

CRAWLEY BOROUGH LOCAL PLAN EXAMINATION

Crawley Borough Council Response to Inspector's
Matters, Issues and Questions

Matter 4: Economy, Employment and Retail
Issue 1: Objectively Assessed Employment Needs

February 2015



Issue 1: Whether the calculation of the full objectively assessed employment needs of the borough is sound, having regard to the evidence base.

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CBC/007 Matter 4: Economy, Employment and Retail; Issue 1: Objectively Assessed Employment Needs

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Issue 1: Whether the calculation of the full objectively assessed employment needs of the borough is sound, having regard to the evidence base.

4.1 Does the employment forecast and land requirement provide a robust and objective assessment of the full employment needs of the borough, having regard to its role in the sub-region? Is the substantial increase in jobs and land requirement between the 2009/10 forecasts justified by compelling evidence?

- 4.1.1 Since 2009, the council has worked with its neighbouring authorities (Horsham District Council and Mid Sussex District Council) to robustly consider objectively assessed economic needs across the northern West Sussex functional economic area. This work has included the 2009/2010 Northern West Sussex Employment Land Review Parts 1 and 2, and the more recent 2014 Northern West Sussex Economic Growth Assessment (EGA)¹. The EGA provides a full, robust and objective assessment of Crawley's employment needs and land requirements, having regard to the functional economic relationship between the northern West Sussex authorities, and the wider sub-regional role of Crawley as a central economic driver at the Heart of the Gatwick Diamond.
- 4.1.2 The 2009/10 economic forecasts of the ELR Parts 1² & 2³ are significantly lower than those of the EGA. This reflects the economic climate at the time of ELR preparation, which took place after the onset of recession, and was based on macro-economic assumptions at a time of rapid market downturn and severe recession including increasing unemployment. The 2009/10 figures, using Experian data from February 2009, therefore, reflect the weak and poor economic outlook at that time⁴.
- 4.1.3 In contrast, the 2014 EGA forecasts, based on May 2013 Experian data, indicate higher levels of growth. Reflecting the ongoing economic recovery from recession, it highlights growth based on assumptions about the way in which the national and regional economy is likely to perform. Given the increased growth identified, sensitivity testing of EGA scenarios has been undertaken as part of the study, including benchmarking against past trends, a recognised approach in objectively assessing employment requirements. This indicates that if past net floorspace completion rates were to continue over the period 2011-2031, the resultant land requirement would be equivalent to almost double the Baseline requirement⁵.
- 4.1.4 To ensure that up-to-date information is available to inform Examination discussion, NLP has prepared a 2015 EGA refresh. This builds on existing evidence, factoring the most recent (December 2014) Experian data in job growth figures. The work identifies an updated Baseline requirement for 15,160 workforce jobs over the Plan period 2015-2030 (1,011 per annum)⁶, equating to a revised land requirement of 57.9 ha⁷.

¹ LP062: Northern West Sussex Economic Growth Assessment (2014) NLP

² LP065: Northern West Sussex Employment Land Review Part 1 (2009) GL Hearn

³ LP066: Northern West Sussex Employment Land Review Part 2 (2010) GL Hearn

⁴ LP062: Northern West Sussex Economic Growth Assessment, Para 7.57 (2014) NLP

⁵ LP062: Northern West Sussex Economic Growth Assessment, Para 7.68 (2014) NLP

⁶ LP062b Economic Growth Assessment 2015 Update, Table 2.12, p19 (February 2015) NLP

⁷ LP062b Economic Growth Assessment 2015 Update, Table 2.10, p15 (February 2015) NLP

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- 4.1.5 Table 4.3 (Appendix A) sets out for comparison, job growth per annum forecasts based the Experian data that has informed the 2009/10 ELR (Experian data February 2009), 2014 EGA (May 2013), 2015 EGA Update (December 2014), in addition to benchmarking based on past employment trends. This shows that job growth per annum figures identified by the 2009/10 ELR are significantly lower than those based on more recent evidence. Further, the 2009/10 ELR figures are significantly lower than past per annum job growth achieved over the period 1997-2015. In this regard, the 2009/10 ELR figures may be viewed as an outlier, in that they are very much a reflection of the recessionary economic outlook at the time. In contrast, the 2015 EGA update identifies total workforce job growth of 1,011 jobs per annum, compared to a figure of 822 per annum in the 2014 EGA. This again serves to illustrate the continued economic recovery, building upon the growth assumptions made within the 2014 EGA.
- 4.1.6 Crawley is the leading economic driver in the Gatwick Diamond. It is recognised by the Local Enterprise Partnership⁸ as forming the Heart of the Gatwick Diamond, and by the Gatwick Diamond Initiative⁹ as the main sub-regional focus for future economic development, and both identify Crawley, which includes Manor Royal and Gatwick Airport, as a key destination for economic growth. This recognised key economic role and locational advantage help explain the resilience of Crawley's economy and how forecast growth rates have recovered quickly post-recession.
- 4.1.7 In addition to the planned Baseline growth scenario, the EGA develops more aspirational 'Higher Growth' and Potential Sites scenarios. As required by the NPPF¹⁰, these take account of specific high value growth areas identified by the LEP and Gatwick Diamond, including finance, machinery, telecoms, and transport¹¹. The alternative scenarios reflect an unconstrained growth position, which it is recognised cannot currently be delivered as a result of Crawley's constrained land supply. These are illustrative of potential growth that could theoretically be achieved were Crawley's land supply not constrained by Gatwick Airport expansion safeguarding¹², representing a barometer in contextualising the baseline growth figures.
- 4.1.8 The EGA growth figures are therefore considered to be robust, having been informed by national and sub-region economic indicators and detailed consideration of Crawley's role within the functional economic area as a key focus for economic growth. This sub-regional focus on economic growth at Crawley, coupled with the positive trend towards economic recovery at the national and regional level, provide justification for the EGA employment forecasts and land requirement figures. The updated 2015 EGA job growth figures provide further evidence of the trend towards economic recovery, whilst recent major planning approvals for specified occupiers,

