

# Assessment of Employment Needs and Land Use Requirements

## Final Report September 2005

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## **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**

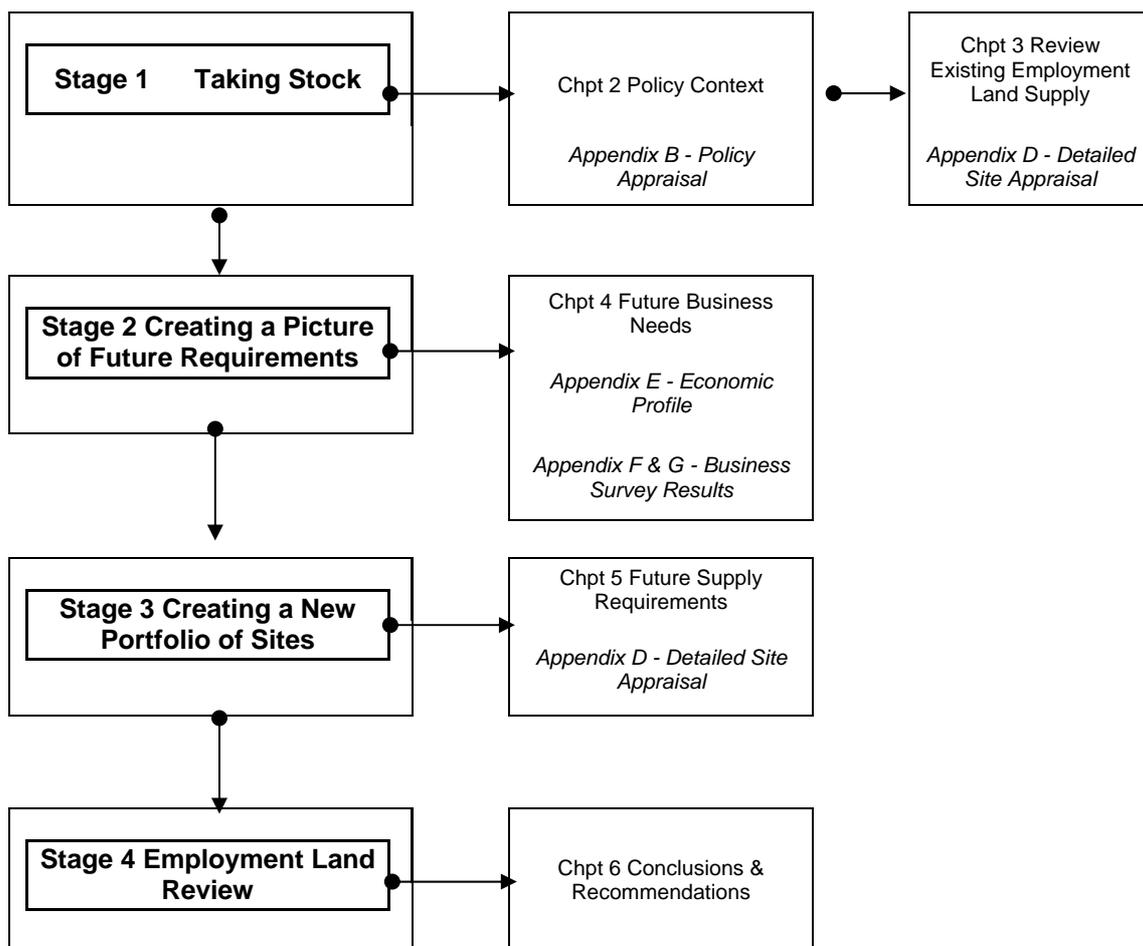
The objectives of the study were to:

- 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%<sup>1</sup> 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%<sup>2</sup> 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.

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<sup>1</sup> 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.

<sup>2</sup> 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)
<b>GROSS REQUIREMENTS</b>	<b>335,000</b>	<b>71.2</b>	<b>375,000</b>	<b>69.0</b>
<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
<b>Sub Total</b>	<b>151373</b>	<b>32.17</b>	<b>56629</b>	<b>10.42</b>
<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
<b>Sub Total</b>	<b>95000</b>	<b>20.19</b>	<b>165000</b>	<b>30.36</b>
<b>Total Net Requirements to be identified</b>	<b>246373</b>	<b>52.35</b>	<b>221629</b>	<b>40.78</b>

#### 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).



## **1. INTRODUCTION**

### **BACKGROUND**

- 1.1 In January 2005, Arun and Chichester District Councils commissioned Atkins to undertake an assessment of employment needs and floorspace requirements to 2017. The need for the study arises from national policy guidance. In particular PPG3 (Housing), PPS7 (Sustainable Development in Rural Areas) and PPG4 (Industrial, Commercial Development and Small Firms) highlight 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.
- 1.2 Recent guidance produced by the ODPM has provided detailed advice on the approach which should be adopted by local authorities in conducting their employment land reviews. Fundamental to the guidance is the need for local planning authorities to ensure that policies:
- provide for a sufficient supply of land of appropriate quality to meet the varied needs of businesses throughout the plan period;
  - protect suitable existing employment land and premises which are required by the market in the short and long term;
  - where appropriate, identify new employment allocations if the current stock of land and premises falls short of meeting future needs (in quantitative and qualitative terms); and
  - where appropriate, facilitate the transfer of existing employment sites and allocations to alternative uses if they are unsuitable for employment use and/or are genuinely surplus to requirements.

- 1.3 Consequently, the primary purpose of this study is to provide a robust evidence base for development employment land and related policies in the Districts' emerging Local Development Documents (LDDs). These will eventually replace the existing Local Plans. The assessments undertaken as part of this study are fully consistent with the ODPM's guidance notes.

