to accommodate any unmet needs. Option 3, the preferred approach, sought to prepare a North Crawley Area Action Plan (NCAAP), through which justification for Gatwick Airport safeguarding would be considered, or should this be lifted in part or full, consideration given to the scale of employment land required, potentially up to the 113ha Labour Supply figure, and the preferred location for strategic employment under this scenario. Option 3 ultimately informed the approach of the draft Reg. 19 Local Plan published for consultation in January 2020 (Submission Document Reference: CBLP/05) with draft Policy SD3 proposing the NCAAP and draft Policy EC1 planning for the 33ha Past Development Rates requirement whilst committing to preparation of the NCAAP to explore scope to meet the higher 113ha figure.
- 4.10.4 At this stage, January 2020, CBC wrote to its neighbours to advise that the preferred Local Plan approach would be to progress the NCAAP, scoping whether it would be

possible to accommodate Crawley's 33ha 'Past Development Rates' figure or potentially the greater 113ha relating to Labour Supply. Should the NCAAP be unable to identify new employment land, neighbouring authorities were asked to confirm if they would be able to help meet any unmet needs. Replies confirmed that Crawley's neighbours would not be able to meet Crawley's unmet employment needs. Duty to Cooperate work is explained in greater detail in response to Question 4.32.

- 4.10.5 As explained in Topic Paper 5: Employment Needs and Land Supply, July 2023 (Submission Document Reference: DS/TP/05) paragraphs 4.29-4.31, the NCAAP was not pursued through the next iteration of the draft Local Plan. This followed GAL's objection to the potential removal of safeguarding, and PINS advisory inspector feedback that the NCAAP would not be effective given that it would result in change from the Plan's overall strategy. The council revised its approach, considering the geographic extent of safeguarding rather than questioning the principle of its retention, with the Gatwick Master Plan evaluated to determine whether there was an appropriate location for new employment whilst continuing to safeguard land that may be required for the physical land take of a potential southern runway and essential road diversions.
- 4.10.6 At this stage, employment evidence was updated through the EGA Crawley update, September 2020 (Submission Document Reference: EGSM/EG/06). This revisited original EGA forecasts, undertaking sensitivity analysis and updating to take account of amended housing numbers, including an increase supply-led figure (347dpa) and a higher figure of 597dpa to account for the possibility of urban extensions being made to Crawley by its neighbours. The resulting forecasts of 21.7ha (supply-led 347dpa), 38.7h (Labour Demand), 39.7 (Past Development Rates) and 56.9ha (Labour Supply 597dpa), with the bulk of need continuing to fall within the industrial and distribution sectors. The EGA recommended the Labour Demand figure of 38.7ha as an appropriate basis on which to plan for growth, which taking off the available supply pipeline would result in an outstanding need for 24.1ha industrial land.
- 4.10.7 The Crawley Local Plan Sustainability Appraisal/Strategic Environmental Assessment (SA/SEA), 2021 (Submission Document Reference: KD/SA/02) considered three options. The first of these considered seeking to accommodate the Labour Demand figure by directing growth to existing Main Employment Areas, whilst Option 2 considered planning for the lower supply-led Labour Supply figures. Both would result in unmet need that Crawley's neighbours had confirmed they would not assist with. Option 3 sought to meet the Labour Demand employment land requirement by maximising use of existing employment land and allocating a new Strategic Employment Location at Gatwick Green was taken forward in the draft Local Plan, January 2020 (Submission Document Reference: CBLP/05). Gatwick Green was identified as an appropriate employment location having undertaken assessment of promoted sites through the Sustainability Appraisal (Question 4.31 refers). Growth based on the higher Labour Supply figure was not assessed through the SA/SEA, with Duty to Cooperate discussions having already made clear that neighbouring authorities would not assist with Crawley's unmet employment need.
- 4.10.8 The Crawley Borough Submission Local Plan, May 2023 (Submission Document Reference: CBLP/01), informed by evidence from the EGA Crawley Update January 2023 (Submission Document Reference: EGSM/EG/05) and having further assessed

options through the Submission Sustainability Appraisal/Strategic Environmental Assessment, May 2023 (Submission Document Reference: KD/SA/01) retains the Gatwick Green allocation. Given broad alignment between the updated Labour Demand, supply-led Labour Supply and Past Development Rates forecasts, the SA/SEA assesses options to accommodate the minimum 26.2ha employment land requirement. Option 1, to rely on Crawley's existing employment sites acknowledging there would remain unmet need, was not taken forward. Option 2, working with neighbours in seeking to accommodate unmet need was not taken forward given that neighbouring authorities have already indicated they are unable to help accommodate unmet employment needs from Crawley, and recognising demand for strategic storage & distribution growth as being particularly drawn to Crawley. Option 3, retaining the Gatwick Green allocation, is taken forward through the Plan.

- 4.10.9 As discussed, Crawley Borough Council (CBC) has identified a range of employment land scenarios through the EGA (and updates) and considered alternative scenarios through the sustainability appraisal process. Steered by this work, the council has taken a positive and pro-active approach in planning to accommodate objectively assessed employment needs within the borough, initially through the proposed NCAAP, and then through the proposed Gatwick Green Strategic Employment Location. Through Duty to Cooperate, neighbouring authorities have confirmed that they are unable to assist in accommodating any unmet needs that may arise, and given the Crawley-focused nature of industrial and logistics need, CBC has sought to meet its employment needs within its administrative boundary. In planning to the Labour Demand figure, CBC will be meeting its objectively assessed employment needs, though in recognising this as a minimum requirement, and identifying Gatwick Green as a Strategic Employment Location, there is opportunity to plan for a greater level of growth, in-line with the wider qualitative evidence of market demand.
- 4.11 [Question 4.11: Is it necessary for soundness to increase the employment land requirement in Crawley to ensure there is a strong, competitive economy over the plan period? If so, what would be a reasonable, alternative figure and could that be accommodated within the Borough under the current safeguarding regime for Gatwick?](#)
- 4.11.1 Crawley Borough Council (CBC) considers the Local Plan approach to take a positive and pro-active approach in planning for economic growth, planning to maximise the use of existing employment land and identifying new land in the form of a strategic employment location at Gatwick Green to meet identified employment needs. CBC believes the Plan approach will ensure a strong, competitive economy over the Plan period, and consider it to be sound.
- 4.11.2 Question 4.11 invites consideration of the current safeguarding regime. CBC would point out that if current safeguarding (i.e. were safeguarding to retain the same geographic extent as in the adopted 2015 Local Plan), it would not be possible to allocate the Gatwick Green site. Under this scenario, accommodating the Labour Demand figure of 26.2ha (13.73ha residual) would not be possible.

- 4.11.3 Should the extent of safeguarding be adjusted as proposed through the Submission Local Plan (Submission Document Reference CBLP/01), the Gatwick Green allocation would add a significant quantum of new employment land to the supply pipeline. As discussed in response to previous questions, through allocation of a strategic employment location at Gatwick Green, the Local Plan will meet as a minimum its 26.2ha (13.73ha residual) industrial and storage & distribution land requirement based on the Labour Demand forecast. The Gatwick Green allocation, at 44ha, is larger than the level of need identified in the Labour Demand forecast. The larger scale of the allocation allows for a further uplift in employment land, providing scope for a higher level of growth that factors in market demand and helps accommodate job growth arising should some of Crawley's unmet housing need be met in the form of urban extensions. As such, CBC consider that the Plan applies a positive and sound approach to ensuring a strong and competitive economy.
- 4.11.4 CBC does not agree with representations showing the requirement to be much higher (figures of 69ha and 118ha have been put forward). Those figures are significantly above the labour supply for 544dpa even though much of the employment for them will be provided elsewhere. Further, those figures do not reflect any of the approaches required under the PPG. In any event, Lichfields have (with the caveats referred to above) carried out an alternative methodology to test what is claimed in the representations and the output (48.7ha) does not support the figures claimed. In any event there is no means to meet such high figures consistent with the proposed safeguarding. Of course, if the safeguarding was removed in its entirety the position could be very different.
- 4.11.5 Overall, CBC considers the Plan approach, based on a robust and PPG compliant Economic Growth Assessment, and setting out a strategy that allocates new employment land and allows for further growth, to be effective and sound. Should the Inspectors consider it appropriate to include an alternative higher employment land requirement, CBC views the 48.7ha figure as representing an appropriate requirement that factors in market demands and uplift for a higher amount of housing growth in the form of urban extensions to Crawley.

Issue 2: Whether the approach to the Main Employment Areas, including Manor Royal, is sound.

- 4.12 Question 4.12: Are the Main Employment Areas identified under Policy EC2 soundly based?
- 4.12.1 As a purpose planned New Town, Crawley has developed on the neighbourhood principle, whereby residential development is supported by the services and facilities needed to support the day-to-day needs of residents. This sustainable form of development is fundamental to the planning of the town, containing designed neighbourhoods and separate Main Employment Areas to ensure sustainable living and a good quality of life for residents.
- 4.12.2 The Main Employment Areas are designated where economic activity is concentrated, including sites planned as part of the original New Town, and more recent additions. In all, there are ten designated Main Employment Areas, with the Gatwick Green allocation representing Crawley's eleventh. Reasoned Justification to

Policy EC2 summarises the key economic characteristics of each Main Employment Area. Given the significant weight placed on economic growth by NPPF paragraph 81 (Post-Submission Document Reference: PS/DS/NPPF/01), it is considered entirely appropriate to designate Main Employment Areas, and Crawley Borough Council considers the approach to be soundly based.