⁸ LP046: Coast to Capital Local Enterprise Partnership Strategic Economic Plan, p46, 56-58 (March 2014)

⁹ LP048: Gatwick Diamond Local Strategic Statement, Para 4.5 (2011) Surrey County Council, West Sussex County Council, Crawley Borough Council, Horsham District Council, Mid Sussex District Council, Mole Valley District Council, Reigate and Banstead District Council

¹⁰ National Planning Policy Framework, Para 21, bullet point 3 (2012) DCLG

¹¹ LP062: Northern West Sussex Economic Growth Assessment, Table 7.3 (2014) NLP

¹² LP062: Northern West Sussex Economic Growth Assessment, Para 9.4 (2014) NLP

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particularly focussing on B1 development at key Manor Royal sites¹³, bear this out in the local context. Therefore, whilst the EGA job forecasts are significantly higher than those of the 2009/10 ELR, this is a reflection of the ongoing economic recovery and LEP, Gatwick Diamond and local authority expectations for Crawley's role within a strong and prosperous sub-region.

¹³ LP064b: Employment Land Trajectory, sites 4, 5, 6, 10, 11 (February 2015) CBC

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4.2 The projected growth in non B-class jobs is over twice that of B-class jobs – are there significant land supply implications, given the constraints on land in the borough? Is there sufficient suitable B-class employment land in Crawley to meet the identified need for strategic employment locations in the event that Gatwick airport safeguarding is lifted?

- 4.2.1 The 2014 EGA focuses on future job growth across all sectors, identifying a total baseline growth of 16,440 jobs, equating to 822 workforce jobs per annum¹⁴. This comprises 5,880 B-class business jobs and 10,520 jobs in other (non B-class) sectors. Key non B-class job growth sectors include land transport, storage and post (3,150 jobs), air transport (1,310), accommodation & food services (1,090), education (980) and retail (470)¹⁵. The 2015 EGA update identifies higher growth of 1,011 workforce jobs per annum¹⁶ across all sectors (Appendix A, Table 4.3). Recognising this, the Local Plan is pro-active in planning for growth across business and non-business sectors.
- 4.2.2 In assessing employment land take requirements for future growth, the EGA focuses specifically on the B1/B2/B8 business sectors. This reflects NPPF¹⁷ requirements to plan pro-actively to meet the development needs of business, and responds to market feedback that has emphasised the need to positively promote business in Crawley and the wider Gatwick Diamond. This feedback, including input from Coast to Capital LEP¹⁸, Gatwick Diamond Initiative¹⁹, Local Economy Action Group²⁰, and Manor Royal Business Group²¹ has been critical in shaping the evolution of the Local Plan economic approach from discussion of broad brush economic growth at Issues and Options²², to a specific business-led focus in the Submission Local Plan that responds to market demand and promotes sustainable economic growth.
- 4.2.3 The EGA does not explore land supply implications associated with non-B Use Class job growth. Given the varied range of employment typologies outside of the B-classes, and different land requirements associated with each, non-business job growth cannot readily be translated into an accurate land take requirement. As a result of these complexities, unlike the position for business growth, there is not an

¹⁴ LP062: Northern West Sussex Economic Growth Assessment, Table 7.17 p131 (2014) NLP

¹⁵ LP062: Northern West Sussex Economic Growth Assessment, Appendix 6 Experian Baseline Forecasts and Appendix 7 Definition of B-Class Sectors (April 2014), NLP

¹⁶ LP062b: Crawley Economic Growth Assessment Update, Table 2.12, p17 (2015) NLP.

¹⁷ National Planning Policy Framework, Para 20 (2012) DCLG

¹⁸ LP046: Coast to Capital Local Enterprise Partnership Strategic Economic Plan, Strategic Priority 2, Page 24; Chapter 4 (March 2014) Coast to Capital LEP

¹⁹ LP048: Gatwick Diamond Local Strategic Statement, Para 3.1 (2011) Surrey County Council, West Sussex County Council, Crawley Borough Council, Horsham District Council, Mid Sussex District Council, Mole Valley District Council, Reigate and Banstead District Council

²⁰ REP/014 Crawley Local Economy Action Group

²¹ REP/046 Manor Royal Business Group

²² LP028: The Crawley Borough Local Plan 2014-2019 Preferred Strategy Consultation Draft; Issues and Options Consultation – What You Told Us (p57) and Moving Forward – The Key Issues (p58) (2012) CBC

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agreed industry established standard for converting non-business job growth into a land take requirement.