#### **OBJECTIVES OF THE STUDY**

- 1.4 The core objectives of the study are 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).

#### **SPATIAL AREAS**

- 1.5 An important requirement of the brief was to assess both demand and supply factors having regard to the following key sub-areas within the districts:

*Arun*

- Coastal Towns (Littlehampton & Bognor Regis);
- Remainder of District (rural).

*Chichester*

- North of the District (rural);
- Chichester City and Tangmere;
- South of the A27.

1.6 The composition of each sub-area by ward is set out in Appendix A.

**STRUCTURE OF REPORT**

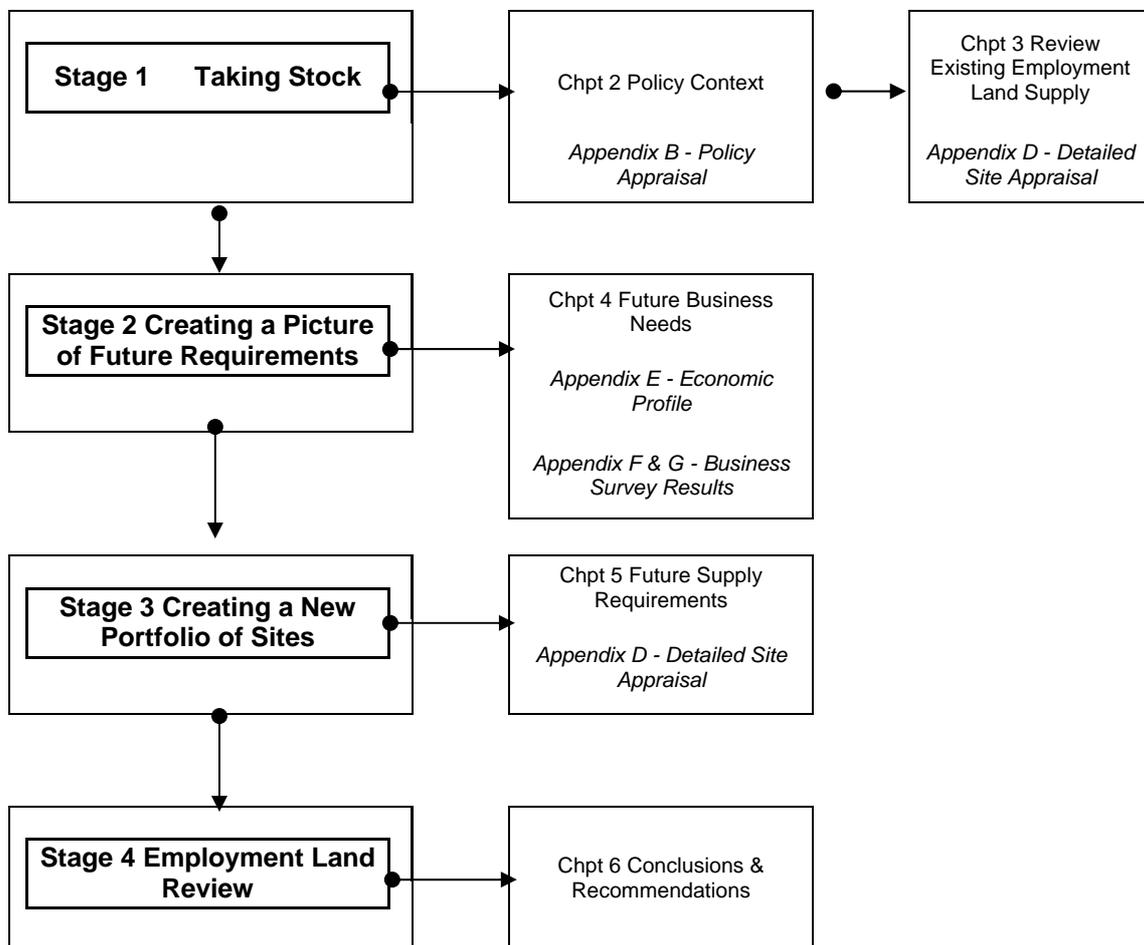
1.7 The main findings of our research are set out in this report. This is supplemented by series of detailed appendices which are provided in a separate document. Figure 1.1 provides a flow diagram which summarises the research process and linkages between key outputs.

1.8 This report is structured as follows:

- Section 2 summarises the key national, regional and local policy context of relevance to the study. Appendix B provides the detailed assessment of these policies and strategies;
- Section 3 provides a review of existing employment land supply in Arun and Chichester Districts. The detailed site survey results are contained in Appendix D;
- Section 4 sets out our assessment of future needs for employment land and premises in the districts. This provides a summary of our detailed analyses which includes:
  - a) an economic profile and appraisal of the two districts and sub-areas (Appendix E); and

- b) results of a statistically significant survey of 1,000 established businesses in Arun and Chichester Districts (Appendix F and G);
- Section 5 addresses the future supply requirements to meet anticipated demand (Appendix C sets out site appraisal details);
- Section 6 provides our conclusions and policy recommendations to inform the emerging Local Development Documents in both districts.

**Figure 1.1 - Summary of Research Process**



## **2. POLICY CONTEXT**

### **INTRODUCTION**

2.1 This section provides a summary of the key issues arising from our appraisal of planning and economic development policies and strategies relevant to this study. Appendix B sets out our detailed appraisal of the policy context.

2.2 The primary purpose of this section is to identify and examine the main strategic policy drivers which:

- determine the requirement for local authorities to assess employment land and premises needs in urban and rural areas;
- define the regional and sub-regional objectives to which Arun and Chichester District Councils should contribute in the development of their emerging employment land policies; and
- highlight the key local economic, social and regeneration objectives and initiatives which should be complemented by emerging employment land policies.

