

Topic Paper 4

Economic Growth

for the Crawley Borough Local Plan 2015-2030

November 2014



	Page
1.0 Introduction	3
Structure and Purpose	3
Planning Policy Context	4
2.0 Functional Economic Area	6
Coast to Capital	6
Gatwick Diamond	7
Future of Gatwick Airport	8
3.0 Local Plan Economy Policies: Evidence Base	8
Northern West Sussex Employment Land Review	8
Northern West Sussex Economic Growth Assessment	9
Manor Royal Specific Documents	16
Local Plan Economy Policies: Consultation Feedback	17
4.0 Local Plan Retail Policies: Evidence Base	18
Retail Capacity and Impact Study	18
Town Centre Vacancies	20
Town Centre Specific Documents	20
Local Plan Retail Policies: Consultation Feedback	21
5.0 Building a Strong, Competitive Economy: Justification for Local Plan Economic Growth Policies	22
Local Plan Policy Evolution	22
<i>Local Plan Policy EC1: Sustainable Economic Growth</i>	23
<i>Local Plan Policy EC2: Economic Growth in Main Employment Areas</i>	24
<i>Local Plan Policy EC3: Manor Royal</i>	25
<i>Local Plan Policy EC4: Employment Development and Residential Amenity</i>	27
<i>Local Plan Policy EC5: Town Centre Uses</i>	28
<i>Local Plan Policy EC6: Town Centre and Edge-of-Centre Development Sites</i>	28
<i>Local Plan Policy EC7: Retail and Leisure Outside Primary Shopping Area</i>	29
<i>Deleted Policy: Town Centre North</i>	30
6.0 Building a Strong, Competitive Economy: Managing Delivery over the Plan Period	31
7.0 Conclusions	32
Appendix A: PPG Methodology Flow Chart for Housing and Economic Land Availability Assessment	33
Appendix B: Gatwick Airport Runway Option Submission 2014	34

1.0 Introduction

- 1.1 This paper is part of the evidence base for the Crawley Borough Local Plan 2015-2030. It considers the economic function of Crawley, both locally and in its role as part of the wider Gatwick Diamond. It supports the council's approach to planning for economic growth which is detailed in the submission Local Plan policies:
- EC1: Sustainable Economic Growth
 - EC2: Economic Growth in Main Employment Areas
 - EC3: Manor Royal
 - EC4: Employment Development and Residential Amenity
 - EC5: Town Centre Uses
 - EC6: Town Centre and Edge-of-Centre Development Sites
 - EC7: Retail and Leisure Development outside the Primary Shopping Area
- 1.2 Crawley is firmly established as one of the key economic drivers in the South East of England. The borough benefits from direct access to the M23 and London-Brighton railway. It is the largest workplace economy in northern West Sussex, recording 94,200 workplace jobs within the borough as of 2013, having grown by 5.5% since 1997¹ and includes Manor Royal, a main employment area of 240 hectares employing over 30,000 people, and Gatwick Airport within its boundary.
- 1.3 Crawley is recognised as a vital component in the functioning of the Gatwick Diamond Economic Area. The borough is a net importer of labour, with 46,300 people commuting into Crawley, and around 15,000 residents working outside the borough. This relationship with neighbouring authorities is recognised through the Gatwick Diamond Local Strategic Statement, which sets out a commitment among local authorities to promote the economic function of the Gatwick Diamond. Crawley is also a central focus for the wider Coast to Capital Local Enterprise Partnership, covering the area from Brighton to Croydon.

Structure and Purpose

- 1.4 The paper sets out how overarching national economic requirements, local economic context, and consultation feedback has been taken into account in developing Local Plan policy approaches. It considers the evidence base relating to identified local and sub-regional employment need, and the available employment land supply position, to outline how growth will be delivered and accommodated over the Plan period to positively promote sustainable economic development. It also considers the economy in its broader sense, and discusses the Local Plan approach to ensuring the continued vitality and viability of Crawley's Town Centre.
- 1.5 This topic paper therefore shows how the economic policy approach in the Local Plan has developed over time, having regard to the most up-to-date information, feedback, and evidence. It explains Crawley's economic role, showing how the town interacts as part of the wider Gatwick Diamond, explains the key economic issues for Crawley, and details how Crawley will continue working alongside its neighbours to plan positively for sustainable economic growth. Local Plan policies have evolved having regard to national and regional objectives, and establish a sound policy framework to facilitate and deliver sustainable economic growth over the Plan period to 2030 and beyond.

¹ EGA Crawley Emerging Findings Paper, paragraph 2.2 (NLP, 2013) Core Documents Library Reference: LP063
Crawley Borough Council Local Plan 2015 – 2030
November 2014

Table 1: Local Plan Vision and Objectives for Economic Growth

Local Plan Vision for Economic Growth	
Crawley 2030: A Vision	<p>Working in Crawley: <i>Crawley will continue to be an economic leader meeting the needs of significant employers who are important to the overall prosperity of the region. A business environment that supports and encourages new and established businesses to grow and flourish will be developed.</i> <i>Redeveloping and revitalising the Town Centre and further regeneration of the Manor Royal Business District will make Crawley the place to do business in the South East. Gatwick Airport will continue to support the economic growth of the town.</i> <i>Additional jobs will have been created for people living in and around the Crawley area across a diverse range of sectors. Access to jobs will be supported by learning and development opportunities giving people a real choice about the work they can and want to do.</i> <i>The revitalised Town Centre will be the heart of the town, providing a central point for local people and others from across the region to enjoy social activities, shopping, culture and entertainment both during the day and at night. It will have a welcoming and attractive family friendly environment.</i> <i>Neighbourhoods will continue to offer local facilities alongside amenities that can be easily accessed.</i></p>
Local Plan Objectives for Economic Growth	
Objective 2.	To reinforce Crawley’s role as a competitive regional shopping destination by delivering a significant expansion in the range and quality and other town centre priorities through encouraging step-change retail offer in the town centre core.
Objective 8.	To improve the business offer and to maintain, support and promote a diverse employment base that can serve the local and sub-regional economy.
Objective 11.	To facilitate and support the provision of new leisure facilities.
Objective 12.	To facilitate and support the provision of new cultural facilities.
Objective 14.	To support the provision of quality education – including supporting and facilitating, where appropriate, skills levels.
Objective 18.	To ensure all businesses have good access to good quality technological connections.

1.6 This Topic Paper should be read in conjunction with the following evidence base documents published to support the Local Plan:

- Employment Land Trajectory (CBC, 2014) Core Document Library Reference: LP064
- Northern West Sussex Economic Growth Assessment (NLP, 2014) Core Document Library Reference: LP062
- Retail Capacity and Impact Study Update (DTZ, 2013) Core Document Library Reference: LP067

1.7 There is a recognised and important relationship between economic growth and housing need. Given the complexities of the statistical data, this is not covered in this Topic Paper, but it is discussed in detail in Topic Paper 2: Housing Need, and also through Topic Paper 5: Unmet Needs.

Planning Policy Context

1.8 The National Planning Policy Framework (NPPF) is clear that planning should “*contribute to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation*”².

1.9 The role of planning is recognised as being to encourage and not act as an impediment to growth, with significant weight placed on supporting economic growth through the planning system³. Local Planning Authorities must, therefore, plan pro-actively to meet the

² National Planning Policy Framework, para 7 (DCLG, 2012)
³ National Planning Policy Framework, para 19 (DCLG, 2012)
 Crawley Borough Council Local Plan 2015 – 2030
 November 2014

development needs of business⁴ and the local plan should seek to address potential barriers to investment⁵.

- 1.10 Planning Practice Guidance (PPG) expands upon the NPPF, requiring local planning authorities to objectively assess and evidence development needs for economic growth within the functional economic area, and undertake assessment of land availability to establish how objectively assessed needs will be met⁶ (see Appendix A: PPG Methodology Flow Chart for Housing and Economic Land Availability Assessment). This should relate to the functional economic market area, and should reflect Duty to Co-operate by involving key stakeholders from the earliest stage, in order to identify a future supply of land which is suitable, available, and achievable for housing and economic development over the Plan period. Further detail on the current land supply position is provided in Sections 3 and 5 of this Topic Paper.

Retail

- 1.11 NPPF Section 2 focuses on the promotion of competitive town centre environments. Local Plan policies should recognise town centres as the heart of their communities and pursue policies that provide customer choice, a diverse retail offer, and support the continued vitality and viability of town centres⁷.
- 1.12 A key requirement is that local plans define the extent of the town centre and primary shopping areas, based on a clear definition of primary and secondary frontages, making clear the uses that will be permitted in these locations. Primary frontages are likely to include a high proportion of retail uses, with secondary frontages providing a greater opportunity for a diversity of uses. Local plans should also allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres.
- 1.13 In this regard, the NPPF recognises the above main town centre uses as falling within the wider definition of Economic Development. In planning terms, main town centre uses are defined by the NPPF as:
Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).
- 1.14 To promote the vitality and viability of town centres, the NPPF retains the sequential and impact tests. The sequential test⁸ guides main town centre uses towards town centre locations first, then, if no town centre locations are available, to edge-of-centre locations, and, if neither town centre locations nor edge-of-centre locations are available, to out-of-centre locations. The impact test⁹ applies where applications for retail, leisure, or office development are proposed outside of town centres and are not in accordance with an up-to-date Local Plan. Where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the above factors, it should be refused.
- 1.15 The Government has introduced a number of amendments to the General Permitted Development Order that allow greater flexibility for change of use. The changes have been made with a view to promoting regeneration, high street renewal, and the sustainable re-use of existing buildings.

⁴ National Planning Policy Framework, para 20 (DCLG, 2012)

⁵ National Planning Policy Framework, para 21 (DCLG, 2012)

⁶ Planning Practice Guidance, Housing and economic development needs assessments, and Housing and economic land availability assessment (DCLG, 2014)

⁷ National Planning Policy Framework, para 23 (DCLG, 2012)

⁸ National Planning Policy Framework, para 24 (DCLG, 2012)

⁹ National Planning Policy Framework, para 26 (DCLG, 2012)

- 1.16 From 30 May 2013, buildings falling within Classes A1-A5 (inclusive), B1, D1 and D2 have been permitted change of use to A1, A2, A3 and B1 uses for a single period of up to two years. Since 6 April 2014, new Class IA has allowed change of use and some associated physical works from A1 or A2 to residential use (C3), subject to obtaining prior approval, with up to 150 square metres of retail space is permitted to change to residential use. New class CA allows change of use from a shop (A1) to a bank or a building society.

2.0 Functional Economic Area: Strategic Policy

Coast to Capital

- 2.1 Coast to Capital is the Local Enterprise Partnership (LEP) for Brighton & Hove, Croydon, Gatwick Diamond, West Sussex, and Lewes (Fig. 1). Led by the business community, and representing more than 79,000 businesses supporting more than 721,000 jobs and 131,000 self employed individuals, the LEP focus is to work with the public and private sectors to stimulate and deliver growth to compete nationally and internationally.

Fig 1: Coast to Capital Local Enterprise Partnership area (Coast to Capital Strategic Economic Plan, 2014)



- 2.2 The Strategic Economic Plan (SEP)¹⁰ has recently been submitted to the Government, seeking to secure funding to promote continued growth within the LEP area. The plan identifies six key investment priorities, of which two are of particular relevance to the Local Plan:
- *Enable private investment in successful growth locations* - Identifying key spatial locations where most jobs and houses will be created, including the Heart of the Gatwick Diamond which includes Manor Royal, Crawley, and significant development at Horsham.
 - *Housing and Infrastructure: develop sustainable communities and invest in strategic infrastructure to unlock growth* – Recognising that sustainable economic growth cannot

¹⁰ Coast to Capital Strategic Economic Plan (Coast to Capital Local Enterprise Partnership, 2014) Core Documents Library Reference: LP046
Crawley Borough Council Local Plan 2015 – 2030
November 2014

be delivered without housing growth at affordable prices, and helping to unlock development through investing significantly in infrastructure.