- 4.13 Question 4.13: Having regard to NPPF paragraphs 82 and 122, does Policy EC2 provide sufficient flexibility to respond to changes in economic circumstances?
- 4.13.1 Crawley Borough Council (CBC) considers that Policy EC2 does provide sufficient flexibility to respond to changes in economic circumstance.
- 4.13.2 The designated Main Employment Areas form a key part of the Strategic Policy EC1 approach in planning for sustainable economic growth. The focus for these sites is for employment use, which the council considers entirely appropriate given the historically constrained employment land position in Crawley and set against wider NPPF requirements to support economic growth and create conditions in which business can invest (paragraph 81).
- 4.13.3 The approach of Policy EC2 seeks to support a flexible range of employment generating development within the main employment areas. The policy also sets out criteria to allow for the loss of employment land or floorspace subject to the policy criteria being satisfied. CBC considers that this approach provides sufficient flexibility having regard to NPPF paragraphs 82 and 122, whilst ensuring this is balanced with wider objectives to promote economic growth as detailed in NPPF paragraph 81 and elsewhere in 82. Flexibility is important, and Policy EC2 provides the necessary scope for alternative uses, but CBC is of the view that this should not come at the expense of undermining the integrity of a given Main Employment Area.
- 4.13.4 CBC note the NPPF paragraph 122 requirement that planning policies should be informed by regular reviews of both the land allocated for development in plans, and of land availability. The 2020 Northern West Sussex Economic Growth Assessment (Submission Document Reference: EGSM/EG/07), through Section 9 and Appendix 5, has assessed the employment land stock, including characteristics, opportunities and constraints. It finds the majority of Crawley sites to be performing an important business role, being generally well occupied and busy, though acknowledges that some locations have been particularly impacted by office to residential conversions through permitted development. CBC would point out that paragraph 122 relates to situations where the local planning authority considers there to be no reasonable prospect of an application coming forward for the use allocated in a plan. Given that a majority of Main Employment Areas are performing well, and set against the wider employment land supply position, CBC is not intending to de-designate employment sites through the Local Plan process.
- 4.13.5 In relation to Policy EC2, CBC wish to suggest a further proposed modification to ensure consistency between Local Plan Policy EC2, and the site-specific policies relating to the Main Employment Areas of Manor Royal (EC3), Gatwick Green (EC4), Town Centre (TC1-TC5) and Gatwick Airport (GAT4). As worded, CBC is concerned that the more flexible approach of Policy EC2 could be read as running contrary to the approach of the policies named above, which each have site specific

requirements. Therefore, the council suggests the following amendments (set out in Examination Document Reference: CBC/CBLP/07b):

Crawley's Main Employment Areas make a significant contribution to the economy of the town and the wider area, and are a focus for sustainable economic growth.

[Whilst identified as Main Employment Areas, Manor Royal, Gatwick Green, Gatwick Airport and Crawley Town Centre perform a specific employment role which is recognised in individual location-specific Policies EC3, EC4, TC1-TC5, and GAT4.](#)

The other Main Employment Areas are:

- ~~• Manor Royal;~~
- ~~• Crawley Town Centre;~~
- ~~• Gatwick Airport;~~
- ~~• Gatwick Green (allocation, Policy EC4 refers)~~
- Three Bridges Corridor (including Denvale Trade Park, Spindle Way, Stephenson Way and Hazelwick Avenue);
- Maidenbower Business Park;
- Tilgate Forest Business Centre;
- Broadfield Business Park;
- Lowfield Heath;
- Broadfield Stadium and K2 Crawley;
- The Hawth.

Employment generating development will be supported in the seven Main Employment Areas listed above where it makes for an efficient use of land or buildings and contributes positively to sustainable economic growth and the overall economic function of Crawley.

Development that would involve a net loss of employment land or floorspace in any Main Employment Area will only be permitted where it is demonstrated that:

- i. the site is no longer suitable, nor viable, nor appropriate for employment purposes, or that a limited loss of employment floorspace will support the wider economic use of the site; and
- ii. the loss of any land or floorspace will result in wider social, environmental or economic benefit which clearly outweighs the loss; and
- iii. there would be no adverse impact on the economic function of the Main Employment Area, nor the wider economic function of Crawley.

4.14 Question 4.14: Is the identification of Lowfield Heath in Policy EC2 justified, including, amongst other things by reference to its location within safeguarded land for Gatwick Airport? Would it be necessary for soundness to clarify the type of development that may be compatible with Lowfield Heath's location in a safeguarded area?

4.14.1 Crawley Borough Council (CBC) considers identification of Lowfield Heath in Policy EC2 to be justified. Lowfield Heath is a well-established main employment area that accommodates a range of uses including office, industrial, and warehouse stock. Whilst it is located within the Gatwick Airport safeguarded land, that position is unchanged from the adopted Crawley Borough Local Plan (Submission Document Reference: CBLP/02) where it was also identified as a main employment area. The adopted Policy EC2 and text include no reference to safeguarding and has historically

been applied having regard to the Plan as a whole, including Policy GAT2 on safeguarded land.

- 4.14.2 The fact is that Lowfield Heath is an existing main employment area that has operated within the confines posed by safeguarding for several years. CBC does not consider that its main employment area status should be lost, as the position with regards safeguarding is unchanged from the adopted Local Plan.
- 4.14.3 Following representations from GAL, the Submission Crawley Borough Local Plan (Submission Document Ref: CBLP/01) includes additional supporting text for Lowfield Heath in the Policy EC2 Reasoned Justification. This clarifies that Lowfield Heath is situated within the Gatwick Airport Safeguarded land, explaining that this places limits on the scope for development, and cross-referring applicants to Policy GAT2 on safeguarding. CBC considers this approach to be sufficient, as the Plan should be read as a whole.
- 4.15 Question 4.15: As part of the assessment of the capacity within the Borough for new homes, has appropriate consideration been given to potential intensification of employment areas for mixed use or alternative forms of employment provision which could create some capacity for additional housing? Does the plan-wide viability evidence indicate whether such an approach would be effective?

Capacity for Mixed-Use Residential Development

- 4.15.1 Crawley Borough Council (CBC) has not considered as part of its assessment of capacity the potential for employment areas to accommodate mixed use or alternative forms of employment provision that could create capacity for additional housing. However, there are specific reasons for this, principally relating to the achieving of a balanced approach in planning for housing and employment needs given the land supply constraints of the borough.
- 4.15.2 As a purpose planned New Town, Crawley has developed on the neighbourhood principle, whereby residential development is supported by the services and facilities needed to support the day-to-day needs of residents. This sustainable form of development is fundamental to the planning of the town, which contains designed neighbourhoods and separate Main Employment Areas to ensure sustainable living and a good quality of life for residents.
- 4.15.3 Strategic Policy EC1 sets out the overarching economic strategy for Crawley, which includes the protection and intensification of Manor Royal and Crawley's other Main Employment Areas as a focus for economic growth. Given the borough's historically constrained land supply position and significant market demand for new employment land, there is clear justification in resisting the loss of employment land and floorspace.
- 4.15.4 CBC point out that Main Employment Areas are designated locations for economic activity, which may be subject to heavy vehicle movements, noise, odour, vibration, light or other forms of pollution. They are not an appropriate place for people to live and provide a poor quality of life for residents. Business organisations have repeatedly expressed to CBC concerns about the inappropriate incursion of housing into Main Employment Areas as placing constraints on the operation of existing

businesses and as a deterrent to investment for future businesses. In recent appeal decisions at Tilgate Forest Business Park¹ and Three Bridges Corridor², Inspectors have cited the unacceptable impact housing would have on the operation of existing business, the confidence of business investors, and the overall function of the main employment area. In this regard, NPPF paragraph 182 is highlighted, which recognises that existing businesses and facilities should not have unreasonable restrictions placed on them as a result of development permitted after they were established.

- 4.15.5 For this reason, several of Crawley's Main Employment Areas are subject to Article 4 Directions that remove the Class MA permitted development right, specifically to protect the function of the Main Employment Areas and ensure that business is not undermined.
- 4.15.6 Policy H2 of the Crawley Borough Submission Local Plan, May 2023 (Submission Document Reference: CBLP/01) seeks in general to protect employment uses within the identified Main Employment Areas within the borough, due to the need for employment land as well as incompatible land uses and unsuitable locations for residential due to lack of facilities, which in practice would tend to substantially restrict the scope for housing development.
- 4.15.7 The approach is more permissive in the Town Centre, due to it being a highly sustainable location with access to many facilities and suitable for a mix of land uses. Crawley Borough Submission Local Plan footnote 15, page 23, confirms that a total of 2,087 dwellings are anticipated to come forward in the town centre over the period 2021-2040. Policies TC1: Primary Shopping Area and TC3: Town Centre Key Opportunity Sites support residential development by providing scope for residential use at first floor level within the Primary Shopping Area, and by allocating key sites for mixed-use development. Policies TC3 and H2 identify a minimum of 1,500 net dwellings to come forward cumulatively across the Town Centre Key Opportunity Sites. In addition, Policy H2: Key Housing Sites identifies the Town Centre generally as a 'Broad Location' for delivery of at least another 129 net additional dwellings. Policy TC2: Town Centre Neighbourhood Facilities seeks to ensure the delivery of a significant increase in residential population within Crawley Town Centre is supported by the necessary facilities associated with such development.

Viability for Mixed-Use Development

- 4.15.8 With respect to the second part of the question regarding viability, Crawley Local Plan Viability Assessment Appendix IIIC (Submission Document Ref: DS/VA/02b) shows that the most viable commercial typologies are large format retail, large retail warehouse, and to a lesser extent town centre comparison retail and convenience. Town centre offices and out of town offices have more marginal viability, with smaller industrial tending to have very poor viability.

1 Land north of Tilgate Forest Business Centre, Brighton road, Tilgate, Crawley PINS Appeal Ref: APP/Q3820/W/18/3202034

2 Kingston House, Stephenson Way, Three Bridges, Crawley PINS Appeal Ref: APP/Q3820/W/18/3203568

- 4.15.9 The latter is particularly noted, as it is often smaller-scale office and industrial that are cited in a mixed-use scenario, and even with zero CIL and optimistic assumption regarding yield and value, these types of use tend not to be viable in Crawley.
- 4.16 Question 4.16: Is Policy EC3 on Manor Royal justified to require accordance with the 2013 Supplementary Planning Document (SPD) rather than state that development proposals “should have regard to” the SPD? Is there any intention to review and update the SPD?
- 4.16.1 Crawley Borough Council (CBC) considers that the Policy EC3 approach, in requiring accordance with the Manor Royal SPD, is justified. It is an existing stipulation in the adopted Crawley Borough Local Plan (Submission Document Reference: CBLP/02) and having been in place for several years, Manor Royal developers are well-versed with its requirements.
- 4.16.2 The Manor Royal Design Guide SPD was originally prepared in response identified need to improve the aesthetics of Manor Royal, acting as a guide to enhance the environment and feel of the business area through interventions when new development occurs. It addresses matters relating to landscaping, road frontages and provides design guidance for key ‘gateway’ sites within Manor Royal, with the overall intention being to shape Manor Royal’s identity and enhance its role as a place to invest and do business. Through requiring accordance with the Manor Royal Design Guide SPD, CBC has been able to secure high quality design and landscaping at key Manor Royal frontages and prominent sites, helping to enhance its aesthetic environment.
- 4.16.3 The Manor Royal Economic Impact Study 2018 (Submission Document Ref: EGSM/EG/09), commissioned by CBC and Manor Royal BID, undertakes an updated assessment of Manor Royal’s key strengths and weaknesses. It finds that whilst the environment and landscaping of Manor Royal continues to improve, as an older business estate that is not planned out in the same way as modern business parks, Manor Royal should continue to address its environment and landscaping, seeing this as an important response to competition from rival business parks and helping to attract and retain business. As such, CBC view the Manor Royal Design Guide SPD as an important tool in meeting NPPF requirements to create conditions in which business can invest and counter any weakness (paragraph 81), and in addressing barriers to investment, including poor environment (paragraph 82c).
- 4.16.4 Given its key ongoing role in enhancing the Manor Royal environment, the intention is to update the Manor Royal Design Guide SPD following adoption of the Local Plan.
- 4.17 Question 4.17: Does Policy EC3 provide an appropriate policy framework to support and enhance the strategic role and function of Manor Royal within the Gatwick Diamond area? Would it be necessary for soundness to modify the plan to further restrict or manage non-employment uses including from the effects of Class E?
- 4.17.1 Crawley Borough Council (CBC) considers that Policy EC3 provides an appropriate policy framework to support and enhance the strategic role and function of Manor Royal. Its approach is to protect the core mixed-use business function of Manor Royal, supporting office, industrial and warehouse) uses within the business district

whilst allowing flexibility for other development that this is of a scale and function which supports and does not undermine, the established business role of Manor Royal.