### **NATIONAL POLICY**

#### **Assessment of Employment Land**

2.3 In January 2005, the ODPM introduced new paragraph 42(a) to PPG3. It highlights that local planning authorities should consider favourably planning applications for housing or mixed use developments which concern land allocated for industrial or commercial use unless:

*'it can be demonstrated, preferably through an up-to-date review of employment land, that there is a realistic prospect of the allocation being taken up for its stated use in the plan period...'*

- 2.4 Clearly, the amendment to PPG3 highlights the importance of undertaking robust employment land assessments to ensure that land allocated for employment is suitable for this use. For sites where this is not the case, consideration should be given to the potential for transfer to other uses, particularly residential and mixed use development. Accordingly, this report provides a comprehensive assessment of key employment allocations in Arun and Chichester Districts.
- 2.5 Other emerging planning policy guidance highlights the need for positive planning for economic development. For example, research conducted on behalf of the ODPM<sup>3</sup> identified the importance of:
- Ensuring better integration between the planning system and wider economic strategies, programmes and initiatives;
  - Local authorities undertaking regular reviews of demand for and supply of employment land sites and allocations (in accordance with PPG3 para 42(a));
  - Adopting a robust criteria-based approach to support policies aimed at safeguarding employment land; and
  - Where appropriate, identify sites for specific activities and types of organisations (e.g. small firms) where this is consistent with economic and regeneration priorities for the area.
- 2.6 Building on the recommendations of the above research, the ODPM recently has issued guidance notes on methods for undertaking employment land reviews<sup>4</sup>. The guide is particularly aimed at helping authorities assess the suitability of sites for employment development, safeguarding the best sites in the face of competition from other higher value uses and help identify those which are no longer suitable for employment development which should be made available for other uses.

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<sup>3</sup> Planning for Economic Development (ODPM, 2004).

<sup>4</sup> Employment Land Review: Guidance Notes (ODPM, 2004)

2.7 The guide identifies a three step process in undertaking employment land reviews:

- Stage 1 – Taking stock of the existing situation, including an initial assessment of ‘fitness for purpose’ of existing allocated employment sites;
- Stage 2 – Creating a picture of future requirements by using a variety of means to assess the scale and nature of likely demand for employment land and the available supply in quantitative terms<sup>5</sup>;
- Stage 3 – Identifying a ‘new’ portfolio of sites through a more detailed review of site supply and quality and identify and designate specific new employment sites in order to create a balanced local employment land portfolio.

2.8 Appendix B provides a comprehensive summary of each stage for conducting employment land reviews. The methodology adopted for this project is consistent with the guidance notes.

### **Development in Rural Areas**

2.9 With regard to development in rural areas, PPS7 (Sustainable Development in Rural Areas, ODPM, 2004) highlights that planning authorities should focus new development in or near to local service centres where employment, housing, services and other facilities can be provided close together. However, it goes on to emphasise that:

*‘Planning authorities should set out in LDDs their policies for allowing some limited development in, or next to, rural settlements that are not designated as local service centres, in order to meet local business and community needs and to maintain the vitality of these communities. In particular, authorities should be supportive of small-scale development of this nature where it provides the most sustainable option in villages that are remote from, and have poor public transport link with, service centres’.*

2.10 In meeting the economic needs of rural areas, PPS7 states that local planning authorities should:

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<sup>5</sup> Assessment methods identified include economic forecasting, consideration of recent trends and/or assessment of local property market conditions).

- (i) identify in LDDs suitable sites for future economic development, particularly in those rural areas where there is a need for employment creation and economic regeneration;
- (ii) set out in LDDs their criteria for permitting economic development in different locations, including the future expansion of business premises, to facilitate healthy and diverse economic activity in rural areas.

2.11 In accordance with the project brief for this study, recommendation for the criteria to be developed by Arun and Chichester Councils are provided in Section 6 of this report.

## **REGIONAL AND SUB-REGIONAL POLICY**

### **Regional Economic Strategy**

2.12 SEEDA's Regional Economic Strategy (RES) provides the framework for delivery of the region's economic development and regeneration initiatives in the South East.

2.13 Central to the RES is the promotion of the concept of 'Smart Growth.' This aims to maximise the benefit gained from scarce resources by focusing on growth that can be driven by productivity gains rather than labour intensive and low value added activity.

2.14 The RES states that the route to improving long term performance lies in raising productivity. The key drivers of productivity are identified as: skills; investment (in people, research and development, land and premises, capital equipment and infrastructure); enterprise; and competition.

2.15 Under the theme of Competitive Businesses, the strategy advocates a targeted approach to the promotion and development of key sectors. These are highlighted in Appendix B.

### **Draft South East Plan**

2.16 The consultation draft of The South East Plan was issued in January 2005. Policy RE1 highlights that LDDs will allocate employment land to provide a

range of sites and premises to meet the needs of new business start-ups, growing businesses and inward investors.

2.17 The policy states that rural diversification should be supported in towns or villages or on farm sites where applications show positive benefits, based on clearly defined criteria and evidence-based assessments.

2.18 Policy RE2 indicates that local authorities should promote regionally significant and locally important sectors and clusters as they evolve.

2.19 Policy RE3 makes provision for ensuring an adequate supply of employment land is available in all areas to promote continued sustainable growth and diversity of the regional economy. It states that:

*'Development plans should resist the loss of existing suitably located industrial and commercial sites to other uses where it is justified by local economic and employment evidence in areas where there is a need to protect the existing stock of premises and reduce the extent of new land allocations'.*

2.20 The draft South East Plan includes a sub-regional spatial strategy for the Sussex Coast. Policy SCT2 indicates that increased priority should be given to investment decisions which:

- enable the economic regeneration of areas in greatest need;
- improve east-west transport links; and
- maintain and/or improve north-south links.