- 2.3 Crawley (including specifically Manor Royal and Gatwick Airport) and the north Horsham allocation are identified by the LEP as forming the 'Heart of the Gatwick Diamond', a key spatial area at the centre of the Coast to Capital economy and reflecting the inter relationship of the two towns. Heart of the Gatwick Diamond is identified by the SEP as having capacity for 5,000 new jobs, 3,300 new homes, and 78,500 square metres additional employment floorspace. The SEP proposes that over six years, £26m public sector, £290m private sector, and £76m Growth Deal/Local Growth Fund will be directed to addressing key priorities at Heart of the Gatwick Diamond, including:
- improve transport infrastructure to allow new housing/employment development;
 - improve surface and rail access to Gatwick Airport;
 - protect prime employment locations and business premises from erosion by residential use;
 - town centre renewal.
- 2.4 The SEP recognises Manor Royal as one of the most important and prestigious business locations for the Coast to Capital, though outlines threats to the business function and character of the area from developer pressure to introduce retail, and residential development enabled through Permitted Development rights. To help protect the commercial and industrial concentration of the estate, the SEP identifies four key projects to be majority funded by the private sector:
- Gatwick Road Improvements
 - Gateway Improvements
 - Social Hub
 - Business Hub.
- 2.5 The LEP also has aspirations for the creation of a national centre of expertise and access for trade and economic links with the Association of Southeast Asian Nations based at Gatwick Airport. The proposal is promoted by business organisations in the Coast to Capital LEP region and by Gatwick Airport. The proposal forms part of the Coast Capital Strategic Economic Plan.

Gatwick Diamond

- 2.6 Crawley is situated centrally in the Gatwick Diamond, a wide-ranging geographical area characterised by the strength of its local economy. The Gatwick Diamond (Fig. 1) stretches from the southern edge of London to the northern boundaries of Brighton and Hove, forming part of the wider *Coast to Capital* Local Enterprise Partnership area.
- 2.7 The Gatwick Diamond Initiative, set up in 2003, is now a well established public/private partnership. It provides a forum within which the local authorities and business community can debate the strategic issues that link their communities together; a strategic joint working approach that positively responds to the requirements of Duty to Cooperate. Through joint working, the agreed vision for the Gatwick Diamond is that *'by 2016 the Gatwick Diamond will be a world-class, internationally recognised business location achieving sustainable prosperity'*.
- 2.8 To promote the continued prosperity of the Gatwick Diamond and plan for its future growth, a Local Strategic Statement (LSS) has been prepared on a joint basis by two county councils and five local authorities covered by the area. The LSS provides a consistent strategic direction for the Gatwick Diamond area on cross-boundary planning and economic issues, setting out how that direction will be translated into change and development in the shorter term, and establishing effective mechanisms for inter-authority co-operation on strategic issues so that longer term decisions made through the local plan process are well-informed.

- 2.9 The LSS identifies several issues that need to be planned for through joint working if the prosperity of the Gatwick Diamond area is to be maintained and enhanced. The Diamond's economy is experiencing greater competition from other locations in the South East and is underperforming, particularly in terms of attracting higher-skilled knowledge based activity. Land supply is also a challenge across the Gatwick Diamond, both in terms of identifying an ongoing supply of suitable land and premises capable of meeting demands presented by a changing economy, and in delivering housing to support the needs of an increasing population.
- 2.10 The LSS identifies Crawley/Gatwick as the primary location for economic growth and a key driver for the local economy, recognising its strength as a business location, and having regard to the strong demand to locate there. For this reason, it is recognised within the statement as the main sub-regional focus for economic development in the short to medium term¹¹. As the leading business district in the Diamond, Manor Royal is specifically identified within the statement as a key focus for regeneration to create business environments attractive to a range of knowledge based companies¹².

Future of Gatwick Airport

- 2.11 The Interim Report of the Airports Commission (December 2013) included Gatwick in its shortlist of potential locations for the next UK runway, and the Commission has published numerous documents assessing all three shortlisted options for consultation in November 2014. In 2015 the Commission will recommend to the Government where the next runway should be built. Should the government then decide that a second runway will be built at Gatwick, this will have significant implications for the safeguarded land south of the existing airport boundary and the northern part of Manor Royal. A decision for a new runway elsewhere in the south east, and/or any continuation of the requirement to safeguard land for a possible new runway at Gatwick, will also have implications for Crawley's economy. The Local Plan has been prepared on the basis of a continuation of the current single runway, two terminal, airport configuration, growing to 45 million passengers per annum (mppa) by 2030. The implications for Crawley in relation to the outcome of the Airports Commission investigation and a government decision on the location of new runway capacity is set out in Topic Paper 1: Future of Gatwick Airport and Implications for the Local Plan.
- 2.12 Gatwick Airport Limited submitted its updated proposal for a wide spaced second runway at Gatwick to the Airports Commission in May 2014. The latest plan of the airport boundary and how it could affect the employment areas is summarised in Appendix B.

3.0 Local Plan Economy Policies: Evidence Base

Northern West Sussex Employment Land Review

- 3.1 The Employment Land Review (ELR) 2009/10¹³ was commissioned on a joint basis by Crawley Borough Council, Horsham District Council and Mid Sussex District Council (the three 'northern West Sussex Authorities'). The study reiterated the role of Crawley as a sub-regional employment destination at the heart of the Gatwick Diamond.
- 3.2 The ELR established need for between 10,000m² and 70,000m² employment floorspace in Crawley over the period to 2026, equating to between 7 and 22 hectares of employment land. The study identified a sub-regional shortfall in the provision of high quality 'campus' business parks, and outlined a qualitative demand for this type of provision. Significant demand was also identified for warehouse/distribution space, and the ELR recommended

¹¹ Gatwick Diamond Local Strategic Statement Paragraph 4.5 (Gatwick Diamond Authorities, 2012) Core Documents Library Reference: LP048

¹² Gatwick Diamond Local Strategic Statement Paragraph 4.6 (Gatwick Diamond Authorities, 2012) Core Documents Library Reference: LP048

¹³ Northern West Sussex Employment Land Review (GL Hearn, 2009 and 2010) Core Documents Library Reference: LP065 and LP066
Crawley Borough Council Local Plan 2015 – 2030
November 2014

Crawley should retain a number of its existing employment sites at Manor Royal and elsewhere.

Northern West Sussex Economic Growth Assessment

- 3.3 In April 2013, the three northern West Sussex Authorities commissioned a follow-up study to scope future economic growth requirements in the Gatwick Diamond functional economic area. In the context of the NPPF, a changing economic situation, updated 2011 census data, and the need to develop a strong sector-driven approach to supporting economic development, the Economic Growth Assessment (EGA)¹⁴ identifies economic growth requirements on an individual and cross-authority basis and recommends how growth can be accommodated through emerging Local Plans.
- 3.4 The EGA focuses on future job creation and land take requirements within the sectors of B1 business (office, research & development, light industry), B2 (general industrial), and B8 storage or distribution (wholesale warehouses, distribution centres). This reflects the approach of the NPPF (paragraph 20) in pro-actively planning to meet the development needs of business. The EGA also establishes growth figures for non B-class sectors, though does not specifically address space implications for these sectors due to differences in the methodology for assessing employment typologies.
- 3.5 The EGA is set against the current backdrop that Gatwick Airport continues to operate as a single-runway two-terminal airport developing to a maximum capacity of 45 million passengers per annum. It does not consider policy or growth implications arising from a possible second runway at Gatwick, nor does it consider the implications of future runway capacity being directed elsewhere in the south east of England.

Crawley Economic Context

- 3.6 The borough benefits from a broad economic base, including a significant number of larger corporate employers. Its profile is particularly impacted by the airport, with the largest sectors including transport (23.9%), administration and supportive services (17.1%), business services (10%), and retail (8.1%).
- 3.7 The presence of high value sectors means that average GVA¹⁵ per worker in Crawley (at £46,380) is higher than other Sussex and south coast authorities. The borough is a net importer of labour from the wider functional economic area, predominantly from adjoining districts of Mid Sussex, Horsham, Reigate & Banstead, and Brighton & Hove. Crawley's resident workforce does however possess a lower than average level of job skills (NVQ4 and above 26.9%) when compared to the South East region (36.8%) and Great Britain (34.4%) as a whole. This is reflected in a lower than average proportion of Crawley residents being employed in higher skilled, higher earning occupations, and is particularly evidenced by the lower average income of people living in Crawley compared to those employees who live elsewhere and commute into the borough.
- 3.8 The borough contains about 1.2 million square metres of commercial office, industrial and warehousing space; the largest concentration in the functional economic area. About two-thirds comprises industrial and warehousing space which has reduced by 7% since 2000, whilst there has been a modest 4% increase in office space. Manor Royal dominates the supply position, though Crawley town centre and the Three Bridges corridor are also important locations, and demand for employment space remains strong for both industrial and office uses.

Review of Employment Sites

- 3.9 The EGA reviews 18 employment locations in Crawley. These include broad spatial locations within Manor Royal, and key sites beyond it comprising Lowfield Heath, Crawley

¹⁴ Northern West Sussex Economic Growth Assessment (NLP, 2014) Core Documents Library Reference: LP062

¹⁵ Gross Value Added represents a measure of economic output and contribution to the economy of each individual producer, industry or sector. It is not strictly a measure of employment, but measures the contribution of jobs/workers in monetary terms (NLP correspondence, 2014).

Town Centre, Three Bridges Corridor, Three Bridges Road, Hazelwick Avenue, and business parks at Broadfield, Maidenbower, and Tilgate Forest.

- 3.10 Reflecting ODPM guidance on employment land reviews, the sites have been assessed for their proximity to strategic road access, accessibility to public transport and services, site size/characteristics, market attractiveness, and potential development constraints.
- 3.11 Overall, assessment of existing sites indicates a reasonable range of employment locations of differing quality and type, totaling about 371 hectares. The majority of sites assessed are predominantly within B1a, B2 and B8 uses with some smaller B1b uses also evident. Maidenbower Business Park and City Place (Manor Royal) are identified as good quality sites, with the remainder of Crawley’s employment sites identified as average. No poor quality sites are identified.
- 3.12 The EGA also considers sites promoted by developers at Jersey Farm, Southways, and Gatwick Green. These could potentially deliver a further 94.1 hectares of employment land at Crawley, though the study recognises that deliverability of each is significantly constrained by Gatwick Airport safeguarding, and the sites are, therefore, not currently available for development. In the event that safeguarding is lifted, land to the north of Manor Royal and south of Gatwick Airport is identified as the preferred location for employment growth. Land at Jersey Farm, part of which falls outside of Gatwick Airport safeguarding, is identified by the EGA as a potential extension to Manor Royal.

Future Economic Growth Needs

- 3.13 The EGA develops three economic scenarios: Baseline, Higher Growth, and Potential Sites. These provide a framework for considering future economic need and the policy implications that flow from these. Each scenario draws on Experian (May 2013) economic modelling based on national and regional projections to take account of past trend growth and representation of economic sectors at a local level. The resulting employment and spatial requirements associated with alternative scenarios are distinct and are considered as mutually exclusive.

Baseline Scenario

- 3.14 The Baseline Scenario (Table 2) provides local area forecasts across 38 industrial sectors, to detail employment forecasts and GVA estimates to 2031. It forecasts for job creation and growth based on Experian data and reflects how the national and regional economy is expected to perform.

Table 2: Baseline Forecast Employment Change in Crawley 2011-2031

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

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

Higher Growth Scenario

- 3.15 The Higher Growth Scenario (Table 3) builds on the Baseline by factoring in adjustment where local knowledge identifies specific sectors that are anticipated to experience growth beyond that implied in the Baseline. This includes growth sectors identified by Crawley Borough Council Economic Development in retail, recreation & leisure, which are considered to have potential to expand, and by Coast to Capital LEP and the Gatwick

Diamond Initiative which have identified growth in the high value sectors of chemicals, machinery and equipment, computer and electronic products, transport equipment, telecoms, finance, insurance and pensions and business services.

Table 3: Higher Growth Forecast Employment Change in Crawley 2011-2031

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

Source: Experian / NLP analysis, 2013 - total jobs including self-employed
Totals rounded
* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes publishing and a proportion of government offices

Potential Sites Scenario

- 3.16 This scenario (Table 4) explores the employment and spatial implications if a number of strategic employment sites (location not defined) were to come forward over the Plan period. It is not a measure of market demand *per se* but rather a theoretical measure of economic potential that does not take account of delivery or planning policy factors. Modelling assumes each strategic site to be of a significant scale (circa 30-40 hectares) and accommodate up to 3,000 jobs across over broadly 100,000m² commercial floorspace. Reflecting Crawley’s existing business base and patterns of market demand, the focus of any such development is assumed to be high quality business park premises, alongside some ancillary hospitality, recreational and educational activities.