- 4.17.2 Policy EC3 policy was initially taken forward through the adopted Crawley Borough Local Plan 2015-2030 (Submission Document Ref: CBLP/02), its approach shaped by the views of business organisations including the Coast to Capital LEP, Gatwick Diamond Initiative, Crawley Local Economy Action Group (LEAG), and Manor Royal Business Improvement District. These organisations had expressed concerns that increased incursion of non-business activity had begun to erode the principal business function of Manor Royal, deterring investment, undermining delivery of new business floorspace, and creating uncertainty as to the type of occupier that may take up adjoining sites. Manor Royal BID, through its Local Plan representation (REP 151, 2023) has reiterated its continued support for the Policy EC3 approach, recognising the role of this policy in protecting the core mixed-use business function of Manor Royal.
- 4.17.3 The Policy EC3 approach has worked well in Crawley, pro-actively supporting the core business uses that define Manor Royal, whilst allowing flexibility for alternative uses that are in-keeping with its character, for example, Sui Generis uses such as car dealerships and flight training centres. The approach has provided flexibility for supporting 'non-business' uses that contribute to Manor Royal's business function and helps meet the needs of its employees, for example, gym and leisure uses, childcare, small-scale convenience and food uses. As such, the intention is not to be overly restrictive, but rather to address known vulnerabilities to reinforce and strengthen the position of Manor Royal as the leading business location in the Gatwick Diamond. CBC consider this approach to be consistent with the economic priorities of the NPPF, particularly paragraph 81 objectives to create the conditions in which business can invest, expand and adapt, enabling the business district to build upon its strengths and counter weaknesses.
- 4.17.4 CBC does not consider that it would be necessary for soundness to further modify the policy to restrict or manage non-employment uses from the effects of Class E. The council is acutely aware of the need to ensure Manor Royal's business function is not undermined by non-business uses, and outside of the Local Plan process the council has brought into force Article 4 Directions removing the Class MA permitted development right that would otherwise allow any planning unit or building within Use Class E to convert to residential through permitted development. Both CBC and Manor Royal BID are aligned in their view that Manor Royal is not an appropriate location for residential use, and that the presence of residential would take up much needed business land, and would constrain the business function of Manor Royal, undermining confidence for investors. CBC has repeatedly been able to demonstrate to DLUHC that the Article 4 Direction (and its predecessors) is fully justified.
- 4.17.5 With regards to Use Class E, CBC note the broad range of commercial uses, including non-business uses, that fall within this. Whilst CBC is very aware of the scope for Class E to allow for the introduction of non-business uses to Manor Royal in an unplanned manner, given the freedom of movement within that Use Class E, the council is unable to prevent such movements as no change of use has taken place. In practical terms, many existing buildings in Manor Royal have restrictive conditions

that require a planning application for change of use to be submitted, and there is scope to add similar conditions to new Class E buildings through the Development Management process.

Issue 3: Whether the approach to the Strategic Employment Location at Gatwick Green (Policy EC4) is sound.

- 4.18 Question 4.18: Having regard to safeguarded land for Gatwick Airport, master-planning for Gatwick Airport, land ownerships and the need to achieve safe and suitable access to the highway network, is the proposed Gatwick Green allocation deliverable and capable of meeting employment needs in the Borough during the plan period?
- 4.18.1 Yes, the Gatwick Green allocation is deliverable and capable of meeting employment needs in Crawley during the Plan period. As discussed in relation to Matter 4 Issue 1, the allocation will meet Crawley's objectively assessed employment needs in full, whilst providing flexibility to support a higher level of growth at Gatwick Green where evidenced.
- 4.18.2 The Gatwick Airport safeguarded land is discussed in the council's response to Question 5.23. In summary, the Gatwick Green allocation can come forward in a manner that is complementary to, and would not prejudice, a southern runway. CBC would point out that the Local Plan retains all south of Gatwick Airport, which is required to accommodate the physical land take of a southern runway, road diversions and operational uses should this be required. The allocation boundary has been drawn specifically to work in conjunction with the highways infrastructure associated with a southern runway.
- 4.18.3 In relation to Gatwick Airport master-planning, this is considered in detail through the council's response to Question 5.24. The Gatwick Green site is earmarked for surface parking, and possible (non-airport) commercial uses in the Master Plan for the future southern runway. The Gatwick Green site promoter has sought to engage with GAL as part of the DCO process to ensure their development works around the necessary surface access improvements for the Northern Runway. Therefore, if the Gatwick Green allocation was found to be sound, there would be no significant adverse impact on accessibility for the current plans of the Airport. Also, it is considered that the surface parking requirements for the southern runway are out of date, significantly over provided for based on the numbers in the 2014 work, do not reflect current and likely future trends in promoting more sustainable access to airports and do not reflect an efficient use of land. Finally, the use of all of the land solely for car parking was not considered critical even in the 2014 work, with an option for up to 35ha land to be taken out for relocated commercial uses if the displaced occupiers so wished.
- 4.18.4 With regards to land ownership, Gatwick Green Limited (GGL) has confirmed through its Local Plan representation that it owns all land proposed to be allocated under Strategic Policy EC4. Further, GGL has confirmed that the site is not subject to any significant encumbrances on title that could affect comprehensive development of the site.

- 4.18.5 Safe and suitable access to the highways network is considered in the council's response to Questions 4.26. In summary, the Crawley Transport Modelling Study (Submission Document Reference: ES/ST/01a) has tested three different scenarios, with the Gatwick Green Employment Allocation added to housing delivery and the Employment trajectory sites as a separate scenario to ensure its impacts on the highway network could be fully understood. The Transport Study included Road Safety considerations. The site area tested in the model was 24.1ha (77,500sqm), so higher than the current identified provisions of 13.7ha. Not least because a worst-case scenario was tested, it is concluded in the August 2023 Sensitivity Test Task 3 (Document Reference: ES/ST/01w) that the Transport Study is robust. As set out in Statements of Common Ground between West Sussex County Council and CBC (Submission Document Reference: SoCG/16) and between CBC and National Highways (Submission Document Reference: SoCG/15a), it is agreed that the Transport Modelling is an appropriate basis for testing strategically the highway impacts of the draft Crawley Borough Local Plan. The modelling therefore demonstrates that the site is deliverable in highway terms.
- 4.19 Question 4.19: Does the evidence, including any local market intelligence, demonstrate that Gatwick Green would be an attractive location for both small-scale industrial stock and larger footplates for storage and distribution uses?
- 4.19.1 Yes. Crawley Borough Council (CBC) is of the view that the evidence, including local market intelligence, points firmly towards Gatwick Green being an attractive location for small-scale industrial stock and larger footplates for storage and distribution use. CBC has discussed the evidence underpinning the allocation in detail in its response to the Matter 4 Issue 1 questions, and through Topic Paper, July 2023 (Submission Document Reference: DS/TP/05). The key points are reiterated below.
- 4.19.2 Economic need scenarios assessed through the Northern West Sussex Economic Growth Assessment, January 2020 (Submission Document Reference: EGSM/EG/07) and most recently the EGA Crawley Update, January 2023 (Submission Document Reference: EGSM/EG/05) have been consistent in identifying need for new industrial land in Crawley. These forecasts identify an industrial land requirement ranging between 22.8 – 60.2ha over the 2023-2040 period. The forecasts are supplemented by qualitative market feedback, which outlines the significant unmet demand for industrial/storage & distribution floorspace at Crawley. Market feedback cites the very low market vacancy in Crawley and a lack of supply for larger 'big box' units, resulting in a 'pent up' market that is significantly frustrated, and serves as a barrier to economic growth. Throughout the evidence, a clear message arising from market feedback relates to the need for new industrial and warehouse space in Crawley. This site meets that requirement with no significant impediments and ready highway access. Aircraft noise would not be an issue for this form of development here.
- 4.19.3 The market demand for new warehouse space at Crawley can also be seen through nature of planning permissions recently granted at Manor Royal. At the time of writing, there is a gross pipeline of some 50,000sqm new warehouse floorspace either permitted or being built out, as per Table 5.2, Topic Paper 5, July 2023 (Submission Document Reference: DS/TP/05) at Manor Royal, reflective of the pressures Crawley faces for this type of floorspace. Recent delivery at Manor Royal

has broadly focused on mid-size units, reinforcing the market view that demand for small and larger warehouse floorspace is not currently being catered for in Crawley. Some Manor Royal redevelopments are seeking to meet larger-scale needs, for example the Land at Faraday Road scheme, but opportunities for large-scale warehouse schemes in Manor Royal remain limited by plot constraints, and in the absence of new employment land being allocated, needs for larger-scale warehouse premises will likely remain frustrated.

4.19.4 The Gatwick Green site will particularly focus on provision of larger warehouse footprints, helping meet a need that Manor Royal has struggled to deliver. By offering new industrial and warehouse floorspace on a dedicated logistics site, the allocation will meet a need that is not currently being catered for in Crawley nor the wider sub-region. It is thus complementary with Manor Royal. In view of its close proximity to transport links including the M23, London-Brighton mainline and Gatwick Airport, it is well-suited for allocation as an industrial-led storage & distribution location. CBC therefore anticipate that Gatwick Green will be a highly attractive location for smaller-scale industrial stock and larger B8 uses.