### **West Sussex Structure Plan 2001-2016**

2.21 The County's development strategy focuses on three key elements:

- (i) *Regenerating the Coast;*
- (ii) *Support the encourage appropriate economic growth in the rest of West Sussex;*

- (iii) *Meet the local needs of rural communities* by bringing jobs, homes, facilities and services within closer reach and supporting existing facilities and services.

#### *Strategic Locations (LOC 1)*

2.22 The Structure Plan highlights that approximately 8,250 new homes will have to be built on 'fresh' greenfield sites (i.e. sites not already committed for development). These are to be located in a limited number of new integrated developments known as Strategic Locations. Within Arun and Chichester Districts, the following Strategic Locations have been identified in the Structure Plan:

- north of Bognor Regis (Bersted/Felpham) – 1,350 homes (*“although the Bersted part was deleted from the Arun District Local Plan following a High Court challenge, the principle of strategic-scale development at the location continues to be acceptable”*);
- starting after 2011, at locations in the coastal area (Chichester City – 1,250 homes / Arun District – west of the River Arun – 1,000 homes).

2.23 The assumptions which underlie the designation of Strategic Location are set out in Appendix B.

2.24 With regard to the economic development needs of rural areas, Policy LOC2 states that:

*‘...the priority is to accommodate such development through the reuse of existing buildings and through the redevelopment of previously-developed rural land in sustainable locations’.*

2.25 The Plan highlights that:

*‘The economic and social needs of people who live and work in the countryside are...recognised and change must be accommodated. This must be weighed against the need to protect, and where appropriate, enhance the countryside’s essential character’.*

2.26 It goes on to state that the re-use, adaptation and extension of existing buildings will be encouraged in preference to the introduction of new or

replacement buildings in the countryside. Any new buildings should be located on previously-used land before using greenfield sites.

- 2.27 With regard to employment development, Policy NE1 sets out the provision for employment development during the period 2001-2016 (see Table 2.1). Whilst the floorspace provision figures are not intended to be prescriptive, it is stated that they should be:

*'sufficient to allow the local economy to grow and adapt and provide sufficient jobs for the local workforce'.*

**Table 2.1 - Residential & Employment Development 2001-2016**

District	Dwellings	Employment (floorspace sq. m.)
Arun	8,700	240,000
Chichester	7,675	210,000

Source: West Sussex Structure Plan, 2005.

- 2.28 The Employment Background Paper to the Structure Plan sets out the approach taken in adopting the floorspace provision figures<sup>6</sup>.
- 2.29 Table 2.2 provides a breakdown of the employment floorspace requirements for Arun and Chichester Districts as indicated by the WSCC Commercial and Industrial Development Survey (August 2004). Taking on board completed developments and assumptions regarding existing commitments, the table indicates that Arun and Chichester Districts have a net requirement of 53,770 sq. m. and -22,799 sq. m. respectively. The negative requirement for Chichester District implies that the Structure Plan requirement has already been met. However, it should be highlighted that the figures include the completion of a single, very large B2 development of over 55,000 sq. m in 2003/04 (Westhampnett Road, Maudlin).

<sup>6</sup> West Sussex Structure Plan 2001-2016 Deposit Draft – Employment Background Paper (Revised July 2002).

**Table 2.2 - Policy NE1 Floorspace Monitoring 2004 ('000 sq. m)**

	Arun	Chichester
NE1 Requirement	240,000	210,000
Total Built	26,469	100,368
Balance Required	213,531	109,632
Total Provision	159,761	134,569
Industry Lost to Office	0	2,138
To be Provided	53,770	-22,799

Source: WSCC, CIDS (as of 1/1/04)

2.30 Fundamental to this study is the need to:

- assess the extent to which the floorspace requirements set out in Policy NE1 represent a reasonable estimate of business needs in the period up to 2016;
- review the suitability of existing commitments in meeting the needs of businesses including potential inward investors, having particular regard to issues of size, type, availability, spatial distribution and viability; and
- identify potential opportunities for the identification of 'new' employment sites should a significant gap in provision be apparent.

2.31 These issues are addressed in subsequent sections of this report.

2.32 Reflecting the need to increase employment opportunities and reduce deprivation in the coastal area, Policy NE6 encourages coastal authorities to:

- allocate sites for uses which will contribute to the regeneration of the Coast;
- enable the continued operation of the seaport of Littlehampton;
- secure improvements to transport infrastructure in particular the South Coast rail and A27 corridors; and

- secure improvements to social infrastructure and the physical environment.

2.33 The Area Investment Framework (AIF) for Coastal West Sussex provides the basis for co-ordinating investment in sites and premises and other aspects of the physical environment with other regeneration priorities in the area. The AIF highlights that action is needed to assist with the co-ordination in bringing sites forward, removing barriers to development and promoting sites to encourage private sector investment.

2.34 Other employment land priorities identified by the AIF include:

- enhancement of existing industrial estates and improved co-ordination of such initiatives;
- co-ordination of inward investment provision and marketing of sites aimed at attracting higher value added employment and 'quality jobs' for local people. This is identified as a priority for all Districts, especially Chichester;
- on-going development of enterprise and entrepreneurship initiatives including the provision of managed workspace and incubator facilities.

#### *Strategic Employment Sites*

2.35 In October 2002, a consultancy report was produced which identified 37 priority strategic sites in coastal Sussex that either were suffering from market failure or likely to experience such difficulties in the future. Table B-7 of Appendix B lists the strategic sites identified for Arun (8) and Chichester Districts (2).