- 4.2.4 However, it is recognised that non-business employment sectors represent a vital aspect of Crawley's economy, and this is reflected in the significant level of identified job growth. The Local Plan therefore applies a positive, pragmatic and flexible approach in planning to accommodate wider economic growth. This is reflected within the overarching Local Plan Vision²³ and Local Plan Economy chapter policies, which are clear in promoting sustainable economic growth for business and non-business sectors.
- 4.2.5 Policy EC2 allocates Main Employment Areas (MEA) across the town, including Manor Royal, Gatwick Airport, and Crawley town centre. Recognising the vital role of these locations as the key focus for all economic development, the MEAs represent a focus for flexible economic growth, including both business and non-business uses. Policy EC2 is clear in supporting the reuse and intensification of MEAs, and proposals for employment generating development will be supported in these locations.
- 4.2.6 Promotion of the wider economy is recognised by Policies EC5 and EC6 which acknowledge the vital function of the town centre and sustainable edge-of-sites, and actively promote a flexible range of main town centre uses in these locations. EC6 in particular identifies opportunity sites with significant potential for mixed-use development including employment generating town centre uses. Neighbourhood Centres (Policy EC8) are also identified as locations capable of supporting localised economic growth, whilst the rural economy is promoted through Policy EC9. Gatwick Airport (Policy GAT4) also represents a significant destination for economic growth, and these policies are not B-Class use restrictive.
- 4.2.7 Whilst Manor Royal (Policy EC3) is promoted for business, the policy recognises an identified lack of support facilities in the business district²⁴, which is discussed further under Matter 4, Issue 3²⁵. As such, the policy provides flexibility for other economic development opportunities beyond B-Class uses where it can be demonstrated that this supports the established business role and function of Manor Royal. It is therefore considered that whilst the Local Plan focuses upon business-led growth, it is also robust in planning positively and identifying locational opportunities for sustainable economic growth across all business sectors.
- 4.2.8 The 2014 EGA identified that a 77.2 hectares were required to accommodate baseline B-class job growth from 2011-2031. Given the severe land supply constraints faced by the borough, particularly in relation to the requirement to safeguard land for a possible second runway at Gatwick Airport and the necessity for housing provision, the Local Plan can only apply a supply-led approach to economic

²³ LP001: Crawley Submission Local Plan, Crawley 2030: A Vision, p12. (September 2014) CBC

²⁴ LP075: Manor Royal Master Plan, p6, Paras 2.12-2.15 (June 2010) GVA Grimley

²⁵ CBC/009: Crawley Borough Council Response to Inspector's Matters, Issues and Questions: Matter 4 Economy, Employment and Retail; Issue 3 Main Employment Areas and Gatwick Airport Paras 4.9.6-4.9.9 (2015) CBC

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growth. The 2014 EGA²⁶ identifies a land supply pipeline of 42 hectares, resulting in an unmet need of approximately 35 hectares business land.

- 4.2.9 As discussed at 4.1.6, the 2015 EGA update builds on the 2014 EGA to factor in the most recent (December 2014) Experian data in job growth figures. The 2015 EGA refresh identifies a Baseline requirement for 15,160 workforce jobs over the Plan period 2015-2030, representing a growth figure of 1,011 workforce jobs per annum²⁷, and equating to a revised business land requirement of 57.9ha²⁸. With the 2015 EGA refresh outlining an updated business land supply of 23.2ha²⁹, this continues to result in a supply position shortfall of 35ha.
- 4.2.10 The 2014 EGA identifies a clear quantitative and qualitative need for strategic employment location(s) (SEL) in Crawley³⁰ of circa 30-40 hectares in size³¹. This type of provision is recognised as important in accommodating Crawley's indigenous unmet business need, as well as supporting the role of the town as a sub-regional focus for business-led economic growth.
- 4.2.11 Accommodating SEL(s) in Crawley is the clear preference identified in the 2014 EGA³². It is considered that, subject to safeguarding, SEL(s) will be best accommodated within the borough to the north of Manor Royal and south or east of Gatwick Airport (identified as the Area of Search on the Local Plan Key Diagram³³). This location would enable an SEL(s) to complement the established business function of Manor Royal and maximise connections with Gatwick Airport and the highway network.
- 4.2.12 To ensure an up-to-date understanding of the business land supply position, the council has liaised with land owners, agents and other stakeholders through a call for sites (August 2014). This requested stakeholder feedback as to whether sites identified in the Employment Land Trajectory (ELT) were considered to be suitable, available, and achievable³⁴. Respondents were also invited to promote other land within Crawley that could be considered to accommodate future employment growth in the latter part of the Local Plan period.
- 4.2.13 The November 2014 ELT³⁵ (Appendix A, Table 4.1) identified a total potential business land supply of 185.9ha in Crawley. This included approximately 44ha land situated within the borough that is considered to be suitable, available, and achievable (Years 0-5), representing a slight increase from the 2014 EGA figure. Sites promoted beyond the built-up area boundary comprises approximately 5ha land