4.20 [Question 4.20: Would Gatwick Green hinder sustainable aviation growth as envisaged in the Government's Draft Aviation Strategy to 2050 \(2018\)?](#)

4.20.1 No, the council does not believe that Gatwick Green would hinder sustainable aviation growth. This issue has been addressed in the council's Written Statement to Question 5.24 (Matter 5, Issue 2) in detail. The Gatwick Green Strategic Employment allocation would not prejudice the delivery of the Northern Runway Project (NRP), nor a potential future southern runway at Gatwick Airport. The Crawley Borough Submission Local Plan (Submission Document Reference: CBLP/01) has retained the majority of the land safeguarded for delivery of the southern runway, and the Gatwick Green allocation can come forward in a manner that can operate in a complementary manner to, and does not prejudice, the southern runway project including its car parking or the highways infrastructure necessary to support the NRP and a southern runway.

4.20.2 The boundary of the site has been drawn following scrutiny of the road alignment plans for the NRP and the southern runway including detailed plans helpfully shared by Gatwick Airport Limited (GAL) with Crawley Borough Council (CBC) and discussion between the site promoter and GAL. The boundary of the site has been planned to ensure it allows for the surface access arrangements for GAL's NRP and southern runway proposals, including the re-alignment of the A23 and the re-routing of the Balcombe Road. The site boundary was amended as a result of this engagement in the north west corner to allow for the provision of the new slip roads to the M23 Spur Road. It also maintains some residual areas potentially available for future parking requirements and would allow for access to these.

4.20.3 As discussed in more detail in CBC's responses to Matter 5, Issue 2, it is considered that more land than necessary is earmarked for the surface parking requirements for the southern runway, and that the proposals for parking do not reflect current and likely future trends in promoting more sustainable access to airports, a correct assessment of car parking numbers required, and more space efficient forms of parking such as blocked MSCP parking and robotic parking models.

- 4.21 Question 4.21: What engagement has there been during the preparation of the Plan with Gatwick Airport on the implications of Gatwick Green and the assessment that long-stay surface parking would not be an efficient use of the land?
- 4.21.1 Crawley Borough Council (CBC) has an ongoing programme of engagement with Gatwick Airport Limited (GAL) and the parties have met during Local Plan preparation to discuss planning for Crawley's employment need. CBC has sought to keep GAL informed of the evolving Local Plan approach, though we acknowledge that the position of each organisation is very different. We provide a brief timeline of engagement below.
- 4.21.2 GAL wrote to CBC in August 2020 following the completion of Reg. 19 consultation on the draft Crawley Borough Local Plan (Submission Document Reference: CBLP/05) in March 2020. This followed GAL objecting to Policy SD3 of the draft Plan, which had sought to explore through a North Crawley Area Action Plan the justification for safeguarding, and if lifted, how that land might be used including for employment. CBC acknowledged that the Plan would be required to retain safeguarding but made clear to GAL that continued safeguarding would impact significantly on Crawley's ability to plan for economic growth. Noting the significant negative impacts of the pandemic on Crawley, and the need to identify new employment land through the Local Plan, CBC asked if GAL would be willing to review the extent of safeguarding. CBC also explained that land east of the airport at Gatwick Green was being promoted for employment use and stated its concern that the GAL Master Plan 2019 (Submission Document Reference: EGSM/GA/06) shows an inefficient use of land to the east of the airport for surface car parking. CBC asked GAL to explore releasing some or all of this land from safeguarding so that it could contribute to meeting Crawley's employment needs. GAL responded setting out its view that safeguarding should be retained as a matter of soundness, and indicated its willingness to work with CBC to discuss the impact of continued safeguarding on the Crawley economy. A further meeting between CBC and GAL took place 3 November 2020, where these matters were discussed.
- 4.21.3 At this time, CBC invited GAL to work with the council to agree a Statement of Common Ground (SoCG). This would cover safeguarding, providing a clear definition of the appropriate boundary, and take account of the importance of stimulating economic recovery in Crawley by identifying new employment land for investment. CBC shared a draft SoCG with GAL in January 2021.
- 4.21.4 The draft Local Plan (Submission Document Reference: CBLP/04) was published for further Reg. 19 consultation in January 2021. Through emails and a further meeting, GAL advised that it was undertaking internal work to understand the impact of the employment allocation on the safeguarded land, but noted its support for many other aspects of the draft Plan, which it hoped could feed into the SoCG. At this time, GAL helpfully shared its detailed southern runway road network plans with the Gatwick Green site promoter, with CBC and the site promoter seeking to develop the Gatwick Green site in a way that is consistent with the highways improvements associated with a southern runway. A further meeting took place 4 March 2021, where GAL discussed its Local Plan representations and advised that having reviewed

its position on safeguarding it would be objecting to the proposed Gatwick Green allocation.

- 4.21.5 CBC and GAL have met subsequently to this engagement, but further progress of a SoCG has not been achieved. This is in part a result of the very differing positions held by the two organisations: CBC, whilst reluctantly accepting the need to retain safeguarding are proposing to amend its geographic extent because the full extent of land shown in the masterplan is not required for car parking (or other uses) – and is clearly not critical for delivery of the southern runway – and in order to plan for employment needs, whereas GAL is opposed to any reduction to the land that is currently safeguarded. Whilst constructive discussion has taken place, and there are many areas of the Plan where we consider GAL and CBC to agree, there remains disagreement between the parties regarding allocation of the Gatwick Green site. The council does not accept that GAL has provided at any stage any robust evidence to justify the extent of the safeguarding sought for car parking.
- 4.22 [Question 4.22: Is the extent / shape of the allocation justified and would it result in a coherent development site in terms of securing high quality design, strategic landscaping and integrated connectivity within the wider site but also to adjoining land uses?](#)
- 4.22.1 Whilst Crawley Borough Council (CBC) would acknowledge that the shape of the allocation is in some ways unconventional, it does not view this as presenting an impediment in terms of delivering a coherent development and securing high quality design, strategic landscaping and connectivity within the wider site and adjoining land uses.
- 4.22.2 The allocation site covers an area of 44ha, which will enable it to accommodate Crawley's employment needs, based on the Labour Demand forecast, in full. As discussed in response to Matter 4 Issue 1, the site area is larger than the minimum labour demand forecast need of 13.73ha identified in the Plan, allowing flexibility for additional employment growth factoring in market demand including market signals and potentially a higher level of housing growth should this be delivered through urban extensions to Crawley. In this regard, CBC considers the site extent to be justified, responding positively to NPPF requirements to build for a strong and competitive economy.
- 4.22.3 The allocated site area is larger than the anticipated net-build area of any scheme, recognising that development will need to be carefully designed, master planned including sustainable transport measures, and strategically landscaped to ensure an appropriate relationship with neighbouring properties. CBC is aware of resident representations, which have expressed significant concern regarding the impact of the proposed allocation. The amenity of existing properties bordering the site will be protected by way of a carefully considered and generous landscape buffer that retains a sense of separation between the site, adjoining property and the wider countryside. It is noted that delivery of the required landscape buffer around and within the site will achieve a more uniform set of plots forming a logical net deliverable area.
- 4.22.4 The site can provide suitable road access and can be planned to include sustainable transport links by public transport and active travel from Crawley, Horley and

Gatwick Airport. Policy requirements set out in the Crawley Borough Submission Local Plan Policy EC4 (Submission Document Reference: CBLP/01) include a comprehensive mobility strategy.

- 4.22.5 Regarding the relationship of the site with neighbouring land uses, CBC would also note that the Gatwick Green allocation would come forward in a manner that can operate in a complementary manner to, and does not prejudice, the highways infrastructure necessary to support the Northern Runway Project (NRP) and a southern runway. The boundary of the site has been drawn following detailed scrutiny of road layout plans for the NRP and the southern runway, including discussion between the site promoter and Gatwick Airport Limited (GAL), to ensure it allows for the surface access arrangements for GAL's expansion proposals. This includes the continued safeguarding of land in the north of the site which allows for proposed roads and embankments associated with the realignment of the A23 for the Southern Runway Scheme, and re-routing of the Balcombe Road. The site layout also means that residual areas of safeguarding are retained, leaving these available for future southern runway airport parking requirements, and necessary connections can be made.
- 4.23 Question 4.23: Is the net developable area of 13.73ha justified within the context of the overall scale of the allocation? Is it effective to express the 13.73ha as a minimum but to subsequently require additional employment proposals beyond 13.73ha to be supported by appropriate evidence?
- 4.23.1 Crawley Borough Council (CBC) is of the view that the net deliverable area of 13.73ha, expressed as a minimum, is justified within the context of the overall scale of allocation. As discussed for Matter 4 Issue 1, allocating the 44ha employment site at Gatwick Green will enable the Local Plan to meet, as a minimum, its 13.73ha employment land requirement based on the Labour Demand forecast.
- 4.23.2 CBC considers that it is effective to express the 13.73ha as a minimum, with additional employment growth beyond this to be justified. The intention of this approach is identify land to meet Crawley's outstanding Labour Demand need, whilst allowing flexibility for further growth having regard to the suppressing impacts of Crawley's historically constrained land supply and the wider qualitative signals of unmet market demand. The strategy therefore provides flexibility to accommodate needs not anticipated in the Plan (paragraph 82(d)) and responds to the qualitative market feedback which identifies significant demand for B8 storage & distribution needs. If the Inspector concluded that there was more employment need than provided for in the 13.7ha figure the Council would not be averse to increasing that in EC4.
- 4.24 Question 4.24: What would be the consequences of reducing the Gatwick Green allocation to more closely align with the net employment land requirement (13.73ha)?
- 4.24.1 CBC consider that reducing the Gatwick Green allocation to more closely align with the net employment land requirement of 13.73ha would be problematic. As discussed at Question 4.23 above, CBC is planning to meet its 13.73ha employment need as a minimum, with use of the word "minimum" and allocation of the strategic employment location specifically providing the flexibility to accommodate additional

growth in response to market signals, extra housing delivery, economic changes and suppressed historic demand and similar. CBC is seeking to respond pro-actively to qualitative market demand feedback that points firmly towards identifying new employment land capable of accommodating the scale of larger warehousing that Crawley is currently unable to accommodate and for which a strategic scale employment location is appropriate. A smaller site simply would not be able to deliver this at the quantum and scale required by the market, particularly as the requirement for appropriate landscaping buffers will reduce the net deliverable area.