### **LOCAL POLICY**

#### **Arun District Local Plan**

2.36 The Arun District Local Plan was adopted on June 2003. Major land allocations which include a significant employment component include the following:

- Bognor Regis town centre (as part of wider mixed-use regeneration schemes);
- Site 5 – Roundstone, Angmering (3.3 hectares for B1) / Arunside Industrial Estate, Littlehampton (2.3ha)
- Site 6 – Land to north of Bersted, Bognor Regis and Felpham 11.25 hectares of development for a high quality Business Park, accommodating uses generally falling within Class B1 of the Use Classes Order, together with an 11.8 hectare reserve for an extension to the Business Park, subject to the resolution of flooding issues;
- Site 8 – Railway Wharf, Littlehampton (consolidation, improvement or extension of commercial port or related activities of the harbour);
- Site 9 – West Bank, River Arun: Marina (maintaining, improving and developing the existing marina, or provision of boatbuilding or other marine related commercial uses, provided a significant recreational component remains);
- Site 10 – West Bank, River Arun: Boatbuilding and Repair Area (protecting existing boatbuilding and marine related commercial uses).

2.37 In March 2005, 'the Littlehampton Vision', masterplan and implementation strategy was launched by the Littlehampton Town Centre Action Group (LTCAG). This includes the aim of increasing the vitality and viability of the town centre including increasing the range of job opportunities. Key sites identified for regeneration including a significant component of employment use include: Railway Wharf and the West Bank.

2.38 In November 2004, the Council issue planning policy guidance for Bognor Regis town centre. Focusing on seven key sites / quarters, the masterplan provides a framework for encouraging development proposals which will regenerate the town centre and introduce a mix of uses including retail, leisure, residential, office and civic/community activities.

2.39 Further details of both Littlehampton Vision and Bognor Regis Masterplan are provided in Appendix B.

### Chichester District Local Plan

- 2.40 The Chichester District Local District Plan was adopted in 1999 and covers the period up to 2006. One of the key objectives of the Plan is to ensure *'the maintenance of a prosperous and developing local economy with high levels of employment to ensure a successful and economically active community'*.
- 2.41 In terms of employment floorspace provision, the Plan meets the requirements of the 1993 Structure Plan (now replaced). Policy B2 provides some scope for the provision of additional floorspace (beyond existing commitments) where proposals serve the expansion needs of local businesses.
- 2.42 Whilst the policies of the plan resist the loss of business, industrial or other employment generating uses it is stated that *...change of use may be permitted if there is an adequate supply of floorspace to meet the requirements of Policy B1 provided that the proposal does not result in the loss of types and sizes of accommodation for which there is limited availability in the locality and the proposal would lead to the relocation of 'bad neighbour' uses'*.
- 2.43 Policy RE11A identifies Horticulture Development Areas (HDAs). The policy aims to permit horticulture related development for commercial purposes in these areas subject to the degree of transport, visual and noise impacts.
- 2.44 Policy RE12 encourages farm diversification and rural enterprise, including tourism and other activities that can sustain rural economies and provide employment for local people.

## **KEY MESSAGES**

2.45 The key messages for the development of the LDFs in Arun and Chichester Districts arising from the policy appraisal are as follows:

- (i) 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.
- (ii) 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.
- (iii) 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).
- (iv) 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.
- (v) 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.

### **3. REVIEW OF EXISTING EMPLOYMENT LAND SUPPLY**

#### **INTRODUCTION**

- 3.1 In accordance with the ODPM Employment Land Guidance Note, this Section sets out our review of the existing supply of employment land in Arun and Chichester Districts (existing and allocated sites). It describes the site identification and criteria-based appraisal process that was adopted. This is followed by a discussion of the key findings for both Districts. These key findings are supported by detailed site appraisal findings set out in Appendix D.

#### **SITE IDENTIFICATION AND APPRAISAL PROCESS**

- 3.2 A review of employment land within the Arun and Chichester Districts was undertaken using the Local Plans for each local authority. The initial search resulted in some 68 clusters being identified across the two Districts (17 in Arun and 51 in Chichester). The boundaries are shown in Figure 3.1.
- 3.3 Clusters were based on agglomerations of B class uses, taken from existing local plan designations, strategic employment sites as identified by the West Sussex Area Investment Framework, and other large sites identified by each local authority. These cluster boundaries were later verified on site, and through discussions held at project progress meetings with the two Councils. The resulting list of sites includes all major established employment locations and employment land commitments.
- 3.4 A comprehensive site appraisal was undertaken of each cluster. The main attributes were:
- Location and site type;
  - Size of site, and size of any vacant employment land;

- Total number of premises, number of vacant premises and vacant floorspace;
  - The site typology, including the balance of premises on each site;
  - The condition of premises and percentage of premises developed in the last 5 years;
  - Appraisal of access and transport issues including external and internal access and parking arrangements;
  - Environmental condition and quality including provision of amenities;
  - Suitability of sites for alternative uses including housing, and
  - Other issues affecting the marketing and management of the site;
- 3.5 These factors used in the appraisal of existing, allocated and potential employment sites are consistent with the criteria proposed by the ODPM Guidance Note on Employment Land Reviews (2004) and the PPG 3 amendment entitled “Housing: Supporting the Delivery of New Housing” (paragraph 42a, January 2005).
- 3.6 The amendment to PPG3 requires local authorities to consider applications for housing or mixed-use developments on land allocated for industrial or commercial use unless it can be demonstrated through an up-to-date review of employment land, that there is a realistic prospect of the land being taken up for its stated use in the plan period. This study resembles the review of employment land in both Arun and Chichester Districts. The findings of the study set out in this and subsequent sections of the report provide the evidence base for policy development in terms of:
- identifying sites which are suitable and required to meet employment needs during the plan period of both LDFs; and
  - identifying sites which are not suitable for employment use during the plan period and therefore appropriate for assessment in terms of suitability for alternative uses.