Table 4: Potential Sites Forecast Employment Change in Crawley 2011-2031

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

Source: Experian / NLP analysis, 2013 - total jobs including self-employed
Totals rounded
* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes publishing and a proportion of government offices

Future Employment Space Requirements

- 3.17 The EGA converts the job forecast figures into future space requirements by applying density figures for employment space¹⁶ that take account of recent occupancy trends for different B Class uses (Table 5). A 10% allowance is added to all floorspace requirements

¹⁶ Appendix 8: Employment Space Requirements Methodology, Northern West Sussex Economic Growth Assessment (NLP, 2014) Core Documents Library Reference: LP062
Crawley Borough Council Local Plan 2015 – 2030
November 2014

to reflect a normal level of market vacancy in employment space. Allowance is also applied to take account of potential delays in sites coming forward for development and potential loss of existing sites to other non B class uses.

Table 5: Gross Floorspace Requirement by Scenario to 2021

Use	1. Baseline		2. Higher Growth		3. Potential Site Capacity	
	Floorspace (m2)	Land (ha)	Floorspace (m2)	Land (ha)	Floorspace (m2)	Land (ha)
Offices (B1a/b)	197,200	29.6	212,620	31.9	250,000	62.5
Industrial (B1c/B2/B8)	190,330	47.6	222,680	55.7	190,330	47.6
All B uses	387,540	77.2	435,300	87.6	440,330	110.1

Source: NLP analysis * totals rounded

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

3.18 The Baseline results in a significant net B Class requirement of 387,540m² or 77.2 hectares land take by 2031, split relatively evenly between office (B1a/b) and industrial (B1c/B2/B8) space in terms of floorspace. The requirement increases to 435,300m² or 87.6ha under the Higher Growth scenario. In floorspace terms, the Potential Sites scenario results in a similar requirement for B class space to 2031 (440,330m²) but a higher requirement in land take terms (110.1ha), reflecting the lower density nature of business park sites modelled into the scenario.

Sensitivity Testing

3.19 The growth forecasts have been subject to sensitivity testing against the previous ELR study conclusions and past employment trends (Table 6).

Table 6: Crawley Employment Forecasts by Scenario (GL Hearn 2009, NLP 2014)

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

3.20 All EGA future employment growth scenarios (Baseline, Higher Growth and Potential Sites) identified in Northern West Sussex exceed growth levels recorded in the sub region in recent years. On this basis, compared with relatively recent economic performance, planning to meet the employment growth and spatial implications associated with the minimum baseline scenario would in itself constitute positive planning for growth.

3.21 The two alternative, higher growth scenarios generate an even greater level of job creation than has been achieved in the sub region and individual authorities in the recent past. It is however important to recognise that these should be regarded as yardsticks to illustrate the growth potential of each local economy under different circumstances, rather than a prescriptive forecast of future employment growth.

Need for Additional Employment Land

- 3.22 The EGA draws together its forecasts of future economic growth and land requirements against an assessment of current land supply to identify whether additional employment land is required, or whether there are surpluses (both in quantitative and qualitative terms) over the Plan period to 2031.
- 3.23 The supply of available employment space in Crawley’s pipeline (as identified by NLP) is summarised in Table 7 below. This comprises employment allocations that have not yet been built out or have recently been cleared, and from other sites with planning permission at March 2012.

Table 7: Available Employment Space in Crawley

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

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

- 3.24 The EGA identifies that allocations, cleared sites and planning permissions have potential to provide 42.3 ha employment land in Crawley across a range of B class uses, but with a focus upon flexible, mixed B uses. The available supply is distributed across 18 sites in the borough, mainly at small sites of less than 1 hectare, and with around 96% of the space concentrated at Manor Royal. The overall quantum of employment space is split relatively evenly between undeveloped allocations or cleared/vacant sites and sites with outstanding planning permission for B class use.
- 3.25 The EGA recognises meeting the Baseline requirement for 77.2 ha employment land as representing a positive approach to planning for sustainable economic growth. However, with the EGA identifying an available supply of only 42.3 ha in the pipeline, this results in an employment land supply shortfall of 34.9 ha (comprising a 30.6 ha shortfall of industrial land and 4.3 ha shortfall in office land). On this basis, Crawley does not currently have sufficient available employment land supply in quantitative terms to meet Baseline economic needs up to 2031.
- 3.26 There is recognition that even where no quantitative shortfall of space is identified, in some circumstances additional land may be needed for qualitative reasons, particularly in terms of improving the choice of provision; modernising the quality of current provision; and providing a better spatial distribution of employment sites. Much of Crawley’s existing office stock is constrained either by small plot sizes at Manor Royal, or is of poorer quality as reflected in the over-supply of ‘Grade B’ office accommodation in the town centre. Market feedback suggests that Crawley’s limited supply of good quality industrial space is starting to constrain take-up and frustrate occupiers unable to meet their requirements. In this regard the EGA identifies market support for at least one new strategic employment location at Crawley.

Planning for Crawley’s Economic Growth

- 3.27 The EGA outlines that in line with NPPF requirements to positively plan for growth, the Local Plan should aim at the very least to provide for Baseline forecast needs. Crawley’s emerging pipeline of land supply is approximately equivalent to just under five years of past average take-up (based on the years 2002-2012), suggesting that in quantitative terms, there is sufficient employment space to accommodate short-term needs in the early years of the Plan period. This is subject to sites being suitable, available, and achievable for development (as required by Planning Practice Guidance).

- 3.28 The potential shortfall that would emerge over the medium to longer-term is reflected by qualitative market feedback which indicates that Crawley requires additional employment land to accommodate indigenous growth, enable churn and the upgrading/intensification of existing premises, and potentially accommodate inward investment. To address the shortfall to accommodate future needs over the plan period, the EGA sets out three key recommendations:
- Identify new land allocations, potentially as selective extensions to Manor Royal or through new site allocations. However, it is recognised that many site options are currently constrained by the safeguarding of land for a possible second runway at Gatwick Airport, and options to identify new sites are limited at least until such time as there is Government certainty as to a future position on runway capacity.
 - Assume additional development can be yielded through more intensive re/development of the borough's existing main employment areas. Though intensification of key Manor Royal sites has been factored into the available land supply to meet needs earlier in the plan period, the council could consider the extent to which general intensification of existing sites is possible. It is recognised that this option is ultimately aligned to market or business needs.
 - If, as a result of safeguarding, it is not possible to identify additional capacity for employment space, Crawley would effectively exhaust its available supply early in the Plan period. By implication, this would assume thereafter that these needs are met outside of the main employment areas with joint collaborative work with our neighbours and/or become displaced to adjoining local authority areas. Such an approach would need to be carefully investigated through duty-to-cooperate arrangements to ensure consistency of approach, and Crawley would need to give careful consideration to the potential harm that would be caused to the local economy (and the Gatwick Diamond more widely) if it were to rely upon needs being met in other areas without sufficient confidence that plans were in place to address those unmet needs.
 - The EGA also recognises that, should it not be possible to meet needs within Crawley, that this would not necessarily translate into a consummate increase in land requirements for adjoining authorities because Crawley's need is specifically related to the business environment and transport links within the borough.
- 3.29 It is recognised that the business-led employment requirements identified by the EGA represent a point in time, and that the need for business land and the supply of sites available to accommodate business-led economic growth will evolve over time. Therefore, the council has tested and refined the land supply forecasts identified within the EGA, having regard to up-to-date market intelligence and pre-application discussions, in order to prepare an Employment Land Trajectory. Preparation of the Employment Land Trajectory reflects the requirements of both the NPPF and PPG and, through a process of annual review, will enable the council to ensure that an up-to-date understanding of business land requirements and business land supply can be maintained during the Local Plan period.

Planning Approach at Manor Royal

- 3.30 Manor Royal functions as Crawley's premier employment location, and is of sub-regional importance in terms of its scale and range of activities. It is regarded as a key economic asset to drive growth within both the Gatwick Diamond and Coast to Capital LEP area, and this places significant responsibilities on the council to protect and enhance its function and role.
- 3.31 Manor Royal continues to evolve from its original character as a 1950's new town industrial estate, accommodating very high quality development such as City Place, bespoke campus developments for major employers, alongside lower grade industrial and warehousing activities. There has more recently been significant incursion from non B-class activities, notably retail warehousing and car showrooms. Market feedback from Manor Royal Business Group and local agents reflects strong concern that such uses are eroding the principal business function of Manor Royal, potentially deterring future investors and

undermining the provision of much-needed business premises as landowners/developers proposed higher-value non B-class uses.

3.32 The council has taken steps to improve the function and environmental quality of the business district through the Manor Royal Design Guide SPD, and occupiers' formation of a Business Improvement District (BID) will help facilitate further improvement. However, the EGA recognises that the policy choice for Manor Royal centres upon the extent to which the council should resist pressure from non B-class uses and more expressly protect the site for business activities. Given Crawley's quantitative shortfall in future business land supply and the wider significance that Manor Royal holds for Crawley and the wider sub-region, the EGA considers a more prescriptive policy approach to be justified. This needs to be realistic and should take account of the mixed character of Manor Royal, but should consider:

- Defining a core business area within Manor Royal where only B-class uses will be permitted, taking account of the current pattern of development, key frontages, and where scope for improvement has been identified. A more flexible approach could remain in place on other parts of the site where a wider range of uses are permitted subject to criteria so that the overall employment function of the site is not undermined.
- Explore opportunities to de-risk planning issues for certain types of development in a way that is appropriate to the site context and managing the range of B-class uses to be accommodated. This could potentially be through a Local Development Order (LDO).
- Planning provision of new facilities to support the overall employment functioning of the site and maintain its appeal for business occupiers; i.e. there is an acknowledged need for central 'hub' facilities to support employers and employees during and out of work hours.

Town Centre Office Space

3.33 The EGA recognises Crawley town centre as containing a substantial amount of office stock, comprising a mix of older stock that is outdated for current/future needs, and some high-quality new build space. Vacancy levels are currently high, with a particular over-supply of larger footplate space identified. This reflects decreased market demand for this type of accommodation as businesses seek bespoke premises to suit their activities.

3.34 There are also wider considerations about the role of the town centre as an office location. Regeneration of the town centre for retail and leisure use remains a key council priority, and the EGA recognises that a general uplift in these areas would potentially increase the attraction for office occupiers and stimulate growth in the office market. However, the EGA also recognises that the town centre will continue to play a secondary role to Manor Royal, which represents Crawley's established and dominant office location. For this reason the EGA recommends that the council should actively encourage office uses at Manor Royal, whilst continuing to support and encourage office development in the town centre.

Need for a Strategic Employment Site

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

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

3.36 Crucially, the difference between the current EGA and previous ELR conclusion is that there is now quantitative as well as qualitative demand for additional employment land in Crawley. It is unlikely that all of the residual 35 ha requirement identified by the EGA would necessarily be fulfilled through a new strategic site allocation, and most of the demand is for industrial space rather than offices, but there is now a stronger quantitative argument for

the provision of new business land supply. A new strategic employment site could be part of the solution to meet this quantitative requirement.