- 4.24.2 In providing new employment land on a comprehensive basis, the allocation responds positively to key economic objectives in the NPPF to build on strengths and counter weakness (paragraph 81), address barriers to investment (paragraph 82c) and provide flexibility to accommodate needs not anticipated in the Plan (paragraph 82d). Recognition within the Plan of the “minimum” employment need and identification of the Gatwick Green allocation are specifically intended to provide the flexibility to provide more than the minimum in response to market signals. There is risk that a reduced site would undermine the Plan’s ability to respond to market signals and reduces the scope to accommodate needs not anticipated within the Plan.
- 4.24.3 More broadly, were the Gatwick Green allocation to be reduced, it would no longer be delivering a strategic employment location. Recognising the scope for the site to accommodate a level of growth greater than the minimum 13.73ha, the site can achieve the critical mass necessary to deliver sustainable transport infrastructure at scale. Whilst a smaller allocation could still be accessed in a sustainable manner, the ability to plan at a strategic scale is lost.
- 4.25 [Question 4.25: Is Gatwick Green sustainably located in terms of modal shift for prospective employees and connectivity by means other than private car? Are the policy requirements at criteria \(f\) and \(g\) of Policy EC4 feasible?](#)
- 4.25.1 Whilst it is not in a central location, Crawley Borough Council (CBC) considers that Gatwick Green is sustainably located as, by its strategic nature, it provides the potential for modal shift for prospective employees and connectivity by means other than private car.
- 4.25.2 Bus services which pass the site could be re-routed to serve it and existing occupiers around the site better, as well enhance services to Gatwick Airport. The site promoter has provided evidence to demonstrate that the site can be developed in accordance with the requirements of Policy EC4, including f) and g) and has already entered into discussions with Metrobus who also operate Fastway. Active travel links for employees can be provided to the site from Crawley and also Horley to the north. The site can provide connections to and provide developer contributions to support the delivery of the Crawley Local Cycling and Walking Infrastructure Plan, 2021 (amended 2023) (Post-Submission Document Reference: PS/ES/ST/03) particularly including Route A Gatwick Airport to Town Centre, Route B Pound Hill to Manor Royal via Forge Wood and Route C linking to Three Bridges station. The site can also be accessed from Gatwick Airport station, with new pedestrian links being proposed to the Balcombe Road through the Northern Runway Project. Discussions between West Sussex County Council and CBC on the Infrastructure Delivery Schedule

(Examination Document Reference: CBC/KD/IP/07) included consideration of sustainable transport schemes which could be supported by Gatwick Green as a strategic site allocation.

- 4.25.3 The sustainable transport mitigation modal shift assumptions in the Crawley Transport Modelling Study (Submission Document Reference: ES/ST/01a) are considered reasonable and achievable. The assumptions are based on published Department for Transport (DfT) evidence and tools, and follow a proportionate approach based on empirical evidence that exists from recognised sources. Distance based car trip reductions are underpinned by the Sustainable Travel Towns study, with additional car trip reductions being informed by the DfT funded Propensity to Cycle tool (PCT). The trip reductions applied are considered to be based upon a conservative target.
- 4.26 Question 4.26: Is the Gatwick Green allocation underpinned by an evidence base, proportionate to plan-making, that the site can come forward (for predominantly warehouse/logistic uses) without causing unacceptable impact on highway safety, or that residual cumulative impacts on the road network would not be severe? Does the transport modelling for the Plan demonstrate that the allocation is deliverable?
- 4.26.1 The Crawley Transport Modelling Study (Submission Document Reference: ES/ST/01a) tested three different scenarios, with the Gatwick Green Employment Allocation added to housing delivery and the Employment trajectory sites as a separate scenario to ensure its impacts on the highway network could be fully understood. The Transport Study included Road Safety considerations. The site area which was tested in the model was 24.1ha (77,500sqm), so higher than the current minimum allocation. As a worst-case scenario was tested, it is concluded in the August 2023 Sensitivity Test Task 3 (Document Reference: ES/ST/01w) that the Transport Study is robust.
- 4.26.2 The trip rates for the transport study for each type of use used to estimate vehicular trip generation of development sites for the Transport Study were derived from the industry recognised TRICS software and included the proposed uses at Gatwick Green. The trip generation assumptions for Gatwick Green are appropriate for the development mix which is planned for. Any movement away from this to more intensive trip generation uses, such as a greater area of parcel delivery logistics centres rather than standard commercial warehousing would require further investigation through a transport assessment to support a planning application, recommended to include preliminary advice through West Sussex County Council's pre-application process.
- 4.26.3 The Study highlights the HGV impacts arising from Gatwick Green (section 7.8) recognising that these cannot be shifted to active travel or public transport modes. It assesses the impact in Surrey to the north and concludes that HGV left turn in and right turn out bans at the access/egress junctions will mitigate any potential adverse impacts of freight traffic on the northern section of Balcombe Road, through the built up area of Horley. The Transport Study concludes (page 128), see response to Question 4.27 below, that it is not considered there is need for large strategic physical highway mitigation, particularly in Scenarios 1 and 2 (which includes

Gatwick Green) and that sustainable travel measures will, in the main, mitigate the impacts of the Local Plan development demands and only minor highway mitigation will be required.

- 4.26.4 Finally, as explained more fully in Crawley Borough Council's response to Question 5.10, the additional sensitivity tests undertaken in August 2023 Sensitivity Test Technical Note Task 2 (Submission Document Reference: ES/ST/01w) assessed the cumulative highway impacts of the Local Plan and the NRP, and therefore also considered the Gatwick Green allocation. As set out in Statements of Common Ground between West Sussex County Council and CBC (Submission Document Reference: SoCG/16) and between CBC and National Highways (Submission Document Reference: SoCG/15a), it is agreed that the Transport Modelling is an appropriate basis for testing strategically the highway impacts of the draft Crawley Borough Local Plan. The modelling therefore demonstrates that the site is deliverable.
- 4.27 [Question 4.27: How will the allocation be accessed and ultimately how will goods vehicles connect to the strategic road network? Is the allocation dependent on any significant highway works in order to ultimately connect to the strategic road network? If so, is this viable? Will the proposed criteria on movement and accessibility in Policy EC4 be effective in managing access to the site and implications for the highway network?](#)
- 4.27.1 Access to the Gatwick Green Strategic Employment site will be from the B2036 Balcombe Road to the west of the site, with new junctions being created. HGV traffic will access the strategic road network using the new link road joining the A2011 Crawley Avenue with B2036 Balcombe Road. This is committed scheme required and funded as part of the Forge Wood development and already partly built from the development access. It is due to be completed in 2025/26, as set out in the Infrastructure Delivery Schedule (Examination Document Reference: CBC/KD/IP/07). This is included in the Reference Case of the Crawley Transport Modelling Study (Submission Document Reference: ES/ST/01a).
- 4.27.2 Should a southern runway proposal come forward, access to the Gatwick Green site from Junction 10 of the M23 could continue to use the diverted Balcombe Road.
- 4.27.3 The Transport Study (Scenario 2, page 85) assessed the impact of the Gatwick Green development on the highway network as part of the whole anticipated Local Plan development levels (the difference between scenario 1 and scenario 2 shows the impact of Gatwick Green) and identifies junctions which require mitigation, the majority of which can be mitigated through signal mitigation. The Study concludes that the only physical mitigation which remains to required is on the Ifield roundabout/Ifield Avenue/A23 Crawley Avenue roundabout junction. Local widening at this junction provides the solution, as set out in Section 7.7 of the Study. The Study also assessed the impact of the development on the committed scheme at the A2011/B2036 junction and concluded that signal optimisation to make Crawley Avenue the more dominant link can resolve this.
- 4.27.4 The Transport Study, paragraph 8.7.1, concludes that "No junctions are overcapacity on the Strategic Road Network, including the M23 Junctions 9, 9A, 10 and 11 in Scenario 2". The Study, paragraph 8.9.1, identifies two mitigations involving merges

/diverges are required for M23 Junctions 10 and 11 to support reference case growth and the Local Plan. Scheme designs and high level costs have been provided and these schemes are included in CBC's Infrastructure Delivery Schedule as critical schemes, with the expectation of developer funding from all Local Plan development.

- 4.27.5 Therefore, the allocation of Gatwick Green is not reliant on any significant highway works to connect to the strategic road network and is, therefore, viable.
- 4.27.6 It is considered that the Transport Modelling undertaken demonstrates how the proposed criteria in Policy EC4 of the Crawley Borough Submission Local Plan (Submission Document Reference: CBLP/01) will be effective in managing access to the site. The HGV left turn in and right turn out bans at the access/egress junctions will mitigate any potential adverse impacts of freight traffic through the built-up area of Horley. The developer is required to address the highways impacts of the development, which would include funding contributions to the required off-site highway mitigations. The developer is also required to provide improvements to public transport and active travel links. The Policy's requirements for a Transport Assessment and a comprehensive Mobility Strategy will ensure the detailed measures proposed can be fully tested at planning application stage.
- 4.28 Question 4.28: If the allocation is found sound and the plan adopted in 2024, when would a first development likely be completed on the Gatwick Green site? Is the Employment Land Trajectory within the Plan soundly based and reflective of the evidence for Policy EC4? Could the allocation come forward within the early part of the plan period to promptly respond to demand for employment land? If Gatwick Green fails to come forward in a timely manner what are the contingencies/buffers to ensure demand for new employment premises and land is met? Would the fall back be a review of the Plan? Would that be sound given the NPPF position on flexibility?

If the allocation is found sound and the plan adopted in 2024, when would a first development likely be completed on the Gatwick Green site?

- 4.28.1 Should the allocation be found sound and the Local Plan adopted in 2024, Crawley Borough Council (CBC) would anticipate the site coming forward early in the Plan period to meet the immediate need for industrial and storage & distribution land. Subsequent phases would then, subject to evidence, be well placed to deliver further growth capable of meeting market demands.
- 4.28.2 Gatwick Green Limited (GGL), as site promoter, has submitted information regarding its anticipated timeframe for site delivery. This expects a hybrid planning application to be submitted by mid-2025, to be determined by early 2026. Construction of Phase 1 would then take place mid-2026 to mid-2027, with construction of further phases to be built out (following Approval of Reserved Matters) mid 2027 to 2035. CBC notes the information provided by GGL in its representation and agrees that the allocation could come forward in the early part of the Plan period to respond to employment land needs. This is reflected in the Local Plan Schedule of Proposed Modifications (Submission Document Reference: CBLP/07) which suggests amendments to Local Plan paragraph 9.58 to reflect the focus on early delivery as per the GGL timeline.

Is the Employment Land Trajectory within the Plan soundly based and reflective of the evidence for Policy EC4?