- 3.7 In order to ensure a consistent and robust assessment of the 68 employment sites, a site appraisal pro-forma was developed. The 19 question pro-forma incorporated a variety of closed tick-box style questions and open ended questions. Adopting this approach later enabled a mixture of qualitative and quantitative analysis to be undertaken.
- 3.8 The site appraisal pro-forma was accompanied by a comprehensive guidance note . A copy of the site survey pro-forma and survey guide used is included within Appendix C. The site surveys were undertaken during March/April 2005 by a team of town planners. For reference purposes a photo was also taken of each employment cluster.

### **LOCATION AND SITE TYPE**

- 3.9 This section of the report comprises an assessment of the current supply of employment stock within the Arun and Chichester Districts. The appraisal considers the quantity, type, size, condition and age of employment premises, both at the District, and sub area level. This section of the report should be read in conjunction with Figures 3.1, which highlights the location of the employment sites, and Figure 3.2, which provides a graphic illustration of the existing floorspace balance (by type).

### **ARUN DISTRICT**

#### *Quantity and quality of existing stock*

- 3.10 Within the Arun District, a total of 18 employment sites were assessed, six of which are situated outside of the two main settlements – Bognor Regis and Littlehampton. Figure 3.1 illustrates that there are no sites within the downland area. Figure 3.2 demonstrates that there is relatively little employment floorspace within the Arun District, especially with regards to Bognor Regis town centre. Table 3.1 identifies the location of employment sites within each District. Table 3.2 classifies the locations according to whether they have scope for change in terms of their employment role or use. Established employment locations are considered separately from existing employment commitments.
- 3.11 Arun contains a total of 141 ha of employment land, of which 7.88ha is vacant (Table 3.6). This excludes undeveloped allocations of land.

- 3.12 The overall numbers of premises were considered using the ODPM commercial and industrial land use statistics. These statistics are based upon Valuation Office data on Building Hereditaments which broadly relates to the number of premises in the B- Use Classes. The analysis is based upon the most up to date ward level data which related to 2003. In terms of floorspace, there are some 1,611 employment premises in the District, comprising of some 585,000 sq. m of floorspace (refer To Table 3.3). Although B1 floorspace (represented by the office category) is the most abundant type of employment floorspace provision, Arun has a larger amount and proportion of factory and warehousing premises compared with Chichester District. There are 1,123 warehouse and factory premises in the District, compared with 488 office premises.
- 3.13 The condition of employment premises was assessed during the site appraisal process using the criteria included within Appendix D. A summary of the findings are shown in Table 3.4. Within Arun a higher proportion of premises within the general industrial/ business category of the typology are represented within the good category (70.5%) compared to the Chichester District (61.3%). Premises within single occupier sites are also have a high % of premises in the good category compared to Chichester District.

### **Availability**

- 3.14 Within the sites considered as part of the site appraisal there is a total of some 7.88ha of employment land that is vacant within existing employment sites.
- 3.15 Within the 17 employment sites, 31 vacant employment premises were identified in the District, comprising of some 8,188 sq. m of employment floorspace. 85% of vacant floorspace is found in the coastal towns, where it is distributed on a roughly even basis. The cluster of employment sites around Ford Airfield had high levels of occupancy. This reflects the view of the council and commercial property agents that the level of vacant floorspace in the District is relatively low.

### **Unsuitable Sites**

- 3.16 As part of the on site appraisal an assessment was made of issues which may affect the suitability of the site for employment use. These issues are

identified in Appendix D (Table D10). Some 35% of sites experienced parking difficulties of some kind. Evidence of parking difficulties is most common within the coastal towns (40%) compared with the remainder of the District (27%). Considering the quality of the sites, access and amenity issues almost 30% of sites (29.4%) were considered inadequate for the needs of existing occupiers reflecting the age of the existing building stock. Some 60% of sites have potential for 24 hour working which reflects the location of existing sites which tend to be located either within dedicated industrial areas, on the edge of settlements or within the rural area. Only 6% of sites were considered to be incompatible with sensitive neighbouring uses.

### **Sub area analysis**

#### **Coastal Towns**

- A total of some 110 ha of employment land was assessed within in this sub area, 4.2% of which is vacant land (4.6ha). This excludes the employment allocation north of Oldlands Farm (11.2ha of agricultural land).
- There are 1,057 employment premises, with 451,000 sq. m of floorspace (all premises based upon ODPM data). The provision of office floorspace as a % of overall employment floorspace is relatively low, with amounts to 45,000 sq. m of B1 (a) floorspace. The stock of light industrial and warehousing premises consists of 528,000 sq. m of floorspace.
- The condition of general industrial / business areas is good, with relatively few sites falling into the poor category. A high proportion of smaller office premises were rated highly, with no premises falling into the poor category.
- There is evidence of parking and access difficulties at around 27% of sites, and potential for 24 hour working was identified at 60%. Sites appear to be generally well suited to their current use, with only 6.7% of sites being incompatible with neighbouring uses.

### **Remainder of District**

- There is some 30.66 ha of employment land within the sub area, of which 10.7% is vacant (3.29ha). This excludes the undeveloped employment allocations at Roundstone, Angmering.
- All of the sites fall into the general industrial / business area category. Only 6% are classified as poor, 18% are fair and 56% are considered to be in good condition.
- Evidence of parking difficulties exists at 2 of the sites; access is an issue at one. 2 sites are considered to have scope to support 24 hr working.