- 3.37 Qualitative demand also remains important. There is continued support from the Gatwick Diamond initiative for a business park capable of attracting knowledge-based industries. A new strategic employment allocation could also provide capacity for new high-quality development in a masterplanned environment that might be difficult to achieve within the more fragmented and varied character of Manor Royal. Such a site would to some extent fulfil a sub-regional function, and would therefore need to be considered in the context of any other strategic site proposals in Horsham and Mid Sussex.
- 3.38 In terms of options for providing an employment-led strategic site, the EGA recognises that a sequential approach should be applied that seeks to appraise options respectively (i) within Crawley, (ii) at Crawley (immediately adjoining the borough), or (iii) near to Crawley/Gatwick within the Heart of the Gatwick Diamond. In fully assessing options, continued regard should be applied to the ongoing safeguarding of land for a second runway at Gatwick Airport, which currently constrains the site opportunities.
- 3.39 (i) *Land within Crawley (in the north of the borough)*. The first preference, subject to safeguarding, should be to direct additional employment growth to the north of Crawley, where it is best able to complement the existing employment function of Manor Royal and Gatwick Airport.
- 3.40 (ii) *at Crawley (immediately adjoining the borough), or (iii) near to Crawley/Gatwick within the Heart of the Gatwick Diamond*. Should the safeguarding of land at Gatwick Airport continue, options to accommodate a strategic employment site within or at Crawley will be constrained and at worst are potentially undeliverable. Until such time as the continuing requirement for safeguarding of land around Gatwick is either confirmed or not, and there is opportunity to reappraise the borough's land supply on this basis, it is possible that some business needs will not be capable of being accommodated once existing available supply is developed out. In this situation, some business needs could be displaced to Horsham or Mid Sussex, or outside of the sub-region entirely. The extent to which this occurs will depend on the relative availability and cost of alternative sites at that point in time, as well as other business location factors such as labour force and proximity to suppliers and customers. This situation would represent a shift in the sub-region's commercial property market dynamics, which have traditionally focussed on Crawley.

Manor Royal Specific Documents

- 3.41 To improve the aesthetic environment and public realm at Manor Royal, the council has adopted the Manor Royal Design Guide Supplementary Planning Document (SPD)¹⁷ and a supporting Public Realm Strategy. The objective of the Design Guide SPD is to support economic growth in Manor Royal by ensuring that new development makes a significant contribution to the uplift of the area and secures the delivery of a high quality environment throughout the estate. In doing so, the SPD applies particular focus to the enhancement of key frontages, public realm, and the achievement of high-quality design.
- 3.42 The Manor Royal Design Guide SPD and accompanying Public Realm Strategy have both been informed by a number of separate evidence base studies which are detailed below.
- 3.43 The 2010 GVA Grimley Manor Royal Masterplan¹⁸ provides the vision and strategic direction for the growth and development of Manor Royal. Central to the Masterplan vision is the identification of key character areas, the establishment of design and development principles, recognition of a need for improved facilities and services to support business, and identification of opportunities to improve the public realm.

¹⁷ Manor Royal Design Guide Supplementary Planning Document and Public Realm Strategy (CBC, 2013) Core Documents Library Reference: LP073 and LP074

¹⁸ Manor Royal Masterplan (GVA Grimley, 2010) Core Documents Library Reference: LP075
Crawley Borough Council Local Plan 2015 – 2030
November 2014

- 3.44 Through the 2008 Regeneris report¹⁹, the council was able to initiate discussion regarding areas of concern for businesses. This assessment of need looked at what those additional facilities were in Manor Royal and how the area could be improved, identifying an inherent lack of supply of support facilities, and outlined that an enhanced environment would be needed at Manor Royal that enabled business to flourish.
- 3.45 Crawley's Economic Plan²⁰ sets out the council's commitment to encouraging sustainable local economic growth and employment. Particular focus is given to enhancing the potential of key employment locations at Gatwick Airport, Manor Royal and the town centre, and exploring opportunities to draw new elements into the Crawley economy to broaden future prosperity.

Local Plan Economy Policies: Consultation Feedback

- 3.46 Consultation feedback at the initial Issues and Options stage (May-June 2009) continued to support the strategic role of Crawley as a sub-regional employment destination. Although Gatwick Airport was recognised as a key employer in the borough, concern was expressed that Crawley may be over-reliant on its offer, and a need to diversify the economy was noted. It was outlined that further work would be needed to understand the employment requirement, mix and location across the borough, though broad support was expressed for the exploration of a strategic employment location.
- 3.47 The Issues and Options stage was revisited in 2012 to take account of updated government policy and new evidence base work. Consultation feedback broadly considered that the local economy should build on Crawley's sub regional role to achieve a balance across all sectors so as not to be solely reliant on employment associated with Gatwick Airport. It was felt that a significant proportion of the borough's workforce is provided through in-commuting, and attention was drawn to the on average lower salaries earned by Crawley residents, suggesting a local skills deficiency.
- 3.48 Respondents noted that Crawley faces considerable demand for out of town centre retail warehousing and storage and distribution (B8) development opportunities. Given concerns relating to the recession and subsequent growth rates, and having regard to the long term nature of the Local Plan, concern was expressed that an overly prescriptive plan approach could restrict development in the short term and potentially stifle investment in the town.
- 3.49 Provision of a strategic campus style employment development was (at the time) mainly seen as an opportunity to add complementary development and diversity to the wider sub-regional economy, rather than a requirement to support growth in the existing local economy. It was considered that any growth should have regard to the quality of the new development as well as the quantity.
- 3.50 At the next stage of consultation (Preferred Strategy, 2012) there was more certainty as to the direction of the wider national economy. Concern was raised that the Plan did not provide guidance as to the level and location of employment floorspace required over the Plan period, and did not consider the need for any future strategic level employment provision.
- 3.51 There was some support from stakeholders for taking a less restrictive approach to the types of use allowed at Manor Royal. Rather than protecting sites, it was suggested that greater flexibility should be enabled to allow alternative and complementary uses to generate investment, create jobs and reduce vacancies.
- 3.52 Some aspects of the market suggested that economic growth should be achieved by delivering specific retail developments at Manor Royal, a message that was also strongly delivered through separate Development Principles Statement consultations relating to land use for key Manor Royal sites. This was however, rejected by the majority of respondents,

¹⁹ Crawley Manor Royal: Final Report (Regeneris, 2008) Core Documents Library Reference: LP076

²⁰ Crawley's Economic Plan (2011-2016): In Support of Prosperity (CBC, 2011) Core Documents Library Reference: LP077

who expressed clear support for retaining Manor Royal as a business location, with Crawley Town Centre remaining the focus for retail development. Feedback from the Local Economy Action Group and other key business stakeholders in the wider area also considered that non-business uses such as retail should only be supported where they are ancillary to and complement Manor Royal's core business offer, and should not undermine and compete with other commercial centres such as the town centre.

- 3.53 There was strong support for a presumption in favour of promoting economic development in the borough's designated Main Employment Areas, and strong emphasis on compliance with design and amenity related policies. This was particularly the case given the limited supply of new land available for economic growth.
- 3.54 A modern science or technology campus was promoted by developers at Gatwick Green, within the Airport Safeguarding Area. The development consortium suggested that such a strategic employment development would not compete with Manor Royal, but would rather rectify an existing gap in the floorspace market, thereby supporting the wider Gatwick sub-region.
- 3.55 Gatwick Airport expressed strong support for a relaxation of restrictions on the occupiers of office floorspace within the designated airport boundary, whilst others offered support for the retention of these restrictions.
- 3.56 During the Additional Sites Allocation Consultation representations were made to maximise some of the existing employment sites, and sought new allocations for extensions to existing Main Employment Areas at Manor Royal and Tilgate.

4.0 Local Plan Retail Policies: Evidence Base

- 4.1 The commissioned evidence refers to delivery of retail-led regeneration at Town Centre North. However, despite significant work it has not been possible to deliver Town Centre North in the current financial climate, and the project is not now being progressed. For this reason, the council and its development partner have agreed to discontinue working together.
- 4.2 The background studies discussed in this section reflect a factual account of the evidence base assembled to date, and therefore refer to Town Centre North. The findings of the evidence are still considered to be relevant as the Local Plan plans positively for a competitive and vibrant town centre through the identification of key town centre opportunity sites for mixed uses, including retail. Section 5.59 of this Topic Paper provides further information on the background to Town Centre North and reasoning behind the removal of this allocation from the Submission Local Plan.

Crawley Retail Capacity and Impact Study

- 4.3 This is a key evidence base document²¹ informing the Local Plan approach to ensure that retail growth is planned for in a manner that positively promotes Crawley Town Centre as a competitive retail destination. The study evaluates the health of the town centre, and undertakes forecasts to assess future capacity for new convenience and comparison goods retail floorspace in Crawley. The study also considered the scope to deliver a major 'step-change' retail development at Town Centre North, assessing the impact of such development on Crawley Town Centre and on surrounding town centres.
- 4.4 The study recognises Crawley as a vital and viable retail centre, possessing a good range of shops and services respective to its size. Vacancy in the primary retail area is low, with shops and stores that become available tending to attract tenants quickly, and the bulk of vacancies tending to be concentrated in the more secondary areas. Household survey data shows that Crawley attracts expenditure from a wide area, particularly in relation to

²¹ Crawley Retail Capacity and Impact Study (DTZ, 2010) Core Documents Library Reference: LP070
Crawley Borough Council Local Plan 2015 – 2030
November 2014

comparison goods, though an identified lack of modern retail opportunities in the primary shopping area is recognised as a weakness.

- 4.5 For comparison (non-food) goods, the study considers two forecast scenarios. Scenario 1 provides a baseline which assumes no change in the patterns of market shares within the catchment and expenditure attracted to Crawley throughout the forecast period to 2026. Scenario 2, assumes that a major comparison-led retail scheme at Crawley will enable 'clawback' of expenditure to Crawley, increasing Crawley's market share of catchment area expenditure.
- 4.6 The Scenario 2 comparison forecast endorses previous studies in identifying sufficient capacity for a major comparison retail development in Crawley Town Centre by circa 2021, albeit not quite fully on the scale envisaged by the Core Strategy (2008) Town Centre North. By 2026, it identifies capacity in the town centre for 64,000 square metres net comparison floorspace, and 7,550 square metre net non-central comparison floorspace.
- 4.7 The study outlines that major comparison goods retail development in Crawley Town Centre, on the scale indicated by retail capacity forecasts, would be unlikely to result in significant retail impacts on other centres. On this basis, the vitality and viability of other town centres should not be undermined, and indeed some centres should still be able to support additional retail development.
- 4.8 In terms of convenience (food) retail, the study outlines that if permitted new foodstores are implemented, there will be no capacity in terms of expenditure support for any new convenience goods floorspace in Crawley by 2016.

Retail Capacity and Impact Study Update

- 4.9 The council revisited its evidence base through the Retail Capacity and Impact Study Update, 2013²². This provides an up-to-date assessment of forecast retail capacity up to 2029, and provided an updated assessment of the likely impact of Town Centre North on other town centres in the area.
- 4.10 Allowing for committed retail developments in Crawley, the update identifies that there should still be sufficient comparison (non-food) goods expenditure available to support the scale of new retail development identified at Town Centre North. The available comparison capacity is, however, lower at 32,900 square metres (at 2029), meaning that the scale of TCN would be smaller in retail terms than previously envisaged. On this basis, the Town Centre North scheme was considered very unlikely to have any significant adverse impacts on the town centres in surrounding towns. However, if Town Centre North had proceeded as envisaged, and was completed before 2022, there would be little or no capacity for any additional out-of-town comparison goods retail floorspace in Crawley until very late in the local plan period. On this basis, the evidence considered there to be justification to resist proposals for out-of-centre comparison retail development, particularly where this would involve 'non-bulky' goods sales or forms of retailing which would compete adversely with the current town centre and the planned retail offer of Town Centre North.
- 4.11 With Town Centre North no longer being progressed, there is less opportunity for Crawley to clawback expenditure from other centres. The Local Plan, therefore, refers to Scenario 2 of the Retail Capacity and Impact Study Update, which identifies capacity to support up to 26,650 square metres of comparison (non-food) retail development up to 2030. This represents a modest increase in floorspace that is significantly less than levels previously envisaged at Town Centre North. Any retail growth up to this level is not of a scale that would change market shares of expenditure attracted from the wider catchment area, and is, therefore, unlikely to have any significant negative retail impact on other town centres.
- 4.12 The study identifies a significant over-supply of convenience goods floorspace. Committed developments mean that there will be no capacity for any additional convenience goods floorspace in Crawley before 2023. There may, however, be capacity for additional small

²² Retail Capacity and Impact Study Update (DTZ, 2013) Core Documents Library Reference: LP067
Crawley Borough Council Local Plan 2015 – 2030
November 2014

scale local convenience stores to serve new residential areas as Crawley's population increases.