- 4.28.3 CBC consider the Employment Land Trajectory (ELT) to be soundly based and reflective of the evidence for Policy EC4. The ELT provides an overview of the employment land supply pipeline in Crawley, for office and industrial (including storage & distribution) uses. This is subtracted from the overall Local Plan employment requirement, in this case the Labour Demand figure of 26.2ha, to identify the residual need that is referred to in Policies EC1 and EC4. This approach has historically been applied in Crawley, where the reuse and intensification of existing sites with planning permissions has been a key contributor to the supply pipeline in the absence of new employment land.
- 4.28.4 The trajectory lists the supply pipeline The ELT Base Date 31 March 2023 (Submission Document Reference: EGSM/EG/01) identifies an office land provision of 5.32ha, which meets Crawley's Labour Demand requirement of 3.3ha. It also identified a supply pipeline for industrial/storage & distribution of 9.17ha, which subtracted from the Labour Demand requirement of 22.9ha leaves an outstanding requirement of 13.73ha. It is this figure that is identified as a minimum requirement for the Plan period, and which has informed the minimum requirement for the Gatwick Green allocation.
- 4.28.5 CBC notes that the Inspectors ask at Question 4.11 if there is a reasonable alternative figure that could inform the employment land requirement for the Plan period. CBC considers that planning as a minimum for the Labour Demand figure of 26.2ha (13.73 residual) and allocating Gatwick Green to accommodate this and potentially additional growth represents an appropriate approach in planning for Crawley's employment needs. However, if the Inspectors are minded to include a reasonable alternative figure, the ELT would be updated for consistency.

Could the allocation come forward within the early part of the plan period to promptly respond to demand for employment land?

- 4.28.6 As discussed at paragraph 4.28.2 above, it is anticipated that a first phase of Gatwick Green could come forward as early as mid-2026, sufficiently early in the Plan period to respond promptly to the demand for employment land. This would be contingent on delivery of the new link road to the Forge Wood development, which is expected to be delivered in 2025/26 following implementation of a committed minor improvement scheme at M23 Junction 10 in 2024.

If Gatwick Green fails to come forward in a timely manner what are the contingencies/buffers to ensure demand for new employment premises and land is met? Would the fall back be a review of the Plan? Would that be sound given the NPPF position on flexibility?

- 4.28.7 Given the strength of demand, CBC anticipate that if allocated, Gatwick Green could come forward early in the Plan period, as advised by GGL in its representations. Were there to be delay in the site coming forward, CBC would be required to rely on the reuse and intensification of sites within the designated Main Employment Areas until such time as Gatwick Green is able to come forward. The ELT Base Date 31 March 2023 (Submission Document Reference: EGSM/EG/01) identifies a supply pipeline of 50,305sqm industrial floorspace, which would be sufficient to account for an element of delay in the site coming forward.

- 4.28.8 Were longer-term delays to Gatwick Green to occur, or were the site not allocated, CBC does not consider that a review of the Plan would represent an appropriate fall-back position. Principally, this is because there is no certainty that the requirement for safeguarding will have been removed by the time of a Local Plan review, meaning that CBC would likely be in the same position (i.e. planning for economic growth within the confines of safeguarding) at the time of that review taking place.
- 4.28.9 In a 'no allocation' scenario, Crawley's employment land supply issues would remain unaddressed. CBC has already received feedback that its neighbours are not able to meet any unmet employment needs through Duty to Cooperate. Therefore, CBC would (as previously) be required to rely on the reuse and intensification of its existing employment sites. This is likely to be more challenging than previously, with the southward advance of the Gatwick Airport safeguarded boundary reducing the already limited scope to identify new land, and opportunities to redevelop sites in the north of Manor Royal lost. The lack of opportunity for new employment land will place further pressure on Manor Royal for warehouse floorspace, presenting risk that its mixed-use business function will become eroded. More broadly, the Plan would not be able to factor in growth from market demand or to accommodate a higher level of housing in its environs. Objectives from the LEP Gatwick 360 Strategic Economic Plan 2018-2030 (Submission Document Reference: DS/LEP/01), Gatwick Diamond Local Strategic Statement 2016 (Submission Document Reference: DS/GD/01), and Crawley's One Town Crawley Economic Recovery Plan, 2021 (Post-Submission Document Reference: PS/EGSM/EG/11) would also go unmet.
- 4.29 [Question 4.29: Is the extent of safeguarded land around the Gatwick Green site justified having regard to the Airport Masterplan and the need to deliver access improvements to the Gatwick Green site?](#)
- 4.29.1 CBC reluctantly accepts that until such time that there is confirmation that it is no longer required, the principle of safeguarding land for a possible southern runway will remain. Therefore, the Local Plan approach seeks to meet Crawley's employment land requirements through the removal from safeguarding of the Gatwick Green site, whilst retaining the remaining safeguarded land that is needed to accommodate the physical land take of a southern runway, related road diversions and operational uses should this be required. CBC is seeking to release from safeguarding only the amount of land that is required to accommodate the Gatwick Green strategic employment location, and all other safeguarded land would be retained.
- 4.29.2 The council's responses to Matter 5, Issue 2 set out its reasoning for removing from safeguarding the land east of Balcombe Road. In short, exclusion of the Gatwick Green site from safeguarding would not prejudice delivery of a southern runway at Gatwick Airport should this be required by national policy. The Gatwick Green land is not shown by the Gatwick Airport Master Plan as being required to accommodate the physical land-take of a southern runway, nor any essential road diversions. Rather, it is shown in the Master Plan as being utilised for a large area of surface car parking. Meeting the need for car parking in the southern runway world is readily achievable without this land.

- 4.29.3 As discussed in response to Question 4.20, the Gatwick Green allocation can be delivered in a manner that is complementary to, and does not prejudice, delivery of a southern runway should this be required at a future point. GAL has helpfully shared its detailed southern runway road network plans with CBC and the Gatwick Green site promoter, and the allocation has been planned to ensure it allows for the surface access arrangements for GAL's southern runway proposals, including the re-alignment of the A23 and re-routing of the Balcombe Road. The allocation can therefore be delivered in a way that is consistent with future highways improvements that would be associated with a southern runway.
- 4.29.4 In minimising the amount of land that is removed from safeguarding, there would remain safeguarded land available to GAL to accommodate airport parking if required. Access to this car parking from the airport can be provided through the retained safeguarding land and the existing public highway retained through the site.
- 4.30 Question 4.30: Part m of Policy EC4 requires an Agricultural Land Classification Statement. Is this justified? Has plan preparation, including SA, considered land quality in terms set out at NPPF paragraph 174(b) in recognising the benefits of best and most versatile agricultural land?
- 4.30.1 Agricultural land quality, as required at National Planning Policy Framework (Post-Submission Document Reference: PS/DS/NPPF/01) paragraph 174(b) has been considered in the Plan preparation.
- 4.30.2 Natural England defines the 'best and most versatile' agricultural land as falling within Agricultural Land Classification Grades 1, 2 and 3a. The Natural England Agricultural Land Classification Map (London and the South East) (Post-Submission Document Reference: PS/EGSM/EG/14) confirms that the allocation does not impact upon any land falling within Grades 1 (Excellent) or 2 (Very Good).
- 4.30.3 The allocated is siting on land covered by a Grade 3 classification, indicating a 'moderate' likelihood of 'best and most versatile' agricultural land. Natural England's Guide to assessing development proposals on agricultural land (Post-Submission Document Reference: PS/EGSM/EG/15) describes this as '*land with moderate limitations that affect the choice of crops, timing and type of cultivation, harvesting or the level of yield*'. Crawley Borough Council (CBC) notes that the land has historically been used for grazing and is not in arable use and, given Crawley's pressing employment needs and lack of other site options, it is considered that the loss of this Grade 3 land is on balance justified.
- 4.30.4 Policy EC4 (Part M) includes a requirement for an Agricultural Land Classification Statement to support a planning application. This has been included in recognition of the agricultural/grazing use of the site, though CBC acknowledges that this step may not be necessary should the site be allocated, as the principle of development would already be established. On this basis, CBC has no objection to removing this criteria should the Inspectors consider it appropriate.
- 4.31 Question 4.31: Were any alternative reasonable options to Gatwick Green assessed as part of the SA?
- 4.31.1 Through the process of Local Plan preparation, Crawley Borough Council has undertaken a 'call for sites' (2019 and 2020) to identify sites potentially capable of

accommodating Crawley's employment needs. Further sites have been suggested to the council through the Local Plan consultation process. These are detailed through the Employment Land Availability Assessment (Base Date 31 March 2023) (Submission Document Reference: EGSM/EG/020) and each has been subject to assessment through the Sustainability Appraisal/Strategic Environmental Assessment, May 2023, Appendix H: Submission Local Plan Site Allocations and Designation, pages 400-441 refer (Submission Document Reference: KD/SA/01).

- 4.31.2 Alternative options considered include Land at Rowley Farm (52ha), Land North & South of Hydehurst Lane (18ha), Jersey Farm Business Park (19ha), Land south of Southways (3.13ha), Land at Fernlands (8.8ha), and various smaller sites located around the Forge Wood neighbourhood. The council has also considered the scope for employment on land at Tilgate Park, and East of Brighton Road in the south of the borough.
- 4.31.3 Several of these sites, including Rowley Farm, Land North & South of Hydehurst Lane, Jersey Farm Business Park are of a scale that would meet Crawley's Labour Demand figure of 13.73ha, and would benefit from greater connectivity with Manor Royal. However, these sites are situated on land to the south of Gatwick Airport, and given the requirement to retain safeguarding, would be located on land that is required to accommodate the physical land take of a southern runway, road diversions and operational uses should this be required. The SA assessment therefore finds that these sites cannot be allocated due to risk that delivery of nationally significant infrastructure, in the form of a southern runway, would be prejudiced.
- 4.31.4 A further site, Land at Fernlands, is located immediately to the west of the Gatwick Green allocation. It is located on safeguarded land as shown on the Local Plan Map (Submission Document Reference: CBLP/M/01), falling within an area of land identified in GAL's 2019 Master Plan for airport-related car parking. At an area of 8.8ha, it is not of itself of sufficient scale to meet Crawley's employment needs in full, and is promoted either as an extension to, or an alternative configuration of, Gatwick Green. Whilst the site would (if brought forward in conjunction with Gatwick Green) potentially be able to deliver a larger strategic employment location, the council is satisfied that Gatwick Green can meet Crawley's Labour Demand needs in full whilst allowing flexibility for further growth where justified by market demand evidence. Furthermore, the council is seeking to strike a balance between delivery of strategic employment land whilst minimising the extent of land that is removed from safeguarding. Given that Gatwick Green is capable of meeting the full Labour Demand forecast, it is not deemed necessary to remove further land from safeguarding at this time.
- 4.31.5 The smaller sites close to Forge Wood have been considered for employment use, but it is variously recognised that the scale of development here would not meet Crawley's employment needs on a comprehensive basis, or not considered further for environmental or access reasons.
- 4.31.6 Employment development of Tilgate Park or East of Brighton Road is found to have significant negative impacts against several Sustainability Appraisal objectives,

particularly on climate change minimisation and adaptation, biodiversity, and healthy lifestyles. These sites are not proposed for allocation.

