

EXECUTIVE SUMMARY

BACKGROUND

In January 2005, Arun and Chichester District Councils commissioned Atkins to undertake an assessment of employment needs and floorspace requirements to 2017. The need arises from a range of recent national policy initiatives including PPG3 (Housing), paragraph 42(a), PPS7 (Sustainable Development in Rural Areas) and PPG4 (Industrial, Commercial Development and Small Firms).

Recent policy highlights that local authorities should undertake local needs assessments in order to establish the quantity, quality and type of employment facilities required to meet future needs in their areas. National guidance is reinforced by Regional Planning Guidance (RPG9), the draft South East Plan and the West Sussex Structure Plan.

In addition, recent advice produced by the ODPM has provided detailed guidance on the approach which should be adopted by local authorities in conducting their employment land reviews. This study has been conducted in accordance with the ODPM guidance.

Purpose of the Study

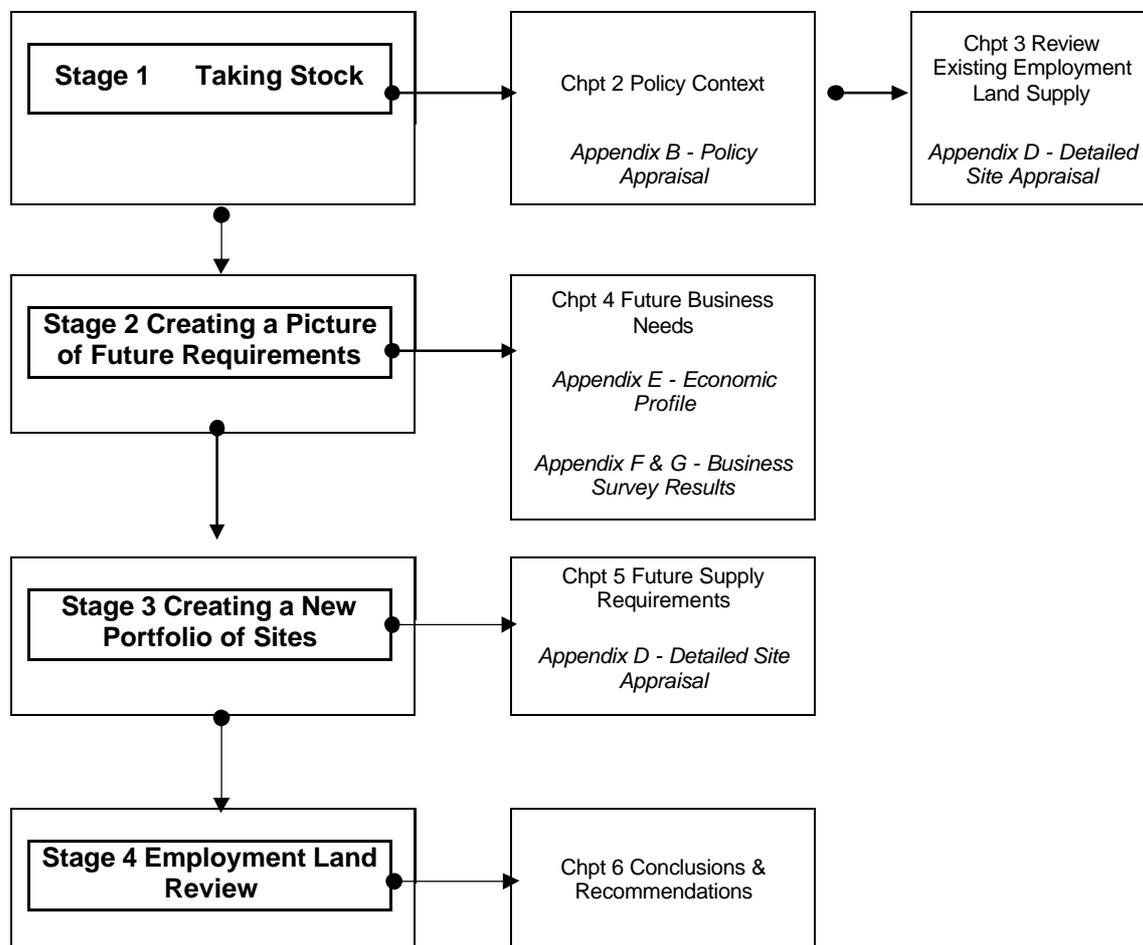
The objectives of the study were to:

- assess the suitability of existing employment land supply to meet Structure Plan requirements having regard to both quantitative and qualitative factors;
- define need and identify key gaps in provision having regard to spatial distribution, site size, use class, accessibility, market realism, regeneration and sustainability;
- assess the economic characteristics of the two districts and identify key constraints and opportunities;
- identify inward investment opportunities and highlight the role of employment land policies in providing for site and premises requirements;

- develop suitable criteria to guide employment development activities in rural areas (as required by emerging PPS7); and
- review the appropriateness of existing employment allocations for development of alternative uses including housing (using a criteria-based approach as required by the revision to PPG3).

The figure below summarises the research process which shaped the study.

Summary of Research Process



POLICY CONTEXT

National policy guidance requires local authorities to undertake an assessment of existing and allocated employment land sites. The aim of the assessments is to promote positive planning, ensure that existing and allocated sites are suitable for employment use, and where not suitable, to highlight options for transfer to other uses.

LDDs should identify potential sites in rural areas suitable for economic development where there is a need for employment creation and economic regeneration. Local authorities should set out the criteria for permitting economic development in rural areas.

The draft South East Plan, West Sussex Structure Plan and the Area Investment Framework highlight the importance of regenerating the coastal West Sussex area (including meeting the needs of rural communities).

The Structure Plan identifies land north of Bognor Regis, Chichester City and land to the west of the River Arun as Strategic Locations (for employment and residential uses). However, the release of these sites for development is dependent on significant investment in infrastructure.

Policy NE1 of the Structure Plan indicates that the gross requirement for employment floorspace (B use-class) in Arun and Chichester Districts is approximately 240,000 sq. m. and 210,000 sq. m. respectively (to 2016). Taking into consideration recent completions and existing commitments, the balance of provision required is approximately 53,770 sq. m. and -22,799 sq. m. respectively. However, the quantitative guidelines do not take account of major constraints to the availability and development of some key sites. It is highlighted that Policy NE1 should not be applied in an overly prescriptive manner.

FUTURE BUSINESS NEEDS

Compared to our economic forecasts and results of the empirical business survey, we consider that, for Arun District, the gross Structure Plan requirements identified in Policy NE1 are considered to provide a reasonable but conservative estimate of future B use class requirements. For Chichester District, our findings indicate that Structure Plan targets may underestimate business requirements.

Overall, we recommend that Policy NE1 is not implemented in an overly prescriptive manner. Indeed, we consider that the Structure Plan requirement should be regarded as a minimum estimate of future need. Policy NE1 should not become a constraint to the promotion of economic development where the provision of improved job opportunities is considered to be a fundamental objective of the LDF. Rigid interpretation of the Structure Plan requirements may in some circumstances limit opportunities to:

- maximise the scope for economic diversification;
- attracting significant inward investment;
- provide sufficient scope for ensuring an adequate range of sites and premises in terms of type, size and location. This should include an allowance for relocation demand arising from sites or premises being unsuitable for current and/or future operations; and
- ensure that sufficient emphasis is placed on employment generation to facilitate a better balance between locally available jobs and housing, and counter forces of a diminishing working age population.

These potential limitations relate both to quantitative and qualitative factors: In quantitative terms, strict adherence to a reasonably conservative estimate of future floorspace needs may result in a significant proportion of good employment sites and premises being taken up during the short and medium term of the LDF. Evidence from the County Councils employment land monitoring system (CIDs) indicates that this is already the case in Chichester District. Indeed, Table 2.2 (Section 2 of this report) shows that at 01/01/04, nearly 50% (over 100,000 sq. m.) of the Policy NE1 requirement for the District had already been built (in the three periods since 2001). This implies that supply will be quickly outstretched by demand well before the end of the Structure Plan period.