- 4.13 Given the NPPF steer to promote competitive town centres and the reduced forecast expenditure for comparison retail at Town Centre North, the study recommended that local floorspace (m²) thresholds should be identified through the Local Plan to outline when edge-of-centre and out-of-centre applications should be accompanied by a retail impact assessment. These had been identified recognising the potentially negative impact of inappropriate out-of-centre retail proposals on the delivery of Town Centre North, with impact assessment required at a threshold of 2,500sq.m. net floorspace for 'bulky' comparison retailers²³, 1,500sq.m. for 'non bulky' comparison retailers²⁴, and 1,000sq.m. for non-central food stores. Because of the removal of the Town Centre North allocation it is no longer considered that there is the locally specific justification for implementing local retail impact thresholds. Therefore, these thresholds have not been included in the Local Plan (paragraph 5.56 expands).

Town Centre Vacancies

- 4.14 The proportion of vacant units in Crawley Town Centre has increased significantly since the advent of recession in 2008, although the percentage of vacancies has broadly fallen since peaking in February 2012 (Table 8).

Table 8: Vacant Units in Crawley Town Centre Main Shopping Area. Crawley Borough Council, 2014

Year	Core Area	Primary Area	Secondary Area	Total Vacant	Total Units in Main Shopping Area.	% Vacant
October 2014	14	15	10	39	313	12.5
April 2014	11	15	9	35	313	11.2
October 2013	9	11	12	32	313	10.2
April 2013	17	16	7	40	321	12.5
February 2012	16	22	12	50	332	15.1
January 2012	10	21	10	41	332	12.3
September 2011	16	19	11	46	328	14.0
April 2011	11	14	9	34	328	10.4
May 2010	10	13	8	31	327	9.5
November 2009	6	11	8	25	327	7.6
October 2008	1	10	8	19	329	5.8

- 4.15 In broad terms, vacancy rates are typically lower within the Core Area (as per the adopted Core Strategy, 2008) of the Town Centre, comprising County Mall and The Martlets where footfall is greatest. Vacancy data for the Core Area typically reflects the temporary closure of units for refurbishment, and where units have become vacant, this is typically short-term as new operators are found. More peripheral Primary frontage areas, most prominently The Broadway and The Boulevard, tend to experience higher vacancy rates, a high proportion of which are long-term. The more flexible policy approach applied within the secondary frontage area typically results in a lower proportion of vacant units.

Town Centre Specific Documents

- 4.16 The Town Centre Wide Supplementary Planning document²⁵ provides planning guidance for the town centre as a whole, developing the objectives and policies for the Town Centre identified in the adopted Core Strategy, and building on the vision and concept plan set out in the Town Centre Strategy. The document establishes development principles for

²³ i.e. where a significant proportion of floorspace would be dedicated to sales of furniture, or floor coverings, or DIY goods and decorators' supplies, or large domestic appliances.

²⁴ All other comparison retailers.

²⁵ Town Centre Wide Supplementary Planning Document (CBC, May 2009) Core Documents Library Reference: LP072
Crawley Borough Council Local Plan 2015 – 2030
November 2014

identified Opportunity Areas within the town centre, and provides guidance as to the uses that are considered acceptable in Core, Primary, and Secondary frontages. This document is being updated to reflect the removal of the Town Centre North allocation.

- 4.17 The Town Centre Strategy²⁶ seeks to ensure the whole Town Centre benefits from the proposals for Town Centre North by promoting and facilitating major new mixed use development elsewhere in the town centre, including the establishment of a residential community and the creation of high quality public realm. Marketing and promotion of the town centre in conjunction with its effective management will ensure that it continues to attract people from an increasingly wide area. Again, the broader approach to the town centre is being reassessed with the removal of the Town Centre North allocation.

Local Plan Retail Policies: Consultation Feedback

- 4.18 Respondents to the Issues and Options consultation (May-June 2009) outlined support for development of Town Centre North as a comprehensive strategic allocation that improves the attractiveness of Crawley Town Centre through a retail-led mix of uses including leisure and residential. It was however noted that the impact of TCN on nearby centres should be carefully assessed to avoid negative impacts.
- 4.19 Support was expressed for a town centre that provides a good quality environment and broad mix of uses, and in this regard some support was outlined for a more flexible policy approach to promote a broader range of town centre uses. It was suggested that other town centre and edge-of-centre sites should be considered within the plan, with limited support noted for out-of-centre retail proposals. Support was also expressed for the role of neighbourhood parades in providing a range of facilities and services.
- 4.20 Feedback to the further stage of Issues and Options consultation held during January-March 2012 reiterated that the town centre is very important to residents, with the closure of several shops causing concern. It was noted that the town centre tends to be perceived as run down, with too many 'cheap' shops rather than higher-end retailers. As the town develops and grows, residents are looking to see improvements in shopping facilities, both in terms of the quality of retail offer and range of outlets. The importance of neighbourhood parades to local residents was again highlighted.
- 4.21 As far as local people are concerned, there seems to be very little missing from Crawley's range of facilities, in terms of leisure and activities, apart from an ice rink, and calls for more arts related activities – free festivals; more music events in town; sculptures; and art galleries. Support was expressed for the managed growth of the evening and night-time economy, particularly through a greater choice of restaurants. It was also noted that entertainment for Crawley's aging population would be beneficial.
- 4.22 Professional stakeholders expressed clear support for improving the town centre retail offer through delivery of Town Centre North, and it was considered that a mix of uses including retail, residential, leisure and evening economy each have a role to play in creating a vibrant town centre. Some concern was raised by Reigate & Banstead Borough Council as to the possible impact of TCN on planned investment at Redhill, and clarity was sought that both developments could be progressed in a complementary manner.
- 4.23 It was suggested that edge-of-centre development sites should be identified through the plan, and several site promoters considered that flexibility should be provided at out-of-centre sites for retail and leisure uses where it can be demonstrated that impact on the town centre would not be unacceptable. Concern was again expressed that the current approach managing town centre change of use is too restrictive.
- 4.24 Support continued to be expressed during the Preferred Strategy consultation for delivery of Town Centre North as a retail and leisure destination, particularly as many respondents were concerned about the existing environment and offer of the town centre as existing. Both Horsham District Council and Reigate & Banstead Borough Council were however clear that TCN should be planned in a manner that is complementary to, and supports the

²⁶ Town Centre Strategy (CBC, November 2008) Core Documents Library Reference: LP071
Crawley Borough Council Local Plan 2015 – 2030
November 2014

functions of, other centres in the sub-region. Concern was again raised that an overly prescriptive approach to managing town centre change of use would be inflexible and would not promote the diverse range of uses required by the NPPF.

- 4.25 Broad support was expressed for retaining the town centre as the focus of investment in line with the 'town centre first' approach, though other representations expressed concerns about the proposed policy threshold recommending a 300 square metre limit on edge/out-of-centre retail. In such cases, feedback was clear that the identified threshold was not clearly evidenced, and stressed that sequential assessment and impact testing should be used to determine the suitability of any non-central retail proposals.
- 4.26 A majority of respondents expressed support for the important role of neighbourhood centres. People strongly believed they should support the needs of local communities and should be a place for local businesses rather than some of the bigger chains. There was a perception that rents are high and that there are too many take-ways and betting shops.

5.0 Building a Strong, Competitive Economy: Justification for Local Plan Economic Growth Policies

Local Plan Policy Evolution

- 5.1 Economy Chapter policies have continued to evolve throughout Local Plan production, responding to emerging evidence base, consultation feedback, national and local policy, and a changing economic climate. During this time there has been a clear shift in emphasis from an initially more laissez-faire approach to land use planning within designated Main Employment Areas, towards a more structured approach focussed on employment sectors.
- 5.2 With the start of Plan drafting coinciding with the recession, the initial focus was on the promotion of economic development sites and the continual churn of employment development. However, as evidence base studies emerged it became clearer that with economic recovery progressing and significant forecast employment growth, a subsequently increased land-take requirement would present challenges given the limited available land supply. This necessitated a stronger commitment to maximising the use of Crawley's existing employment land supply opportunities, recognising how the individual Main Employment Areas functioned, and especially in regard to protection of the role of Manor Royal as the key business destination.
- 5.3 Key stakeholder evidence relating to the functional economic area, in particular the Coast to Capital LEP Strategic Economic Plan and the Gatwick Diamond Local Spatial Strategy, has made clear the vital business function of Manor Royal in relation to Crawley and the wider Gatwick Diamond. This has been further supported by key evidence in the Economic Growth Assessment, which outlines qualitative and quantitative reasoning to protect and promote the business function of Manor Royal, whilst identifying Main Employment Areas to accommodate wider economic growth needs.
- 5.4 The EGA recommends a supply-led approach given that available land is scarce within the Borough and preferred sites are contained within safeguarded land. Depending on the outcome of the Airports Commission's work, due for publication in 2015, sites beyond the borough boundary may need to be found, requiring the continuation of the positive joint working between Crawley Borough Council and its neighbouring authorities.
- 5.5 The retail policy approach has also continued to evolve in response to government policy and consultation feedback. This is most clearly evidence in the evolution of Policy EC5, which has developed from a more prescriptive percentage-led approach in managing non-retail uses in the town centre at Preferred Strategy, towards a more flexible Submission policy that responds to NPPF requirements by pro-actively supporting a range of main town centre uses. Likewise, policy has evolved through the formal identification of town centre, edge-of-centre and out-of-centre locations for main town centre uses, again responding to policy requirements and consultation feedback.

Local Plan Policy EC1: Sustainable Economic Growth

- 5.6 The Local Plan Vision is clear in supporting sustainable economic growth and promoting a strong and competitive economy. Fundamental to this is Coast to Capital LEP and Gatwick Diamond Initiative recognition that Crawley remains the key economic driver in the sub-region, and should continue in its role as the leading employment destination.
- 5.7 Crawley's role as a sub-regional economic focus is recognised by the Economic Growth Assessment (2014), which forecasts a significant increase in job growth and subsequent demand for employment land in Crawley over the plan period, whilst recognising that significant land supply constraints present fundamental challenges to delivery. The approach of Policy EC1 now discussed shows how the council is planning positively to maintain and enhance Crawley's sub-regional economic function, having regard to the constrained land supply, in order to balance identified priority needs for business land with the positive promotion of the wider economy.
- 5.8 The EGA forecasts significant growth across the Gatwick Diamond, particularly within Crawley where baseline demand is identified for a further 16,500 jobs over the Plan period to 2030. Traditional business uses (B1, B2, B8 use classes) alone are identified as requiring an estimated land take of 77 hectares, though with Crawley's existing employment land supply totalling a pipeline of 35 hectares from permissions and allocations, there is a significant employment land supply shortfall of 42 hectares. It is, however, recognised that the need for business land and the available supply of land developable for business-led economic growth will evolve during the Plan period. To maintain an up-to-date understanding of business land requirements and available land supply over the Plan period, the council will publish an annual update of its Employment Land Trajectory alongside the Authority's Monitoring Report²⁷.
- 5.9 Crawley's tight administrative boundary and the safeguarding of land for a possible second runway at Gatwick Airport present challenges to accommodating the identified demand, meaning that Crawley is only able to plan towards meeting some of its Baseline economic growth. Policy EC1 therefore plans positively and pragmatically within these constraints in establishing a clear strategy (as required by the NPPF) to promote and enhance Crawley's vital economic role.
- 5.10 Given the significant supply requirement for B-class business land, in addition to wider job growth within non-business sectors, Policy EC1 directs economic growth to the borough's established Main Employment Areas. This is achieved through part (i) of the policy, which seeks to protect the established role of Manor Royal as the key business destination at the Heart of the Gatwick Diamond through promoting B-Class business uses, and other non-business uses only where these would support the overall business function of Manor Royal. Part (i) of the policy is expanded upon through Local Plan Policy EC3. Part (ii) of the policy recognises the important role of Crawley's other Main Employment Areas in supporting wider economic growth, and allocates these sites to establish a hierarchy of locations for economic growth. Through formally acknowledging the role of Crawley's Main Employment Areas and allocating these for continued economic use, the approach reflects NPPF and PPG requirements to identify a supply of sites for growth. Part (ii) of the policy is expanded upon further through Local Plan Policy EC2.
- 5.11 Through directing economic growth to existing locations, it is forecast that there will be an existing pipeline of land supply to accommodate business needs during the first 4-5 years of the plan period. Intensification of existing sites offers scope to further accommodate existing business floorspace demands within the borough's existing Main Employment Areas. However, existing sites are only able to accommodate a proportion of the forecast growth, and it is necessary establish a framework through the Local Plan to explore and where possible identify new employment sites, potentially including minor extensions to Manor Royal, and/or new strategic employment location(s).