²⁶ LP062: Northern West Sussex Economic Growth Assessment, Para 9.12 (April 2014) NLP

²⁷ LP062b Economic Growth Assessment 2015 Update, Table 2.12 p19 (February 2015), NLP

²⁸ LP062b Economic Growth Assessment 2015 Update, Table 2.10 p15 (February 2015), NLP

²⁹ LP062b Economic Growth Assessment 2015 Update, Table 3.3 p23 (February 2015), NLP

³⁰ LP062 Northern West Sussex Economic Growth Assessment, Paras 9.21-9.23 (April 2014) NLP

³¹ LP062 Northern West Sussex Economic Growth Assessment, Para 7.20 (April 2014) NLP

³² LP062 Northern West Sussex Economic Growth Assessment, Paras 9.24-9.27 (April 2014) NLP

³³ LP001a Crawley Submission Modifications Draft Local Plan, Key Diagram, p12 (November 2014) CBC

³⁴ LP023: National Planning Practice Guidance: Housing and Economic Land Availability Assessment, Para 18 (2014) Department for Communities and Local Government.

³⁵ LP064: Crawley Borough Council Employment Land Trajectory (November 2014) CBC

that is not subject to safeguarding, and around 136ha that is subject to safeguarding, and is currently unavailable for development.

- 4.2.14 The February 2015 ELT³⁶ (Appendix A, Table 4.2 refers) provides an updated position, identifying a reduced total business land supply of 165ha. As key Manor Royal sites have been permitted and commenced/built out since publication of the November 2014 ELT, these are shown to have been removed in the February 2015 ELT land supply pipeline. The updated ELT therefore identifies a reduced land supply of 23ha land within the borough that is considered to be suitable, available, and achievable within Years 0-5 of the Plan, resulting in an employment land supply deficit of 35 hectares. The medium to longer term position is similar to the 2014 EGA, with around 5ha land situated in countryside unaffected by safeguarding, and 136ha subject to safeguarding and currently unavailable for development.
- 4.2.15 To respond to the updated land supply position evidenced by the February 2015 ELT, it is suggested that modification to Policy EC1 and its supporting Reasoned Justification is required. This represents changes in the land supply position that have taken place since publication of the November 2014 ELT, as a result of planning permission and development on site. Suggested further Policy modifications³⁷ are set out in Appendix B.
- 4.2.16 The November 2014 and February 2015 ELT identify a number of sites that are being promoted within the Area of Search, which could potentially accommodate a SEL(s) of circa 30-40 ha should safeguarding be lifted. These include possible locations at Gatwick Green (58.7ha, ELT Site 28); Land at Rowley Farm (45.7 ha, ELT Site 32); Land at Hydehurst & Windyridge Farms (11.6 ha, ELT Site 31); in addition to several smaller sites which are partially subject to safeguarding. The Local Plan is very clear that a government decision on the location of a second runway, and confirmation on the status of safeguarding, will trigger a Local Plan review, at which stage the development potential of these sites would be explored in full. Other sites within the Area of Search, which totals 523ha of land, may well also be promoted by landowners if safeguarding is lifted. However, it is clear that there would be sufficient land available for an SEL, without safeguarding.

³⁶ LP064b: Crawley Borough Council Employment Land Trajectory (February 2015) CBC

³⁷ LP001d: Schedule of Further Proposed Modifications to the Submission Local Plan (September 2014), MM071–MM077 (February 2015) CBC

4.3 Is the balance between the anticipated growth in jobs and the proposed scale of new housing consistent with the overall strategy for the borough and the sub-region? What are the consequences for patterns of commuting?

- 4.3.1 As discussed at 4.1.6, Crawley is firmly established as the lead economic driver in the sub-region. This is reflected in the Local Plan Vision³⁸ to support Crawley's economic role, encouraging the growth of existing and new business, and creating jobs for people living in and around the borough.
- 4.3.2 Crawley's key economic role means that the borough performs an important employment function, both for its residents, and also for people living outside the borough. The northern West Sussex functional economic area is a net importer of labour with an aggregate inflow of 58,000 workers and aggregate outflow of just under 49,000³⁹. Connectivity with surrounding areas is enhanced by the mainline railway and A23/M23 corridors linking to London and Brighton through the centre of the sub-region, and the M25 to the north.
- 4.3.3 As identified in the 2014 EGA, Crawley attracts significant daily commuting flows from both Horsham and Mid Sussex, amounting to nearly 15,000 people. There is also an important reverse flow from Crawley into both Mid Sussex and Horsham (2,000 workers approximately to each area) and between Mid Sussex and Horsham (between 1,500-1,700 workers in each direction)⁴⁰. This trend is further evidenced by 2011 census data⁴¹, which continues to identify significant inward commuting into Crawley (43,232), particularly from Horsham (6,159) and Mid Sussex (7,119). This illustrates the high degree of economic inter-relationship and dependence between the three authorities in the operation of the functional economic area.
- 4.3.4 The relationship between objectively assessed housing and employment need has been considered throughout the evolution of the Local Plan. The Locally Generated Housing Needs Assessment (LGHNA) undertook an assessment of housing need for the period 2010-2031, using Sub National Population Projections and 2008-based Household Estimates to determine the amount of housing required to meet different assumptions based on demographic change, migration, economic growth, commuting and affordable housing⁴². Of these, Scenario G (Hybrid Economic Growth + Strategic Employment Site)⁴³ aligned most similarly with recommendations of the Employment Land Review (ELR)⁴⁴, identifying that a provision of 350 dwellings per annum (dpa) would be needed to support economic growth. This figure was lower