### **CHICHESTER DISTRICT**

#### *Quantity and quality of existing stock*

- 3.17 Within Chichester District the majority of employment land use is within the Chichester sub area, which comprises of the City of Chichester and Tangmere (Figure 3.2). This sub area also contains the largest proportion of office accommodation within the District as a whole. Other significant concentrations of employment use within the District are generally found to the south of the A27, where the overall proportion of non-office use outnumbers the amount of office use. In the northern sub area, the same trend also applies, although the quantum of land in employment use within this sub area is less than the area to the south of the A27.
- 3.18 The existing sites included within the employment land review comprised of a total of some 121.6ha of employment land, 18.7% of which is currently vacant.
- 3.19 The overall numbers of premises was considered using the ODPM commercial and industrial land use statistics. These statistics are based upon Valuation Office data on Building Hereditaments which broadly relates to the number of premises. The analysis is based upon the most up to date ward level data which related to 2003. Within the district there are some 1,008 premises comprising of some 361,000 sq. m of floorspace (refer to Table 3.3). The overall no. of businesses based in the District as defined by the Annual Business Inquiry is identified in Chapter 4.

*Balance of Floorspace*

- 3.20 The existing balance of employment floorspace within the District was analysed at ward level using ODPM data. The City of Chichester contains, around 57% of the employment floorspace within the Chichester District. In total, around 42.4% of the firms in the District are factories, 36.6% are offices, are 20.9 % are warehouses.

*Size of Premises*

- 3.21 The balance of premises sizes at each site was considered at each site and summarised at the sub area level (refer to Appendix D Table D6). Generally medium sized light industrial premises in good condition are under represented within the District. The proportion of premises in office use particularly those suited to the needs of small businesses is also lower than expected.
- 3.22 Table 3.4 also summarises the condition of premises within the District. The overall condition of offices and high quality business parks within the District is generally good, with no such sites falling into the fair or poor categories. Other than B1 (a) uses, the condition of employment premises is more mixed, with around 39% of sites classified as general industrial / business areas being classified as either fair or poor. Over 62% of sites of sites occupied by a single occupier were either fair or poor.
- 3.23 Within the sites assessed, typically 10% of premises have been developed in the last 5 years.

*Availability*

- 3.24 Part of the site appraisal process was to assess the quantum of vacant employment land within each employment cluster (refer to Table 3.6). Some 22.2 ha of employment land within the Chichester District was identified with the potential for future employment development. This includes 8.93ha of land at Chichester Business Park, Tangmere (site 42) which forms part of a wider area currently under development<sup>7</sup>.

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<sup>7</sup> Excluding the development land at Chichester Business Park, total vacant land in the District amounts to 13.27ha (10.9%).

3.25 The occupancy level of employment premises was also collected during the site visits (refer to Table 3.6). A total of 69 vacant employment premises were identified in the District, consisting of some 26,149 sq. m of employment floorspace. This figure is significantly skewed by the vacant Syngenta site in Fernhurst, which consists of around 23,000 sq. m of vacant office space. When the Syngenta site is removed from the equation, the amount of vacant floorspace represents 3,149 sq. m. Sites which could not easily be used for employment uses in their current form have been considered within the vacant land rather than floorspace.

*Unsuitable Sites*

3.26 The site appraisals considered access and transport issues at each cluster. Each site has been classified according to any parking restrictions in and around the site. In addition to this, the qualitative analysis of the external and internal access and circulation, servicing arrangements and the adequacy of parking was undertaken. The findings of the assessment for individual sites are identified in Appendix D (Table D10).

3.27 The provision of parking was also considered during the cluster site appraisals. In this respect, around 35% of sites within Chichester were considered to have parking difficulties in and around their sites. However, sites within the Chichester City and Tangmere sub area were generally not subject to major parking problems compared to the south of A27, where 94% of sites displayed evidence of parking difficulties. The same trend is borne out with regards to the access and servicing arrangements, due to the fact that employment sites situated south of the A27 and in the north of the district generally have worse internal circulation compared to the Chichester City and Tangmere sub area.

3.28 These trends relate purely to parking and access issues and do not consider wider transport issues such as adequacy of road access and traffic congestion.

3.29 Under half of sites in Chichester District's have potential for 24 hour working; there are a higher proportion of sites located in the South of A27 which are represented within this category than within the City of Chichester, or to the north of the District. This reflects employment sites to the south of the A27

having fewer sensitive neighbouring uses (e.g. residential) than those in the City of Chichester itself.

- 3.30 The Syngenta site comprises around 23,000 sq. m of vacant B1(a) office space. As discussed above, this site distorts the overall picture regarding the total amount of vacant floorspace in the District. The council has expressed concerns regarding finding a suitable firm to re-occupy the site, due to the size and suitability of the properties for continued B1(a) use. The Graylingwell site has been considered in terms of vacant land rather than floorspace.

### **Sub Area Analysis**

- 3.31 Analysis has also been undertaken for each of the 3 sub areas within the study area.

#### **North of District**

##### *Quantity and quality of existing stock*

- The north of the District has 23.6 ha of employment land, 9.5% of which is vacant (2.25 ha);
- There are 607 employment premises, covering 208,000 sq. m of floorspace. 309 of the premises are factories and 167 are B1(a). There are 23 vacant premises, covering some 22,908 sq. m of employment space.
- The condition of premises in this sub region is of relatively low standard, with the exception of offices and farm based employment locations. General Industrial / Business areas are mixed in terms of their overall quality, with over half of such sites being either fair or poor in terms of their overall quality. Two thirds of sites for specific operators also fall into the fair / poor category.
- There is very little evidence of parking or access difficulties (although most sites would not be suitable for larger HGV access). A quarter of sites may have potential to support 24 hour working, although there may be constraints regarding the type of appropriate use for this type of location.