²⁷ Crawley Borough Council Employment Land Trajectory (CBC, 2014) Core Documents Library Reference: LP064
Crawley Borough Council Local Plan 2015 – 2030
November 2014

- 5.12 The policy is clear that the assessment and identification of any new employment sites will need to be considered against the backdrop of Gatwick safeguarding, and on a joint working basis with neighbouring authorities within the Gatwick Diamond.
- 5.13 As recognised by the EGA and reflected in the approach of Policy EC1, it is vital that any new employment site(s) complement the established role and function of Manor Royal. To achieve this, the policy builds on recognition within the EGA that minor extensions to Manor Royal could represent opportunities to provide additional economic land supply, potentially coming forward in years 5-10 of the plan period. This could include potential opportunities to bring forward developer promoted land at Jersey Farm, adjacent to Manor Royal, though parts of the land are constrained by safeguarding. Further north, land at Southways benefits from an extant planning permission granted prior to safeguarding, though safeguarding currently represents a constraint to any intensification beyond this permission.
- 5.14 There is an identified qualitative and quantitative requirement for additional employment land in the form of a Strategic Employment Location, particularly in the mid to later years of the plan period (year 10 onwards) following a decision as to whether land south of Gatwick Airport will continue to be subject to safeguarding. As recognised through stakeholder consultation, there is business community support for this type of provision provided it complements the business function of Manor Royal.
- 5.15 Recognising that Crawley should remain the sub-regional focus for economic development, the most appropriate and sustainable location for any Strategic Employment Location would be within Crawley. Land to the north of Manor Royal and south or east of the airport is the preferred location for a SEL, representing an opportunity to complement the existing offer of Manor Royal and close proximity to Gatwick Airport, whilst building upon established transport and infrastructure connections. Because of the level of aircraft noise exposure north of Manor Royal, this land is recognised as being largely unsuitable for residential development (which is directed to more appropriate locations within the borough) and employment use is considered to represent the most appropriate use of this land.
- 5.16 With safeguarding representing a fundamental delivery constraint at present, it is recognised that locations at or beyond Crawley's administrative boundary may need to be considered. Therefore, the policy outlines a sequential approach to identify the most appropriate location for Strategic Employment Location(s). Should it not be possible to identify location(s) within Crawley, the policy outlines a commitment to work alongside Horsham, Mid Sussex, and other adjoining authorities including Reigate & Banstead Borough Council, to scope the feasibility of allocating land for a SEL either 'at Crawley/Gatwick immediately adjoining the borough', and if this cannot be achieved, land near to Crawley within the wider Heart of the Gatwick Diamond.
- 5.17 This approach has been endorsed and agreed by the three partner authorities involved with the Northern West Sussex EGA, and joint working with these and other neighbouring authorities remains on-going. It is however recognised that should it not be possible to accommodate a SEL in or at Crawley, any undersupply in employment land provision will not necessarily equate to a commensurate requirement elsewhere. This is because much of Crawley's identified economic need is specific to the borough, its transport links and business environment. Therefore, if a business cannot find premises in Crawley, it does not necessarily mean that it will then consider sites at Horsham, Mid Sussex or Reigate and Banstead, which may be seen as offering a different economic function. In this instance, it may mean that if a business cannot be located within Crawley, it may instead seek to explore opportunities beyond the Gatwick Diamond, or indeed outside of the sub-region.

Local Plan Policy EC2: Economic Growth in Main Employment Areas

- 5.18 Building on the strategic approach of EC1, Local Plan Policy EC2 formally identifies Crawley's Main Employment Areas, recognising these as the principal focus for economic growth by directing and actively encouraging employment generating development in these locations. In doing so, the policy responds to Crawley's limited employment land availability

by maximising the use of existing supply in established Main Employment Areas before potential new sites are considered.

- 5.19 Policy EC2 recognises that Crawley's economy is characterised by its range of employment areas, each of which has an established character and function, and performs an identified role. The Policy recognises Manor Royal, Gatwick Airport, and Crawley Town Centre as Main Employment Areas that each perform key economic roles. Given the fundamental role performed by each in driving the Crawley and Gatwick Diamond economy, a more detailed spatial policy approach for each of these Main Employment Areas is provided through individual location-specific policies (EC3, EC5-7, GAT4 respectively).
- 5.20 Policy EC2, therefore, seeks to deliver economic in the other Main Employment Areas identified within the policy, these being: Three Bridges Corridor, Maidenbower Business Park, Tilgate Forest Business Centre, Broadfield Business Park, Lowfield Heath, Broadfield Stadium & K2 Crawley, and The Hawth. Each plays an important complementary role in supporting different sectors including small businesses, higher value offices, and high quality leisure facilities. By directing employment to established Main Employment Areas, the policy allows for the concentrating of employment generating developments, and enables development to utilise existing services and infrastructure. Where employment proposals come forward outside of the identified main employment areas, these will be considered against the NPPF and relevant Local Plan policies.
- 5.21 Recognising the broad definition of economic development provided in the NPPF, and significant identified baseline growth within the non B-class sectors (10,560 non B-class jobs up to 2031), Policy EC2 seeks to pro-actively encourage employment generating development at the Main Employment Areas. Given the recognition within the EGA that Manor Royal should be protected for business and business-supporting uses, Policy EC2 applies a more flexible approach at the other Main Employment Areas covered by the Policy.
- 5.22 Having regard to the evolving nature of economic development, it is recognised that the market may pursue differing economic (or other) objectives over the plan period. NPPF Paragraph 22 is clear that the long-term protection of sites allocated for employment use should be avoided where there is no reasonable prospect of a site being used for that purpose.
- 5.23 For this reason, Policy EC2 recognises that there may be instances where site(s) within Main Employment Areas are promoted for alternative uses, and applies flexibility for non-employment generating uses, where it can be demonstrated that the site is no longer suitable for employment purposes; and that the proposal would not undermine the function of the Main Employment Area and wider Crawley economy; and that the proposal would deliver wider social/environmental/economic benefits to the town; and, if residential, that the proposal is appropriate to its location having regard to the residential amenity of future residents. All proposals must comply with requirements of the NPPF, and where main town centre uses are proposed, consideration will be afforded to NPPF sequential and impact tests.
- 5.24 This approach reflects NPPF requirements to establish a clear economic strategy to support employment clusters, promote sustainable economic growth and support existing and emerging business sectors. The policy identifies a clear hierarchy of Main Employment Areas that are protected for economic growth, whilst providing flexibility to account for market changes, provided it can be demonstrated that proposals would not harm the Crawley and Gatwick Diamond economies.

Local Plan Policy EC3: Manor Royal

- 5.25 Manor Royal is critical to the economic function of Crawley and the wider sub region. At approximately 240 hectares and with 500 businesses, it is one of the largest mixed use business areas in the South East, offering diversity, connectivity and scale at the heart of the economic areas of the Gatwick Diamond and Coast-to-Capital Local Enterprise Partnership. Excellent transport links provide access to a wide catchment of suppliers,

customers, staff, and being situated just 30 minutes from both Brighton and London, it is a focal location for employment in the region.

- 5.26 However, Manor Royal faces challenges. As recognised through Local Plan consultation and liaison with key stakeholders including Manor Royal Business Group and the Local Economic Action Group, there is concern that gradual incursion of non-business uses has undermined the overall business function of the estate. Market feedback collated through the EGA is clear that this trend is gradually eroding the role of the site as a “business” location which may deter future investors, but in practical terms is also undermining delivery of new B-class development. However, with significant growth of 5,880 new jobs within the B-class sector forecast up to 2031 creating an overall land requirement of 77.2 ha, it is vital that the current available land supply of 42.3 ha is protected for business and business supporting uses.
- 5.27 Over time the overall quality of the Manor Royal environment has deteriorated, especially at entrance and exit points to/from the estate, and within particular geographic areas. To ensure that Manor Royal remains attractive to inward investors and maintains its position as the key business destination within the Gatwick Diamond, it is vital that the environmental quality of the business district evolves.
- 5.28 The overarching objective of Policy EC3 is therefore to ensure that Manor Royal maintains its position as the principal business destination in Crawley and the Gatwick Diamond. In doing so, the policy takes account of the identified need for B-class business land in Crawley, and wider NPPF requirements to support the needs of business.
- 5.29 To continue promoting Manor Royal as the sub-region’s focal business destination and ensure the council plans positively to meet identified business needs within the context of land supply constraints, Policy EC3 outlines that Manor Royal will be protected for B-class business use and uses that support its business function. Recognising the need to efficiently use the land that is available, proposals that would reuse or intensify the use of land or buildings will be encouraged.
- 5.30 It is recognised that Manor Royal acts as the borough’s established and dominant office location, and B1 proposals will be exempt from the requirements of the sequential test. This approach recognises the critical role that offices perform in the functioning of Manor Royal as a business location.
- 5.31 It is recognised that the function of Manor Royal has also evolved over time, and a smaller proportion of non-B class uses including retail, car dealerships and servicing, leisure uses and hotels are already in place. Likewise, it is appreciated that some non-business employers may wish to locate at Manor Royal for operational reasons or because of specific site or land take requirements. Further there is an acknowledged lack of amenity and supporting services in place at Manor Royal to serve the day-to-day needs of employees, and small pockets of independent retail and financial services represent a key component of how employees experience the Business District.
- 5.32 Whilst the policy seeks to promote business use at Manor Royal, it is recognised that other uses play an important role in its operation as a business district, and appreciated that pragmatism and flexibility are needed to support the overall business function. Therefore, Policy EC3 stipulates that proposals for non B-class development will be permitted where these would enhance the role and business function of Manor Royal, would not undermine the business district, and are of a scale and type that complement its overall business function.
- 5.33 Policy EC3 requires development at Manor Royal to comply with the Manor Royal Design Guide SPD. In doing so, the policy approach reflects NPPF requirements to recognise and seek to address potential barriers to investment, including a poor environment and identify priority areas for economic regeneration, infrastructure provision and environmental enhancement (Paragraph 21), as well as broader requirements to achieve high quality and inclusive design, that include individual buildings and public and private spaces (Paragraph 57) and the use of design codes where they can help deliver high quality outcomes by

guiding landscaping and layout, and relationships between neighbouring buildings and in the local area (Paragraph 59).