³⁸ LP001: Crawley Submission Local Plan. Crawley 2030: A Vision p13 (September 2014) CBC

³⁹ LP062: Northern West Sussex Economic Growth Assessment, Para 2.15 (based on 2001 census data) (2014) NLP

⁴⁰ LP062: Northern West Sussex Economic Growth Assessment, Para 2.17 (based on 2001 census data) (2014) NLP

⁴¹ Commuting patterns in the United Kingdom, 2011 Census (2014) ONS

⁴² LP084 Locally Generated Housing Needs Assessment, Paras 3.6-3.19, Table 3.5 p44. (2011) NLP

⁴³ LP084 Locally Generated Housing Needs Assessment (2011) NLP

⁴⁴ LP065: Northern West Sussex Employment Land Review Part 1, Para 6.134 (2009) GL Hearn; LP066: Northern West Sussex Employment Land Review Part 2, Para 5.44 (2010) GL Hearn

than the Baseline demographic housing requirement of 542dpa, meaning that residential needs associated with economic growth could in principle be achieved by meeting the Baseline housing need. However, as a result of Crawley's constrained land supply position, the Preferred Strategy Local Plan only identified a housing target of 240dpa⁴⁵.

- 4.3.5 The 2014 EGA revisits the recommendations of the 2009 and 2010 ELR to identify updated economic growth forecasts for the northern West Sussex functional economic area, providing job growth figures at the Baseline level and higher growth scenarios. The EGA identifies qualitative and quantitative need for additional land to accommodate Crawley's economic growth needs, and highlights strong market demand from the business community for a Strategic Employment Location capable of accommodating unmet needs⁴⁶. At the Baseline level, the EGA identifies demand for 16,440 new jobs, equating to 77.2ha new business land. The higher growth scenarios identify a theoretical land take requirement, in an unconstrained land supply position, of 20,130 new jobs (87.6ha) for the Higher Growth scenario, and 22,440 new jobs (110.1ha) for the Potential Sites scenario⁴⁷. As the Local Plan applies a supply-led approach, CBLP Policy EC1 identified an available business-led employment land supply pipeline of 42ha. Compared to the Baseline requirement of 77.2ha, this equates to meeting approximately 55% of Crawley's objectively assessed economic need.
- 4.3.6 In 2013-14, an update to the housing need figures was undertaken by the council. This updated, with the more recent baseline data at that time, three scenarios comparable with those in the 2011 NLP study respectively: Demographic trends, Zero-Net Migration, and Employment Growth. The latter of these scenarios assumed a Gross Value Added (GVA) figure of 3%, which although not directly comparable to ELT Scenario G, represented the most appropriate and similar approach at the time, linking with the updated work on the EGA. This identified an increased Employment Growth led housing figure of 483dpa, and a Demographic Trends (Baseline) housing figure of 636dpa⁴⁸.
- 4.3.7 To ensure that Local Plan Examination discussion is informed by the most up-to-date position in relation to housing and economic growth needs, a 2015 EGA Update⁴⁹ and Objective Assessment of Crawley's Housing and Economic Needs (OACHEN)⁵⁰ has been prepared.
- 4.3.8 The 2015 EGA Update builds upon the 2014 study to factor in the most recent available Experian (December 2014) data into forecasts. The updated Baseline forecast for the 2015-2030 identifies a requirement for 15,160 workforce jobs (1,011

⁴⁵ Crawley Borough Council Local Plan 2014-2029 Preferred Strategy Consultation Draft, Objective 5, p29 (October 2012) CBC

⁴⁶ LP062: Northern West Sussex Economic Growth Assessment, Paras 9.21-9.23 (2014) NLP

⁴⁷ LP062: Northern West Sussex Economic Growth Assessment, Table 9.1, p150 (2014) NLP

⁴⁸ LP011: Topic Paper 2: Housing Needs. Table 3: 2014 Objectively Assessed Housing Need, First Model Run p11 (2014) CBC.

⁴⁹ Northern West Sussex Economic Growth Assessment 2015 Update (2015) NLP

⁵⁰ LP083: Objective Assessment of Crawley's Housing and Economic Needs (2015) Chilmark Consulting

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per annum), equating to 57.9 ha land⁵¹. This illustrates continued economic recovery and builds upon the growth assumptions made within the 2014 EGA. Based on the updated (February 2015) employment land supply of 23ha, Crawley is currently planning to meet around 40% of its objectively assessed economic need.