A lack of choice in terms of size, location and type of employment sites may frustrate the expansion of local firms and deter inward investment. A rigid quantitative approach runs the risk of being unable to provide for the bespoke needs of inward investors, particularly those requiring medium to large premises.

Reflecting on the various strands of our demand side analysis (Section 4), we conclude that the Policy NE1 requirements should be regarded as minimum

guidelines. For the period 2001-2017, we consider that the LDFs should include sufficient flexibility to provide for gross development needs of up to:

- 335,000 sq. m. in Arun District, of which approximately 20%¹ should be identified as long-term reserve land for release towards the end of the Structure Plan period, subject to monitoring; and
- 375,000 sq. m. in Chichester District, of which approximately 20%² should be identified as long-term reserve land for release towards the end of the Structure Plan period, subject to monitoring.

Bearing in mind the limitations of using a quantitatively led policy approach, it is of critical importance for the LDF to ensure that employment land provision is of sufficient quality in terms of size, type and location. Moreover, critical to the qualitative argument is the need for allocated sites not to be overly constrained in ways which will thwart the reality of delivering development schemes. Our assessment of key employment allocations has shown that a number of significant sites are unsuitable to meet the short or medium term needs of businesses in both Districts. Whilst such sites may provide longer-term opportunities, we consider that other options should be identified to replace these significantly constrained or unsuitable sites. Consequently, we consider that a number of existing commitments should not be included in the LDFs and that additional, 'fresh' sites should be identified. This issue is discussed below.

MEETING THE NEEDS

Based on our assessment of the existing supply of employment sites currently identified as commitments in the WSCC CIDs monitoring system, we consider that a number of sites should not be identified as part of the portfolios to be included in the LDFs. These sites are identified in Table D-12 of Appendix D.

Consequently, in meeting the basic Structure Plan requirement (Policy NE1), we recommend that a number of new sites are brought forward within each District to make up the shortfall for removing the above sites from the portfolio. These should be selected from the shortlist of sites identified in Table D-12 of Appendix D.

¹ This figure of 20% is intended as a guideline, reflecting the need to phase land being brought to the market and to prioritise sites that have fewer constraints.

² As above.

The table below summarises the gross and net employment land requirements which we consider should be identified in the LDFs if our upper level estimates of business need is to be met in the period 2001-2017. Gross requirements represent the total amount of floorspace / land that is needed to meet potential needs including:

- completions recorded since 2001;
- existing commitments / Local Plan allocations which are been assessed as being suitable and required for employment use up to 2017; and
- new sites that still need to be allocated in order to provide for requirements not met by the above.

Net requirements refer only to the latter element of need (ie. new sites to be allocated in addition to suitable commitments and completions since 2001).

Employment Land Requirements by Use Class 2001-2017 (Atkins Estimates)

Requirements	Arun		Chichester	
	Floorspace (Sq. m)	Land (ha)	Floorspace (Sq. m)	Land (ha)
GROSS REQUIREMENTS	335,000	71.2	375,000	69.0
<i>Net Requirements to Meet Structure Plan Policy NE1</i>				
B1a	37843	3.78	24917	2.49
B1c, B2, B8	113530	28.38	31712	7.93
Sub Total	151373	32.17	56629	10.42
<i>Potential Area required to meet upper level requirements (additional to Structure Plan NE1)</i>				
B1a	23750	2.38	72600	7.26
B1c, B2, B8	71250	17.81	92400	23.10
Sub Total	95000	20.19	165000	30.36
Total Net Requirements to be identified	246373	52.35	221629	40.78

Site Options

Adopting a criteria based evaluation approach, we have assessment a long-list of potential sites in terms of their suitability to meet the net requirements set out in the

table below. A summary of the evaluation matrix is provided in Table D-10 whilst the short-list of site priority options are provided in Table D-12 (Appendix D).