Local Plan Policy EC4: Employment Development and Residential Amenity

- 5.34 Local Plan Policy EC4 recognises that the relationship between economic growth and existing residential uses needs to be managed in amenity terms. The majority of Crawley's Main Employment Areas are self-contained and are to an extent separated from residential neighbourhoods. However some areas, particularly more peripheral locations at the edges of Manor Royal, adjoin residential areas and there is potential scope for conflict.
- 5.35 For this reason, the previous (saved) Local Plan 2000 Policy E15 identified Manor Royal Buffer Zones at Tushmore Lane and Tinsley Lane. Within these areas, the policy sought to limit employment development to B1 office use and restricted more intensive alternative uses such as industry and storage & distribution, ensuring that development proposals within Manor Royal did not impact upon the amenity and setting of existing residential uses.
- 5.36 In applying the saved Local Plan (2000) Policy E15, over time an increasingly pragmatic approach was taken in planning decisions, as it was recognised that to only allow B1 use in the Buffer Zones was overly prescriptive and does not reflect the broader promotion of economic development required by the NPPF. On this basis, non Class B1 developments have been permitted within the Buffer Zones where officers considered that the nature of operations would not result in an amenity impact on nearby residential, most notably for Sui Generis uses.
- 5.37 The new Local Plan recognises that potential for conflict between economic and nearby residential land use remains, and there is still an ongoing need to manage the relationship in amenity terms. Furthermore, feedback from elected ward members has drawn attention to the value of saved Local Plan Policy E15 for local communities, and it is recognised that the Buffer Zones are valued in protecting the amenity of nearby residents. Therefore, although the current Policy EC4 was not proposed at the Preferred Strategy stage, it has been drafted for inclusion in the Submission Local Plan.
- 5.38 The new Local Plan Policy EC4 retains the Manor Royal Buffer Zones, and extends the policy to ensure that all proposals for development, redevelopment or change of use of sites for employment use are appropriate having regard to the amenity impact on existing residential areas. Recognising the approach of the NPPF, the updated policy does not seek to prescribe the nature of development that will be allowed to locate within Main Employment Areas or the Buffer Zones. Rather, it requires that development proposals, particularly within the Buffer Zones, demonstrate that the amenity of local residents has been fully addressed through careful planning. Though economic development will be directed to the identified Main Employment Areas, it is intended that Policy EC4 will also apply where speculative employment is proposed outside of designated areas. The policy will also be applied alongside Local Plan Policy CH3: Normal Requirements for all Development, which further considers the issue of residential amenity.
- 5.39 Equally, it is recognised that the Main Employment Areas represent the key focus for economic development in Crawley and the economic function of these areas should not be constrained by inappropriate residential development. The amended Prior Approval process has enabled change of use from office to residential without the need for planning permission, leading to an increase in the amount of residential development coming forward within and adjacent to Main Employment Areas. It is recognised that the principal role of the Main Employment Areas is to support economic growth, and the Local Plan is clear that the functionality of these areas should not be undermined. As such, although the planning process is not able to influence the permitted development rights, where applications are proposed for residential development within or adjacent to Main Employment Areas, regard will be had to the potential impact on the operation of existing economic uses as well as the amenity of future residents.

Local Plan Policy EC5: Town Centre Uses

- 5.40 The council's evidence base recognises Crawley as a healthy and competitive town centre that is both vital and viable. However, there are challenges. Consultation has identified a perception that the town centre lacks a diverse range of uses, and it is evident that more peripheral parts of the town centre are characterised by high vacancy rates, and often long-term vacancy. The Local Plan needs to consider how best the planning system can manage the different types of use operating in the town centre to help ensure its continued vitality and viability.
- 5.41 Changes to national planning policy mean the approach set out in the Core Strategy (2008) and Town Centre Wide SPD, which had sought to restrict the proportion of non-retail in identified retail frontages, is outdated. In identifying three different categories of retail frontage, the historic approach does not reflect NPPF requirements to identify a primary shopping area composed of primary and appropriate secondary frontages. Further, in restricting the proportion of non-retail uses in specific frontages, it is not positive in promoting a full range of town centre uses. These concerns have also been made clear through Local Plan consultation feedback.
- 5.42 Amendments to permitted development rights, allowing for temporary change of use between classes A1, A2, A3, and B1 in town centres for a limited two-year period, mean that in practical terms, the historic percentage-based approach to change of use cannot be enforced. As such, a percentage-based approach to managing change of use can no longer realistically or appropriately be applied.
- 5.43 Local Plan Policy EC5 therefore seeks to adopt a flexible two-tiered frontage approach that balance NPPF and stakeholder requirements to promote a full range of main town centre uses, with the need to identify a vital and viable primary shopping area where retail use is concentrated and protected.
- 5.44 The Policy identifies the Primary Shopping Area, comprised of primary and secondary retail frontages. The primary frontages are located at Queens Square, The Martlets, and County Mall Ground Floor. Within the primary frontages, ground floor proposals for A1, A2, and A3 uses will normally be permitted, enabling a strong retail offer to be retained that is supported by complementary A2 and A3 uses. The remaining frontages within the primary shopping area are designated as Secondary Frontages, where use classes A1-A5 will be allowed, subject to issues of amenity and Environmental Health considerations. No restriction is placed on the proportion of A-class non-retail use, introducing far greater flexibility.
- 5.45 The Policy reflects NPPF recognition that other uses can also play a significant role in supporting a varied offer in town centres. Therefore, proposals for other main town centre uses (outside of the A-classes) will be permitted in both primary and secondary frontages where it can be demonstrated that proposals would support the overall vitality and viability of the town centre.
- 5.46 The Policy also seeks to encourage the flexible use of upper floors, particularly for retail and residential proposals. In doing so, it responds to NPPF recognition that residential uses should be encouraged within town centres, and seeks to encourage and maximise the efficient use of existing buildings.

Local Plan Policy EC6: Town Centre and Edge-of-Centre Development Sites

- 5.47 The NPPF is clear that Local Plans should identify sites to accommodate identified demand for main town centre uses. Having regard to the 'town centre first' approach, sites should be located within the town centre, and then in accessible edge-of-centre sites in line with the sequential test. There is an important opportunity to make efficient use of sites within the Town Centre Boundary to help regenerate the offer of the town centre, enhance its overall environment and attract investment. Likewise, there is a recognised housing need in the borough, and the re-use of existing sites will contribute towards meeting objectively assessed housing needs and wider NPPF priorities to maximise the efficient use of sustainable brownfield sites.

- 5.48 The council is therefore seeking to encourage the regeneration and efficient use of under-utilised town centre and edge-of-centre sites, particularly where this will maximise the potential of outworn buildings and underused land. The policy endorses proposals that will support and diversify Crawley's role as a primary regional centre, enhance the vitality of the town centre, provide facilities for new and existing residents, improve the links between different areas of the town centre and create a good living and working environment.
- 5.49 The town centre is recognised as a highly sustainable location for residential development and, given Crawley's high levels of housing need and constrained housing land supply, it is critical that town centre sites identified for residential use are prioritised for that purpose and that every opportunity is taken to maximise the delivery of housing. Likewise, there is an identified need for office accommodation, which is recognised as a main town centre use in NPPF terms.
- 5.50 Policy EC6 identifies sustainable development locations at town centre and edge-of-centre locations to accommodate a flexible mix of town centre uses, particularly main town centre uses, including retail and offices, and residential development. Within the town centre, flexibility for a range of main town centre uses is provided, including opportunities to incorporate residential as part of mixed-use development. At identified edge-of-centre locations there is clearer focus on residential-led mixed use development comprising main town centre uses. A number of suitable sites are identified as being particularly appropriate for residential development and are cross-referenced with Policy H2 (Key Housing Sites). These sites comprise Telford Place, Land at Crawley Station and Car Parks, Land North of The Boulevard and at County Buildings (the latter two having formally comprised part of the Core Strategy Town Centre North allocation). These sites are recognised as having strong potential to cumulatively deliver 499 residential dwellings, though flexibility is provided for other uses subject to satisfying the policy criteria. The sites identified in the policy do not, however, represent a comprehensive list, and it is recognised that other sites may emerge over the Plan period.

Local Plan Policy EC7: Retail and Leisure Proposals Outside the Primary Shopping Area

- 5.51 The NPPF is clear that Local Plans should positively promote competitive town centres, with the 'town centre first' approach forming a key consideration in determining applications for retail, leisure, and office proposals. Local Plans should include policy wording to make clear the circumstances when sequential and impact testing will be required to inform planning decisions. Further, consultation feedback has made clear that both tests should form the basis of planning decisions where proposals for main town centre use are put forward outside of the primary shopping area in locations that have not been identified in a Local Plan.
- 5.52 Because of local circumstance, the Local Plan does not seek to apply the sequential and impact test to applications for office use at Manor Royal (Policy EC3 refers). However, it is recognised that both retail and leisure uses represent a key focus of the Crawley Town Centre offer, and inappropriate edge-of-centre and out-of-centre proposals have the potential to impact upon the vitality and viability of the town centre.
- 5.53 For the purpose of interpreting policy, town centre sites are defined as those locations falling within the Primary Shopping Area as identified on the Local Plan Map. Sites falling outside of the Primary Shopping Area though within the Town Centre Boundary are defined as edge-of-centre sites. All locations beyond the Town Centre Boundary are in retail terms considered to represent out-of-centre locations. In sequential terms, consideration should be given (but not limited to) the sustainable town centre and edge-of-centre sites identified in Local Plan Policy EC6.
- 5.54 In response to the NPPF, and drawing upon evidence identified through the Crawley Retail Capacity and Impact Study update (2013) Policy EC7 had originally sought to establish locally specific thresholds to be applied where retail is proposed at edge-of-centre or out-of-centre locations in order to identify when an impact test is required. The thresholds were

more stringent than the 2,500sq.m trigger identified in the NPPF, seeking to ensure that retail expenditure was directed to the town centre in order to support the planned investment in the delivery of Town Centre North. However, with Town Centre North not progressing, it is no longer considered that Crawley has locally specific reasons that justify taking an alternative approach to the NPPF. For this reason, the locally specific thresholds relating to out-of-centre retail have been removed from the Policy, and the threshold triggering an impact assessment for out-of-centre retail proposals now reflects the NPPF default of 2,500sq.m.

- 5.55 Whilst Policy EC6 identifies several town centre and edge-of-centre sites for mixed use development, it is recognised that many of these sites are of a smaller scale, and may not be appropriate for specific proposals for main town centre use. Likewise, it is recognised that for business or operational reasons, some operators may not be able to accommodate main town centre uses in within town centre. In these instances, where main town centre uses are proposed in edge-of-centre or out-of-centre locations, clear justification must be provided to explain why proposals cannot be accommodated more centrally.
- 5.56 Given the policy approach that Manor Royal will be protected for uses that support its overall business function (Policies EC1 and EC3 refer), County Oak and London Road are identified as the preferred locations for out of centre retail warehouse development, provided it can be demonstrated that the proposal cannot be accommodated more centrally, and subject to demonstrating that the proposal would not result in a significant negative impact on the vitality and viability of the town centre. This is because these locations have an established retail function, and County Oak is recognised in evidence base as distinct from the business function of Manor Royal.

Deleted Policy: Town Centre North

- 5.57 The Core Strategy (2008) allocated Town Centre North for a 50,000sq.m retail-led mixed-use redevelopment scheme. The initial ideas for Town Centre North were originally conceived and progressed over a decade ago, at a time when the retail sector was prospering, and large scale redevelopments were taking place or being planned in town centres across the country, funded by retailers and developers. Onset of the economic recession in 2008 greatly affected the retail sector and progress on many town centre schemes stalled, including Crawley's.
- 5.58 The council responded to the changed circumstances by adjusting the policy framework for Town Centre North to provide a more flexible approach which sought to assist delivery. These changes included reducing the scale of the scheme, allowing it to be phased and separating out the housing requirements. This enabled the recently completed Sussex House development (Morrisons, Travelodge and restaurants) to be planned, approved and built as Phase 1 of Town Centre North.
- 5.59 The need for additional retail floorspace within the sub-region was re-evaluated and confirmed through updated evidence in the Retail Capacity & Impact Study (2010) and its 2013 update (Section 4 of this Topic Paper refers). Both studies identified significant retail expenditure capacity to support TCN and its continued allocation through the Local Plan. However, in response to the challenging economic climate, the evidence recognised that TCN would most likely to come forward in the form of a scaled-back retail-led development in the region of 30,000sq.m. (as reflected in the Preferred Strategy Local Plan).
- 5.60 During the preparation of the submission Local Plan, it became evident that changes in the retail market and evidence from detailed work with two major development partners indicated that deliverability of a single comprehensive retail-led development at the scale previously identified would be questionable. The retail industry has continued to suffer, with several retailers going out of business and growing online retail having a huge impact on shop sales. Major retailers have taken an increasingly conservative stance to major development, focusing on the larger and more established towns and cities.
- 5.61 Against this backdrop, Stanhope, the council's development partner, worked with the council to develop a scheme and an overall approach to the Town Centre which would be

attractive to the major retailer or retailers needed to anchor any development. This included negotiations with alternative retail anchors and exploration of opportunities to deliver a leisure-led scheme supported by retail. However, despite having worked positively to assess the available options, it has not at this time been possible to overcome the obstacles to delivering Town Centre North. On this basis, the council and Stanhope agreed that Town Centre North could not be progressed in the current climate and agreed to end their working arrangement in June 2014.