- 4.3.9 The OACHEN builds upon work undertaken to date, providing a review and update of objectively assessed housing and employment land needs over the Plan period 2015-2030. Taking account of more up-to-date SNPP Population Projections, and incorporating adjustments for market signals, affordability, household formation, vacancy rates and suppressed demand, the OACHEN identifies an increased demographic housing need requirement of 533dpa and an Objectively Assessed Housing Need (OAHN) requirement of 603dpa⁵². Factoring in the 2015 EGA job growth requirements, an Economic Housing Need of 432dpa is identified at the Baseline level. This continues to demonstrate that residential needs associated with economic growth are below those of the overall OAHN⁵³ (Table 4.1 refers). Nor do the projected housing needs associated with the Higher Growth (499dpa) and Site Capacity (597dpa) employment-led scenarios exceed the OAHN requirement identified through the demographic-led scenario (603dpa).

Table 4.1: Comparison of Objectively Assessed Housing and Economic Need (dpa)

	NLP 2011 LGHN	CBC 2013/14 Topic Paper 2	Chilmark 2015 OACHEN
Economic Housing Needs	350	483	432
Demographic-led Housing Needs	542	535	603 (OAHN)
Local Plan Housing Supply	Preferred Strategy 240	Submission (Sept) 326	Modifications (Nov) 334

- 4.3.10 Although the limited land supply necessitates a supply-led approach to accommodating housing and economic growth, further evidence and consultation led to an increased housing target of 334dpa in the CBLP Modifications Draft⁵⁴. Based on this, and the updated OAHN figure provided by the OACHEN, the CBLP is planning for approximately 55% of Crawley's objectively assessed housing need⁵⁵.

- 4.3.11 Through positive and effective cooperation with neighbouring authorities, unmet demographic housing needs (although not the full OAHN) are anticipated to be met

⁵¹ LP062b Economic Growth Assessment 2015 Update, Table 2.2 p6; Table 2.10 p14 (February 2015), NLP

⁵² LP083: Objective Assessment of Crawley's Housing and Economic Needs, para. 4.14; Table 5.1, p62 (2015) Chilmark Consulting

⁵³ LP083: Objective Assessment of Crawley's Housing and Economic Needs, para. 4.14; Table 5.1, p62 (2015) Chilmark Consulting

⁵⁴ LP001a: Crawley Submission Modifications Draft Local Plan, Para 6.38 (November 2014) CBC

⁵⁵ CBC/003: Crawley Borough Council Response to Inspector's Matters, Issues and Questions: Matter 3 Housing; Issue 1: Objectively Assessed Housing Needs, Appendix B (2015) CBC

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within the northern West Sussex Housing Market Area, as recognised in the Northern West Sussex Position Statement⁵⁶.

- 4.3.12 Established travel to work trends, discussed at paragraph 4.3.2, illustrate significant in-commuting into Crawley from outside the borough, predominantly from locations within the functional housing and economic area. It is recognised that Crawley performs a sub-regional economic role, and given the demonstrable inter-relationships across the Northern West Sussex functional economic area, Crawley's unmet housing need for delivering economic growth (which is below its demographic and OAHN) is anticipated to be accommodated through planned housing delivery outside of the borough⁵⁷, within the northern West Sussex housing market area, without stifling longer term economic growth. The CBLP, and those emerging from HDC and MSDC, are founded upon this inter-relationship continuing in the future Plan period⁵⁸. This will form part of the ongoing process of the council meeting its duty to cooperate.
- 4.3.13 Therefore, it is considered, having regard to the clear inter-relationship between the authorities within the functional economic area and housing market area, that the balance between anticipated job growth and proposed scale of new housing, is consistent with the overall strategy for the borough and sub-region.

⁵⁶ LP143: Northern West Sussex Authorities Position Statement, Table 1; Para 6.18-6.19 (Revised February 2015) CBC/001 Council's Response to Matter 1 Legal Compliance and Procedural Matters, Appendix D (2015) CBC.

⁵⁷ LP143: Northern West Sussex Authorities Position Statement, Table 1; Para 6.19 (Revised February 2015) CBC/001 Council's Response to Matter 1 Legal Compliance and Procedural Matters, Appendix D (2015) CBC.

⁵⁸ LP006: Crawley Submission Duty to Cooperate Statement (2014) CBC; LP014: Topic Paper 5: Unmet Needs (2014) CBC; LP001: Crawley Submission Local Plan, para. 2.4-2.7; 2.22-2.26; 5.13-5.15; 5.21-5.22; 6.40-6.41 (September 2014) CBC; LP143: Northern West Sussex Authorities Position Statement, para 6.18-6.22 (Revised February 2015); Horsham District Planning Framework, para. 6.6 (2014) HDC; Horsham District Planning Framework Inspector's Initial Findings, Paras 13–15 (December 2014) Inspector Geoff Salter; Mid Sussex District Plan Pre-Submission draft, 3.15-3.19; and 3.40 (2015) MSDC

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APPENDIX A: ECONOMIC GROWTH FORECASTS AND LAND SUPPLY POSITION

Table 4.1: Crawley Employment Land Trajectory November 2014 Extract⁵⁹

	Non Safeguarded	Safeguarded	Total
Land Supply Years 0-5	44.13	0	44.13
Land Supply Years 6-10	5.41	14.39	19.8
Land Supply Years 11-15	0	121.95	122
LAND SUPPLY 2015-2030	49.54	136.34	185.9

Table 4.2: Crawley Borough Council Employment Land Trajectory (February 2015)⁶⁰ Extract