- 4.31.7 A further option, to not allocate new employment land, has been also considered. This is discussed in further detail at 4.33.4 below but is not found to be an option that is sufficiently positive or pro-active in planning for economic growth. Therefore, it is not taken forward.
- 4.31.8 Having assessed alternative sites within the borough, Gatwick Green is considered to represent an appropriate site that is capable of meeting Crawley's Labour Demand requirement of 13.73ha, whilst allowing scope for additional growth based on market demands. CBC acknowledge that other sites promoted for strategic employment provision, particularly those adjoining Manor Royal, may represent more sustainable locations, but those sites cannot be delivered due to the ongoing requirement to safeguard land for a possible southern runway. Gatwick Green is considered to represent the only site that is of a sufficient scale to deliver the quantum of required storage & distribution floorspace in a comprehensive way, without prejudicing the potential delivery of a southern runway, should the government decide that additional runway capacity is required at Gatwick Airport.
- 4.32 [Question 4.32: Has the duty to cooperate considered any alternative strategy to employment land provision were Gatwick Green not found sound? Has the option of looking beyond the Borough's boundaries for employment land been appropriately tested in SA as alternative option 2 for Policy EC1?](#)
- 4.32.1 Crawley Borough Council (CBC) has applied a positive and pro-active approach in seeking to accommodate its objectively assessed employment needs within the borough boundary, initially through a proposed North Crawley Area Action Plan (NCAAP) and evolving to centre on the Gatwick Green allocation. As the Local Plan has progressed, CBC has liaised with its neighbours through Duty to Cooperate to understand the scope for alternative strategies should Crawley be unable to accommodate its full employment needs.
- 4.32.2 In January 2020, CBC wrote to its neighbours advising that through the draft Regulation 19 Local Plan, January 2020 (Submission Document Reference: CBLP/05) it would be seeking to progress a NCAAP. This would assess whether safeguarding should be retained, amended, or removed entirely, and establish how this land should be planned for, including for the airport's requirements and potential allocation of a Strategic Employment Location capable of accommodating Crawley's unmet business land needs. CBC wrote to neighbouring authorities in January 2020, asking if they would be able to help meet any unmet employment needs should the NCAAP be unable to identify new employment land, set out in Appendix H of Duty to Cooperate Statement, July 2023 (Submission Document Reference: KD/DtC/01a). Replies largely confirmed that Crawley's neighbours would not assist in accommodating unmet employment needs arising from Crawley over the Plan period. Horsham District Council advised that should land be allocated in Horsham District to help meet Crawley's unmet housing needs, this would also be expected to meet the employment needs of those communities on a 'one job per home' basis. Full responses can be viewed at Appendix I of Duty to Cooperate Statement, July 2023 (Submission Document Reference: KD/DtC/01a). Whilst this possible assistance

is of course welcomed, it should be noted that the amount of employment is unlikely to be of a sufficient scale or function to meet the particular storage & distribution needs of Crawley.

- 4.32.3 CBC consider that the option of looking beyond the borough's administrative boundaries for employment land has been appropriately tested through the Sustainability Appraisal/Strategic Environmental Assessment (SA/SEA), May 2023 (Submission Document Reference: KD/SA/01). Assessment of Policy EC1, Option 2, pages 230-233, is prepared recognising confirmation that neighbouring authorities will not assist in accommodating unmet employment needs from arising from Crawley. The assessment considers strategic employment allocations planned elsewhere in the Northern West Sussex FEMA, though recognises that these are each of typologies that would not meet Crawley's specific need for storage & distribution land. This includes the office-led Horley Strategic Business Park, Burgess Hill Science & Technology Park (research & innovation) and allocations in Horsham District (North Horsham and Novartis Site) which would accommodate smaller business spaces and start-ups. These sites will each add to the overall economic strength of the Northern West Sussex FEMA but will not be meeting the storage & distribution needs of Crawley. The assessment recognises that storage & distribution demand is particularly drawn to Crawley, including for its strong transport links, and recognises more broadly the strategic objective to retain Crawley's leading employment role at the heart of the Gatwick Diamond.
- 4.32.4 The SA/SEA, through Appendix H: Submission Local Plan Site Allocations and Designations, also considers a 'do not allocate new employment land' option, pages 439-441. Assessment finds this to have a 'significant negative impact' against the Maintain/Support Employment Objective, again outlining that Crawley's neighbours will not be meeting any unmet storage & distribution needs arising from the borough. In this context, the assessment considers the implications of not allocating new employment land in Crawley, finding that in its absence, B8 demands will continue being directed to Manor Royal, typically through the redevelopment of offices and other uses. Whilst redevelopment and churn of older sites is welcomed and an important aspect of Manor Royal continued evolution, the assessment flags risk that its principal mixed use business function may be undermined through a transition to a predominantly B8 focus. The assessment also outlines the important role of a new strategic employment site in supporting Crawley's continued economic recovery and increasing future economic resilience, objectives that are unlikely to be fulfilled should it not be possible to identify new employment land within the borough boundary.
- 4.32.5 Further, Crawley's neighbours have set out through Statements of Common Ground that the planned industrial/warehouse offer of Gatwick Green would be complementary to the respective employment strategies set out in their own adopted and emerging Plans. In this regard, allocation of Gatwick Green for storage & distribution use forms part of a coordinated approach, through joint working, to deliver new employment floorspace, as identified in local economic plans, in a complementary manner.

Issue 4: Whether the plan would provide a sound basis for supporting a diverse economy in the borough.

4.33 Question 4.33: Is Policy EC5 on employment and skills development justified and viable? Is there potential flexibility in how the objective of the policy could be secured, for example means other than a financial contribution as set out at part ii) of the policy? Is it intended that major developments would have to comply with both criteria (i) and (ii)?

Is Policy EC5 on employment and skills development justified and viable?

- 4.33.1 Policy EC5 on employment and skills development is considered to be justified and viable. The detailed rationale behind this approach is explained through Employment and Skills Provision Guidance (Submission Document Reference: EGSM/EG/10) and the Crawley Employment and Skills Programme (Post-Submission Document Reference: PS/EGSM/EG/13). The key points are covered below.
- 4.33.2 Crawley is well established as the leading economic destination in the Coast to Capital LEP and Gatwick Diamond areas, but there remains a long-standing disparity between an on average lower level of qualifications and income achieved by people that live in Crawley, compared with those of the in-commuting workforce. This is reflected by Crawley's position close to the bottom of the social mobility index (published 2017), where the borough ranks 304th out of 324 local authorities. Addressing the skills gap is vital in enabling local people to access higher skilled employment, creating the right conditions for career opportunities within the borough. It is important that Crawley offers the right skills profile to cater for the needs of current and future employers.
- 4.33.3 The approach aligns with key objectives from local economic strategies. The Coast to Capital LEP Gatwick 360 Strategic Economic Plan 2018-2030 (Submission Document Reference: DS/LEP/01) and Gatwick Diamond Local Strategic Statement (Submission Document Reference: DS/GD/01) identify education and skills as a key priority, noting the disparity for some areas between skills levels, access to job opportunities and the prospects of employment in higher paid occupations. Further, Crawley's One Town Crawley Economic Recovery Plan 2021 (Post-Submission Document Reference: PS/EGSM/EG/11) outlines key objectives to transform training provision for residents and enable businesses from high value growth sectors to recruit successfully from the local workforce.
- 4.33.4 Turning to viability, the direct cost implications of Policy EC5 on development are considered within the Crawley Local Plan and Community Infrastructure Levy Viability Assessment (Submission Document Reference: DS/VA/02a) which has tested a range of development scenarios. Following initial testing of policy impacts, the requirements for the skills related contribution were reduced in relation to residential, along with other policy requirements to ensure development was viable when all plan policy costs were taken into account (Crawley Viability Assessment, page 71). The Viability Assessment concluded that with the final set of refined policy requirements, including Policy EC5, the Local Plan proposals viewed as a whole are considered to have reasonable prospects of viability and should therefore be able to meet the requirements of the NPPF (para 16). The Crawley Local Plan Review

Viability Assessment Update (Submission Document Reference: DS/VA/01a) conclude in para 3.5.1 that following further review and update, the previous iteratively informed policy positions as remain suitable from a viability point of view, including with new requirements for water neutrality.

Is there potential flexibility in how the objective of the policy could be secured, for example means other than a financial contribution as set out at part ii) of the policy? Is it intended that major developments would have to comply with both criteria (i) and (ii)?

- 4.33.5 As set out in Crawley Borough Submission Local Plan paragraph 9.77 (Submission Document Reference: CBLP/01) and its Planning Obligations Annex (page 282), the expectation is that both parts of Policy EC5 will need to be met by major development.
- 4.33.6 The purpose of the Policy is to ensure major developments in Crawley help to meet to initiatives identified in the Crawley Employment and Skills Programme, which has a key objective of creating apprenticeships, training and job opportunities through new development – this measure would be secured through a site-specific Employment & Skills Plan. Further, the policy requires a proportionate financial contribution towards Employ Crawley, which runs employment and skills initiatives to support those sections of the Crawley workforce who face challenges in accessing employment.
- 4.33.7 The financial contributions will be used by Employ Crawley, is a council-led initiative, established in 2017, to help local residents access free and bespoke employment support, advice and guidance from a team of specialist advisors on a one-to-one basis. In the last year (Oct 2022-Sep 2023) Employ Crawley has helped 196 local residents into work and delivered over 3,200 interventions in the form of job searches, interview advice and mock interviews, CV and cover letter reviews. Employ Crawley also supports local businesses by showcasing their services, promoting job vacancies, accessing the local talent pool, signposting to network and training opportunities within the local area and helping them to achieve their corporate social value commitments.
- 4.33.8 It may be possible on a site-specific basis for a flexible approach to be taken, if a developer could demonstrate that its proposed Employment and Skills Plan included more significant measures to support local residents into work than the financial obligation would provide.
- 4.34 Question 4.34: Is Policy EC7 justified and consistent with national policy in identifying Gatwick Airport as a location for hotel and visitor accommodation such that proposals at this location would not be subject to a demonstration of need or a sequential approach?
- 4.34.1 Crawley Borough Council (CBC) recognises the benefit of the sequential test for Town Centre uses in supporting the vitality and viability of town centres. However, Gatwick Airport is a major international airport significantly increasing its passenger numbers even on its single runway. The need for hotel accommodation to serve passengers, aircrew and others using the airport is recognised and is disproportionate to the size of the borough. Therefore, it is considered that material considerations justify a different policy approach in the local context and that it is

beneficial to clarify this through Policy EC7 of the Submission Local Plan (Submission Document Reference: CBLP/01).