- 5.62 Therefore, the submission Local Plan applies a pragmatic approach to facilitate regeneration in Crawley Town Centre and the single allocation for a redevelopment scheme at Town Centre North has been removed from the Plan. It is recognised that Land North of the Boulevard and the County Buildings site continue to represent areas with significant potential for redevelopment and/or alternative use in the town centre. Therefore, both locations are allocated under Local Plan Policy EC6 as Key Opportunity Sites within the Town Centre Boundary (see paragraph 5.52). In turn, the focus for retail in the town centre will be in Queens Square, currently experiencing a high level of vacancy/temporary lets, and at County Mall, which has been recently refurbished, attracting new occupiers and others relocating from Queens Square.

6.0 Building a Strong, Competitive Economy: Managing Delivery over the Plan Period

- 6.1 As outlined through the NPPF and PPG, local planning authorities are required to undertake a thorough assessment of sites to gauge their suitability for development, availability and achievability (including viability). The EGA is a key evidence base document in this regard having undertaken an assessment of existing and potential sites to identify an available land supply in Crawley of 42 hectares over the Plan period, sufficient to accommodate business need in the early part of the Plan period.
- 6.2 This is developed through the Employment Land Trajectory²⁸, which has been brought forward by Crawley Borough Council to build on the work undertaken by NLP to expand upon assessment undertaken through the EGA to provide an up-to-date understanding on the supply of employment land in the pipeline over the Plan period. The Employment Land Trajectory has been prepared recognising that the need for business land and the available supply of land developable for business-led economic growth will evolve over time. It has been informed by input from local agents, ongoing developer discussions (market intelligence) and having regard to potential scope for site intensification. Through publishing an annual update of the Employment Land Trajectory alongside the Authority's Monitoring Report, the council will maintain an up-to-date understanding of business land requirements and available land supply.
- 6.3 The role of the Employment Land Trajectory is to detail the expected rate at which employment land is anticipated to come forward for development over the Plan period. The trajectory focuses on both business land supply and the available supply of wider employment, including main town centre uses. The Employment Land Trajectory will be subject to annual review in order to track the delivery of economic growth and monitor the remaining available supply.
- 6.4 The Employment Land Trajectory identifies a total potential employment land supply of 49.54 hectares over the Plan period to 2030 that is not subject to Gatwick Airport safeguarding.
- 6.5 Although there is no formal requirement to identify a 5-year supply of employment development land in local plans, given the limited land supply in Crawley it is important to understand how quickly the available pipeline of supply will be exhausted. For years 0-5 of the Plan, the trajectory (as of November 2014) identifies an available land supply of 44.13

²⁸ Employment Land Trajectory (CBC, November 2014) Core Documents Library Reference: LP064
Crawley Borough Council Local Plan 2015 – 2030
November 2014

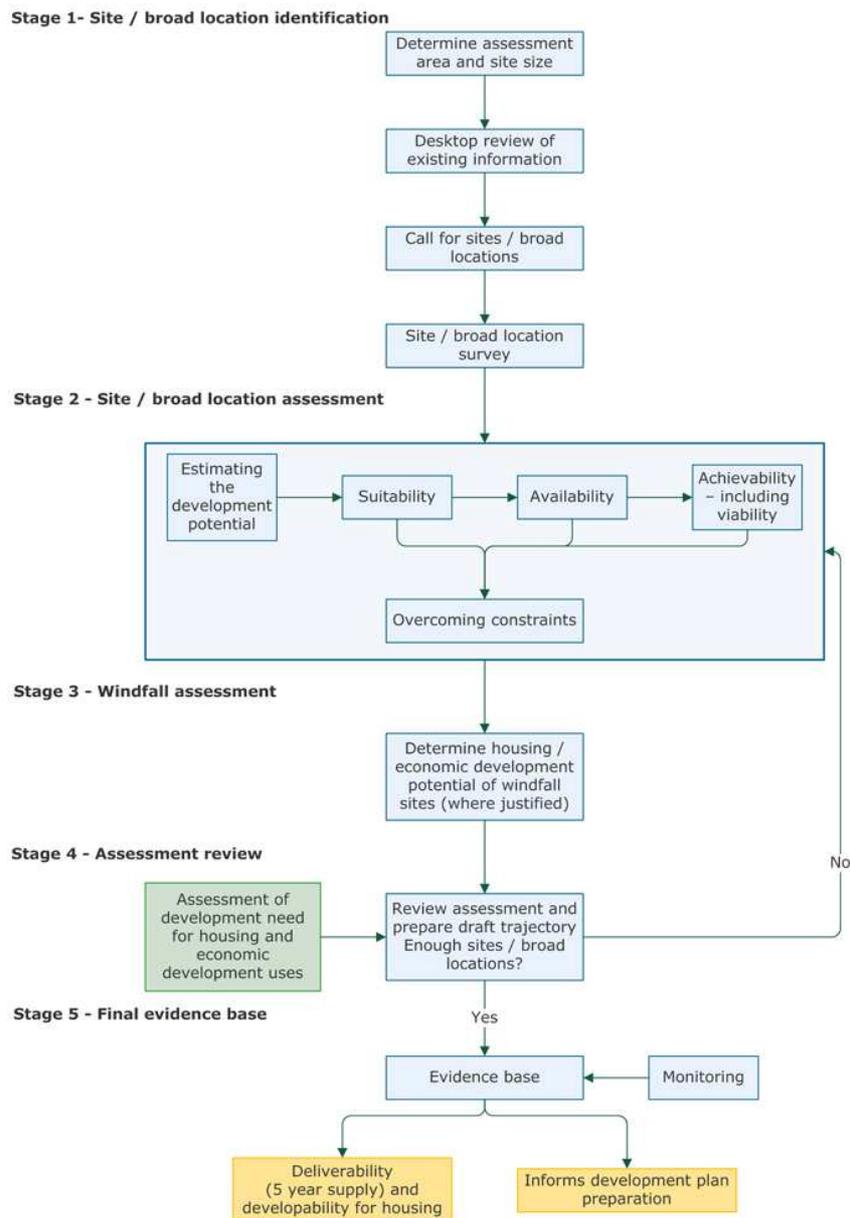
hectares. This reflects existing allocations; extant planning permissions; and positive pre-application discussions relating to the delivery of key Manor Royal sites.

- 6.6 As recognised within the PPG, the pipeline for site delivery inevitably becomes less certain for later years of the Plan period, reflecting uncertainty as to the future economic climate and uncertain status of Gatwick Airport safeguarding. For years 6-10 and 11-15, the Employment Land Trajectory identifies sites that have been promoted by developers through the Local Plan process, and areas within the wider Area of Search which are currently subject to Gatwick Safeguarding. This includes areas assessed as possible sites through the EGA. For the later years, although it is possible to identify sites and locations that may come forward, these may be subject to constraints, particularly in terms of uncertainty regarding a possible second runway at Gatwick Airport, and will need to be investigated further through the Local Plan, through the sequential approach identified by Policy EC1.

7.0 Conclusions

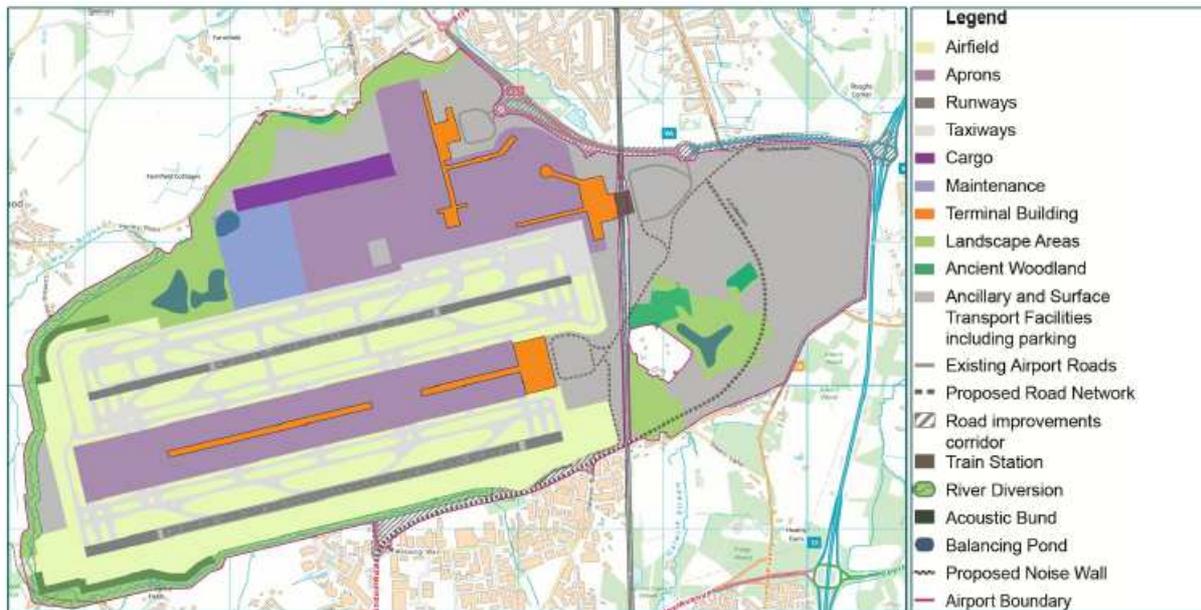
- 7.1 Through the policy approach established in the Local Plan Economic Growth chapter, the council is planning positively to delivery sustainable economic growth. The identified land availability constraints in Crawley present challenges in accommodating forecast demand for business and employment land, meaning that a clear economic strategy is needed to pro-actively plan for economic growth at Crawley, having regard to needs in the borough and its role at the heart of the wider Gatwick Diamond. This is achieved through a clear policy approach that recognises and positively promotes the established business function of Manor Royal, whilst enabling flexible economic growth within (and, where appropriate, beyond) identified Main Employment Areas.
- 7.2 The Local Plan applies a supply-based approach to accommodating business and employment needs over the Plan period. As established through the EGA and Employment Trajectory, based on existing take up there is sufficient available and developable land in Crawley's pipeline to accommodate need within the first five years of the Plan period. Beyond the early years of the Plan period, it will be necessary to identify additional employment land.
- 7.3 This is likely to be in the form of minor extensions to Manor Royal; although identified qualitative and quantitative need means that it will be necessary to identify a strategic employment location to accommodate demand later in the Plan period. The location of any future employment allocation will be subject to a final government decision on safeguarding and will need to be considered on a sequential basis: the first preference being to locate development in Crawley, then at Crawley/Gatwick (adjoining the borough), before considering locations elsewhere in the Heart of the Gatwick Diamond. It is recognised that if sufficient land cannot be identified to accommodate future business and employment needs, there is a risk that, not only Crawley, but also the wider Gatwick Diamond will miss out on investment. Therefore, continued joint working with the other Gatwick Diamond authorities through the Duty to Cooperate will continue to be vital.
- 7.4 The promotion of a strong and competitive Town Centre is also a key priority and Local Plan policies EC5 and EC6 put in place a flexible policy framework in positively promoting main town centre uses, whilst recognising the important role of residential development in adding to the vibrancy of the town centre. Through Policy EC7, the Local Plan follows the town centre first approach to direct retail and leisure proposals to the most central and sustainable locations, requiring sequential and impact testing, where appropriate, to ensure that non-central proposals do not undermine the function of Crawley town centre and support its continued vitality and viability.

APPENDIX A: PPG METHODOLOGY FLOW CHART FOR HOUSING AND ECONOMIC LAND AVAILABILITY ASSESSMENT



APPENDIX B: GATWICK AIRPORT RUNWAY OPTION SUBMISSION 2014

FIGURE 2: 2050 MASTER PLAN



Extract from: A Second Runway for Gatwick, Updated Scheme Design Submission, SD2, Airport Master Plan, Gatwick Airport Limited, May 2014

The documents which Gatwick submitted to the Airports Commission in May 2014 indicated that their proposal for a second runway would be able to deliver a throughput of 95 million passengers per annum by 2050. This is based on a separation between the two runways of 1,045 metres. The assessments carried out by Gatwick indicate that this would create an additional 22,000 direct and indirect jobs in the local area. It was also estimated that the expansion of the airport boundary to accommodate the second runway and its supporting facilities and infrastructure would involve the displacement of approximately 55 hectares of employment land by the proposed development. The proposed layout would affect existing employment land at Lowfield Heath, City Place and to the north of Manor Royal. The documents also indicated that the businesses affected could be accommodated within the land to the east of the railway.