	Non Safeguarded		Safeguarded		Total		
	Office	Industrial	Office	Industrial	Office	Industrial	
Land Supply Years 0-5	15.31	5.05	2.83	0	18.14	5.05	23.2
Land Supply Years 6-10	2.71	2.71	7.20	7.20	9.90	9.90	19.8
Land Supply Years 11-15	0	0	60.98	60.98	60.98	60.98	122.0
LAND SUPPLY 2015-2030	18.02	7.75	71.00	68.17	89.02	75.92	
	25.77		139.17		164.94		

Table 4.3: Employment Forecasts by Scenario

Time Period	Forecast Source	Employment Growth	
		Job Growth (All Sectors)	B Class
2006-2026 ⁶¹	Experian (Feb 2009)	5,900 (295 p.a)	n/a
2011-2031 ⁶²	Experian (May 2013)	16,440 (822 p.a)	5,880 (294 p.a)
2015-2030 ⁶³	Experian (Dec 2014)	15,160 (1,011 p.a)	3,720 (248 p.a)
1997-2015	Past Employment Trends (Experian Dec 2014)	17,856 (992 p.a) ⁶⁴	3,996 (222 p.a) ⁶⁵

⁵⁹ LP064: Crawley Employment Land Trajectory (2014) CBC

⁶⁰ LP064b: Crawley Employment Land Trajectory (February 2015) CBC

⁶¹ LP062: Northern West Sussex Economic Growth Assessment, Table 7.17 p131 (2014) NLP

⁶² LP062: Northern West Sussex Economic Growth Assessment, Table 7.17 p131 (2014) NLP

⁶³ LP062b: Crawley Economic Growth Assessment Update, Table 2.12, p17 (2015) NLP.

⁶⁴ LP062b: Crawley Economic Growth Assessment Update, Para 2.41, Fig 2.3, p15 (2015) NLP.

⁶⁵ LP062b: Crawley Economic Growth Assessment Update, Para 2.15, p7 (2015) NLP.

APPENDIX B: PROPOSED POLICY EC1 MAIN MODIFICATION

LOCAL PLAN MARKED-UP MODIFICATIONS EXTRACT:

- 5.10 The EGA identifies a future need for business floorspace equating to approximately 77ha, even at the baseline level, to be provided at Crawley, [with the 2015 EGA update revising this for the Plan period 2015-2030 to 57.9 hectares](#). This requirement significantly outstrips the available supply of employment land in Crawley, which is restricted by the compact, built-up nature of the borough, and areas of land constrained by airport safeguarding. Land supply is, therefore, a fundamental issue for Crawley, and represents a key constraint that the Local Plan must work within whilst planning positively for economic growth. The limited available land supply within Crawley presents difficulties in accommodating all of the town's needs, specifically in relation to housing, business and wider employment needs. The council must, therefore, through this Local Plan, ensure that a considered balance is struck to best accommodate all competing demands and land requirements.
- 5.11 The EGA [and the 2015 EGA](#) update recognises that despite a positive approach by the council to maximise the utilisation and intensification of existing sites within Crawley, only ~~42~~ [23](#) hectares of business land can be delivered through the existing available land supply. This could leave a shortfall in business land provision of approximately 35 hectares.
- 5.12 For this reason, the EGA recommends that Crawley should consolidate its existing hierarchy of Main Employment Areas, protecting these sites for economic development purposes. However, the significant 35 hectare shortfall in land supply results in an unmet demand for business floorspace. Given the scale of unmet business floorspace need, the council will need to assess the suitability for, and implications of, new business locations within, and, if necessary, beyond, the borough boundary during the Plan period to 2030.
- 5.13 The economic land supply trajectory reflects the limited availability of land for future strategic employment provision, ~~which is currently constrained by airport safeguarding~~. As recognised by the EGA, there is a risk that strategic growth of the wider Gatwick Diamond could be constrained if additional land cannot be identified at the Heart of the Gatwick Diamond.

Policy EC1: Sustainable Economic Growth

Crawley's role as the key economic driver for the Gatwick Diamond will be protected and enhanced. The council will ensure that all suitable opportunities within the borough are fully explored to enable existing and new businesses to grow and prosper.

To ensure that Crawley's recognised economic role and function is maintained and enhanced the council will:

- i) Build upon and protect the established role of Manor Royal as the key business location (B Use Classes²⁸) for Crawley at the heart of the Gatwick Diamond; and
- ii) Ensure that the town's Main Employment Areas are the focus for sustainable economic growth.

Opportunities for approximately ~~42~~ [23](#)ha of employment land ~~have been~~ [are](#) identified within [the borough](#) ~~these areas~~, meeting short-term economic growth needs for the town over the early part of the Plan period. As a minimum, an

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additional 35ha of land for business uses is required in order to secure future economic growth at Crawley.

To achieve this, minor extensions in proximity to Manor Royal may be appropriate, but it is recognised that the majority of land required will necessitate the identification of new strategic employment location(s) within the Plan period. Any strategic employment location(s) will be of a scale and function that helps meet identified quantitative and qualitative needs for business development and will complement the established role of Manor Royal as a strong and competitive business district.