- 4.34.2 Gatwick Airport is the most appropriate and sustainable location for hotels serving the airport. Therefore, Policy EC7 is justified in not requiring hotels on airport to meet the sequential test is justified. However, hotels are not an operational use. On this basis, the policy requires evidence to be provided to ensure the development would not have a detrimental impact on the ability of the airport to meet its operational land and floorspace requirements as it grows.

Appendix A: Market Signals and Assessment for Industrial and Warehousing Needs, November 2023, Lichfields

Briefing Note

Our ref 60562/02/CGJ/LBa
Date 3 November 2023
To Crawley Borough Council
From Lichfields

Subject **Crawley Local Plan 2024-2040: Market Signals Assessment for Industrial and Warehousing Needs**

1.0 Introduction

- 1.1 Lichfields has been commissioned by Crawley Borough Council (CBC) to examine latest market signals intelligence for industrial and warehousing space to provide supplementary evidence on the employment land required over the new plan period, in line with PPG paragraphs 2a-026-20190220 and 2a-027-20190220.
- 1.2 This briefing note sets out our approach to this market signals analysis and the key outputs in terms of considering future industrial and warehousing floorspace and land requirements in the Borough.

2.0 Evidence Base and Guidance

- 2.1 The economic evidence base for the Crawley Local Plan 2024-2040 comprises the 2020 Economic Growth Assessment (EGA) prepared for the Northern West Sussex area (comprising the local authority areas of Crawley, Horsham and Mid Sussex) and supplementary updates for Crawley Borough, most recently published in January 2023¹.
- 2.2 These studies all considered market signals evidence to some degree, including through consideration of a ‘past take-up’ growth scenario and qualitative evidence gathered through consultation with key representatives from the local and sub-regional commercial property market. For example, paragraph 2.48 of the 2023 EGA Supplementary Update for Crawley notes that:
- “Past take up rates (scenario 2) provide some basis to plan for slightly higher industrial land requirements. This would be consistent with the market analysis contained in the 2020 EGA that pointed to strong growth being experienced in the wider industrial and logistics market, and less so in the case of offices.”*
- 2.3 The EGA and its updates have been prepared on the basis of the methodologies set out within the Planning Practice Guidance (PPG)² which defines a number of approaches to assessing ‘market signals’:

¹ Northern West Sussex Economic Growth Assessment (EGA), Supplementary Update for Crawley, January 2023

² Paragraph: 027 Reference ID: 2a-027-20190220

How can market signals be used to forecast future need?

Strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust, such as:

- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)
- demographically derived assessments of current and future local labour supply (labour supply techniques)
- analysis based on the past take-up of employment land and property and/or future property market requirements
- consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.

Authorities will need to take account of longer term economic cycles in assessing this data, and consider and plan for the implications of alternative economic scenarios.

Paragraph: 027 Reference ID: 2a-027-20190220

Revision date: 20 02 2019

2.4

Accordingly, these approaches are widely applied for the purposes of preparing employment land needs assessments and related reviews. Similarly, in respect of the further guidance for assessing needs for logistics, the PPG also cites use of economic forecasts, take-up rates and anticipated changes in population/housing stock:

How can authorities assess need and allocate space for logistics?

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. This can be informed by:

- engagement with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies;
- analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies;
- analysis of economic forecasts to identify potential changes in demand and anticipated growth in sectors likely to occupy logistics facilities, or which require support from the sector; and
- engagement with Local Enterprise Partnerships and review of their plans and strategies, including economic priorities within Local Industrial Strategies.

Strategic policy-making authorities will then need to consider the most appropriate locations for meeting these identified needs (whether through the expansion of existing sites or development of new ones).

Authorities will also need to assess the extent to which land and policy support is required for other forms of logistics requirements, including the needs of SMEs and of 'last mile' facilities serving local markets. A range of up-to-date evidence may have to be considered in establishing the appropriate amount, type and location of provision, including market signals, anticipated changes in the local population and the housing stock as well as the local business base and infrastructure availability.

Paragraph: 031 Reference ID: 2a-031-20190722

Revision date: 22 07 2019

Other approaches

- 2.5 The use of other approaches alongside those set out in the PPG can be useful as supplementary evidence that provide alternative views of future needs but do not – in themselves – necessarily substitute the use of the approaches that are described in the PPG.
- 2.6 In the absence of further detailed national guidance on how market signals should be used and applied for the purposes of forecasting industrial and warehousing needs specifically, the approach set out below has had regard to recent research including a report by the British Property Federation (BPF) authored by Savills in 2022³ which sets out some broad principles. It should be noted that while this is an approach developed by stakeholders within the sector, it is not specifically defined within the PPG. This includes the use of ‘net absorption’⁴ data as a measure of demand, the need to consider ‘suppressed demand’ (i.e. where lack of available supply has had the effect of suppressing overall demand as it could not all be accommodated), and the rationale for considering market signals beyond the local scale recognising the geographies across which industrial and logistics markets typically operate.
- 2.7 The market signals analysis summarised below has been applied to the Northern West Sussex functional economic market area (FEMA), which has long been recognised in planning and policy terms as the FEMA within which Crawley Borough operates.
- 2.8 It is important to note that, as with all forecasting techniques, this approach can have some limitations depending on the local context where it is being applied, for example as expressed within the recent Inspectors’ Report for the Warrington Local Plan:
- “We appreciate that the net absorption rate (the amount of net floorspace occupied over a period of time) provides a useful indicator of demand. However, it includes relocations to and from second hand space and is therefore likely to over-estimate the demand for new build accommodation which is related to the need for additional land.*
- Attempting to quantify the scale of suppressed demand is a complex process involving a number of assumptions. For example, the relationship between rental growth and availability rates is not necessarily absolute. Factors other than the availability rate may have affected rent levels. There may also be a range of factors affecting the ability of a particular business to locate or relocate, other than the availability of premises.”⁵*
- 2.9 Accordingly, it is important that this further market signals assessment detailed below is interpreted as a cross-check alongside the wider quantitative and qualitative evidence set out in the EGA and its latest update.

³ [BPF and Savills, Levelling Up - The Logic of Logistics, January 2022](#)

⁴ Net absorption is a measure of market demand which compares occupied space (move-ins) versus vacated space (move-outs)

⁵ Warrington Borough Council, Warrington Local Plan, Inspectors’ Report October 2023, paras 88-89.

<https://www.warrington.gov.uk/sites/default/files/2023-10/Warrington%20Local%20Plan%20-%20Inspectors%27%20Report%20-%20October%202023.pdf>

3.0 Market Signals Assessment

Step 1: Net Absorption of Industrial and Warehousing Space

- 3.1 CoStar’s annual net absorption data measures the floorspace occupied minus floorspace vacated over a specific period based on lease deals. This measure is considered appropriate as one of a number of potential data points to assess the market demand for industrial and warehousing floorspace.
- 3.2 Such an approach aligns with the PPG, particularly paragraph 031⁶ which states, “*analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies*”. While the PPG refers to consideration of market signals for “*logistics*” as being distinct from “*general industrial land*”, given the market inter-relationship between industrial and distribution uses, and in view of Crawley’s role as a prime industrial location within Northern West Sussex more generally⁷, this market signals assessment considers both uses. It is also consistent with the approach set out in the BPF/Savills report noted above which combines both warehousing and industrial demand.
- 3.3 Accordingly, average annual net absorption rates for industrial and distribution space across the Northern West Sussex FEMA over the last 10 years (2013-2022) have been projected forward over the new Crawley Local Plan period, assuming these trends in net absorption were to continue in the future. A proportion of this FEMA-wide figure is then apportioned to Crawley based on the Borough’s market share which is measured through the following indicators:
- 1 Average net absorption over the past 10 years;
 - 2 Average net deliveries over the past 10 years; and
 - 3 Industry and warehousing inventory (as at 2022).
- 3.4 Taking an average across these indicators suggests that around 50% of future demand across the FEMA could arise in Crawley (i.e. if it were assumed that Crawley’s future market share reflects patterns in the recent past).

Step 2: Latent or ‘Suppressed’ Demand

- 3.5 A vacancy rate of around 8% is typically considered to represent a ‘normal’ market equilibrium whereby supply and demand are broadly in balance and rents are more stable, but there is also sufficient availability and choice for the market to function and churn⁸.
- 3.6 While the position varies from year-to-year, CoStar data indicates that the vacancy rate for industrial and distribution space has largely fallen below 8% within the Northern West Sussex FEMA for much of the last 10-year (2013-2022) period. This means that the FEMA’s industrial and distribution/warehousing market has been supply-constrained over the past

⁶ PPG reference: 2a-031-20190722

⁷ See, for example, commentary at 2020 EGA paras 7.12-7.15

⁸ Benchmark used in the GLA Land for Industry and Transport Supplementary Guidance and London Plan (2021)

decade, which in turn will have given rise to suppressed or 'latent demand' as not all occupiers have been able to find space to meet their needs during this period.

- 3.7 In order to balance for the 'backlog' of latent demand, a further allowance is added to the outputs from Step 1. This uses CoStar data on vacancy/availability rates for industrial and distribution space across the FEMA over the last 10 years and represents the quantum of floorspace necessary to achieve 8.0% availability for any year (over the last 10) where industrial/distribution availability has been below the benchmark market equilibrium rate of 8%.
- 3.8 FEMA-wide figures are then apportioned to Crawley Borough using the same approach described above.

Step 3: Market Signals Requirement

- 3.9 Combining these two steps results in a total 'market signals' future needs estimate for industrial and distribution space in Crawley as shown in Table 1 below, covering the 2023-40 period.⁹

Table 1 Market Signals Requirement for Crawley Borough, 2023-2040

Step 1: Net Absorption	Step 2: Latent Demand	Total Requirement	
		Sq.m	Ha
132,336	62,392	194,728	48.7

Source: Lichfields analysis

Note: Land area (ha) assumes 0.4 plot ratio

Comparison with 2023 EGA Supplementary Update for Crawley

- 3.10 The implied industrial and warehousing land requirements would be within the range identified within the EGA Update (which set out a range of 22.8 – 60.2ha over the 2023-2040 period).¹⁰

⁹ This study period is consistent with the 2023 Supplementary EGA Update for Crawley.

¹⁰ It should be noted that market signals requirements estimated and presented in this briefing note relate to industrial and distribution uses only, while the EGA evidence also considers office uses alongside industrial and distribution. The requirements for offices are not included or reported in this note.