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

Reasoned Justification

- 5.16 *Policy EC1 recognises the key sub-regional employment function which Crawley provides within the Gatwick Diamond. It encourages sustainable economic growth by supporting the retention of employment uses in the existing main employment areas. The Economic Growth Assessment has played a key role in understanding qualitative and quantitative economic growth needs within Crawley and the Gatwick Diamond. The work recognises that Crawley is well placed to recover from the recession, and that the town should continue to operate as the leading location for new employment.*
- 5.17 *The EGA focuses on future job creation and land take requirements within the sectors of B1 business (office, research and development, light industry), B2 (general industrial) and B8 storage or distribution (wholesale warehouses, distribution centres). Other employment uses beyond B Classes vary more significantly in terms of range, employment density and operational requirements. As such, the EGA has not factored job creation within the wider category of economic development into a formal land take, which is captured through other work including the Retail Capacity and Impact Study. Therefore, with Manor Royal identified as the focus for business-led development, non B-class economic development will be directed to other Main Employment Areas in Crawley, including the town centre.*
- 5.18 *The [2014](#) Assessment outlines that there is a baseline demand for growth in employment by a further 16,500 jobs up until 2031, including a requirement for a minimum of 77.2 hectares of additional land to accommodate Business use demands (B Class Uses) during the ~~Plan~~ period [2011-2031](#). This reflects the approach of the NPPF²⁹ in pro-actively planning to meet the development needs of business, whilst delivering the identified baseline land requirement represents a positive and sustainable approach in planning for economic growth. [The 2015 EGA update, based on refreshed Experian forecasts, outlines that, for the Plan period 2015-2030, 57.9 hectares is required for non-B use class development.](#)*

²⁸ B1 (Business), B2 (General Industry), B8 (Storage or Distribution) as identified by the Town and Country Planning (Use Classes) Order 1987 (as amended)

²⁹ Paragraph 20, National Planning Policy Framework, Department for Communities and Local Government (2012)

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- 5.19 *It is, however, recognised that Crawley's limited available land supply presents challenges in delivering the required level of business floorspace. For this reason, a supply-led approach is taken by the Local Plan in planning for business-focused employment need³⁰. There is an available land supply of ~~42~~ 23 ha (as set out in the [Crawley Employment Land Trajectory, February 2015 EGA](#)) comprising existing development commitments and land intensification opportunities. It is forecast this will meet business growth needs for the short term. However, the demand for land to accommodate business uses in the longer term is significantly higher than the amount of land which is or could be made available from within the existing employment areas. In recognition of this and in light of Manor Royal's key role as a business location within Crawley and the Gatwick Diamond, Policy EC1 seeks to protect land and premises within Manor Royal for business uses, ~~and e~~ Other forms of economic development will be permitted only where they are specifically designed to support and enhance the ~~Business District's~~ overarching business role of Manor Royal. Wider employment growth outside of the B Use Classes is also directed to and encouraged within the other Main Employment Areas.*
- 5.20 *It is estimated that, even allowing for the intensification and retention of land and buildings for employment uses within the Main Employment Areas, there will remain an outstanding need for at least a further 35 hectares of land just to meet the baseline demand of ~~77.2~~ 57.9 hectares of land for business class uses. The council considers that, in order to respond to this demand and to the potential for growth beyond this level, further strategic employment development ~~may~~ will be needed in the medium to long term. It is 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 Report.*
- 5.21 *In order to retain Crawley's role as the key economic driver in the sub-region, it is vital that the Local Plan fully explores opportunities to accommodate sustainable economic growth in Crawley. Therefore, an Area of Search is identified on the Key Diagram. This area reflects evidence that the preferred location for any additional employment land, given the scale and quality required, would most likely be in the form of a Strategic Employment Location or Locations to the north of Manor Royal and south east of Gatwick Airport, particularly because this area ~~cannot accommodate housing development because of aircraft noise~~ is sustainably located adjacent to Manor Royal, Gatwick Airport and existing transport links. The location(s) would complement Manor Royal and build upon its existing scale and function, and represent a sustainable use of land. It is also recognised that housing is unlikely to be appropriate in this area as a result of aircraft noise. However, this area is currently constrained by safeguarding for a possible new runway at Gatwick, so Policy EC1 sets out a commitment to assess opportunities in this area once the government has determined its approach towards future runway capacity in the UK.*
- 5.22 *If, following a decision on the location of additional runway capacity in the UK, the current area of safeguarded land is retained and employment needs cannot be accommodated within Crawley, then the council will continue to work alongside the Gatwick Diamond Local Authorities and other stakeholders to investigate the scope and implications of additional employment land coming forward during the Plan period in the areas adjoining Crawley/Gatwick in a manner that supports and complements its role as the key economic focus for the wider sub-region. If needs cannot be met on land within Crawley, or at the periphery of Crawley/Gatwick, the council will work with the Gatwick Diamond local authorities to investigate the most appropriate locations*

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near Crawley/Gatwick to accommodate any outstanding employment needs near Crawley, complementing the role and function of the town within the sub-region.

³⁰ As required by Planning Practice Guidance (2014) the council has prepared an employment land trajectory, which will be updated annually and published alongside the Authority's Monitoring Report.