## Chichester City and Tangmere

### *Quantity and quality of existing stock*

- There is a total of 65.5 ha of employment land in the sub region, 24% of which comprises vacant employment land (15ha). This includes 8.93ha of land at Chichester Business Park, Tangmere (site 42) which forms part of a wider area currently under development<sup>8</sup>.
- Within the Chichester and Tangmere sub area there are some 605 premises, spread across a total of 267,000 Sq. m of employment floorspace. Office based premises are the most common type of premises.
- The condition of employment property is in mixed condition. General Industrial / business areas, incubator/ SME Cluster Sites and sites for specific occupiers are most likely to have buildings in either fair or poor condition. All offices, business parks, warehouse, heavy / specialised industrial sites and distribution parks are in good condition.
- 33% of sites have potential for 24hr working.

## South of A27

### *Quantity and quality of existing stock*

- There is a total of 32.45 ha of employment land, 13% of which is vacant (4.2 ha). There are 403 business premises within this part of the District, which comprise of 95,000 sq. m of employment floorspace.
- The condition of premises in the General / Industrial / Business Areas and sites for specific operators are typically more mixed compared with the condition of established or potential office locations and the smaller incubator / SME cluster sites.
- There is evidence of parking and access / servicing difficulties at 94.1% of all sites. There is also evidence to suggest that the existing

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<sup>8</sup> Excluding development land at Chichester Business Park, Tangmere total vacant land in the sub-area amounts to 6.07ha (9.3%).

operations at the employment sites may be incompatible with neighbouring uses – 94% of sites also fell into this category which indicates that the land use relationship between neighbouring uses is poorly managed.

Table 3.1 – Location Type (Sequential Test)

Sub Area	Town Centre		Edge of Town Centre		Within Urban Area		Urban Edge		Within/Adjoining Rural Settlement		Countryside		TOTAL	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<i>Arun</i>														
Coastal Towns	0	0	0	0	6	50	4	33	1	8	1	8	12	100
Remainder of District	0	0	0	0	1	17	0	0	3	50	2	33	6	100
<b>ARUN TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>39</b>	<b>4</b>	<b>22</b>	<b>4</b>	<b>22</b>	<b>3</b>	<b>17</b>	<b>18</b>	<b>100</b>
<i>Chichester</i>														
North of District	0	0	0	0	1	6	2	13	6	38	7	44	16	100
Chichester City & Tangmere	0	0	3	17	4	22	9	50	0	0	2	11	18	100
South of A27	1	6	0	0	4	24	3	18	0	0	9	53	17	100
<b>CHICHESTER TOTAL</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>18</b>	<b>14</b>	<b>27</b>	<b>6</b>	<b>12</b>	<b>18</b>	<b>35</b>	<b>51</b>	<b>100</b>

**Table 3.2 – Site Type (Potential for change in employment role/ land use)**

Sub Area	Employment Land Allocation Undeveloped	Employment Land Allocation (Partially Developed)	Established Employment Location (Scope for Change)	Established Employment Location (Little Scope for Change)	TOTAL
<i>Arun</i>					
Coastal Towns	1	2	6	3	12
Remainder of District	1	0	3	2	6
<b>ARUN TOTAL</b>	<b>2</b>	<b>2</b>	<b>9</b>	<b>5</b>	<b>18</b>
	%	%	%	%	%
	11	11	50	28	100
<i>Chichester</i>					
North of District	0	3	4	9	16
Chichester City and Tangmere	5	2	1	10	18
South of A27	1	2	3	11	17
<b>CHICHESTER TOTAL</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>30</b>	<b>51</b>
	No.	No.	No.	No.	No.
	0	3	4	9	16
	5	2	1	10	18
	1	2	3	11	17
	6	7	8	30	51
	%	%	%	%	%
	12	14	16	59	100

Table 3.3 – B Class Floorspace (2003)

Sub Area	Offices			Factory			Warehousing			Total		
	No. Premises	Floorspace 000m <sup>2</sup>										
Arun Coastal	376	45	449	296	232	111	1,057	451				
Rest of District	112	12	318	81	124	40	554	134				
<b>Total Arun District</b>	<b>488</b>	<b>57</b>	<b>767</b>	<b>377</b>	<b>356</b>	<b>151</b>	<b>1,611</b>	<b>585</b>				
North of District	167	34	309	126	131	47	607	487				
Chichester City & Tangmere	335	96	165	108	105	63	605	333				
Chichester South of A27	90	12	211	59	102	23	403	336				
<b>Total Chichester District</b>	<b>425</b>	<b>108</b>	<b>376</b>	<b>167</b>	<b>207</b>	<b>86</b>	<b>1,008</b>	<b>361</b>				

Source: ODPM Commercial and Industrial Floorspace Statistics

Table 3.4 – Condition of Premises

Type of Employment Location	Condition	CHICHESTER	ARUN
Established or Potential Office Locations	Good	100	N/A
	Fair	0	N/A
	Poor	0	N/A
High Quality Business Parks	Good	50	N/A
	Fair	50	N/A
	Poor	0	N/A
Warehouse/Distribution Parks	Good	100	0
	Fair	0	50
	Poor	0	50
General Industrial/Business Areas	Good	54.8	45.8
	Fair	32.2	37.5
	Poor	13	17
Heavy / Specialised Industrial Sites	Good	100	66.6
	Fair	0	33.3
	Poor	0	0
Incubator/SME Cluster Sites	Good	66.6	50
	Fair	33.3	50
	Poor	0	0
Sites for Specific Operators	Good	36.6	0
	Fair	36.6	50
	Poor	27	50
Farm Based Employment Location	Good	100	N/A
	Fair	0	N/A
	Poor	0	N/A

Table 3.5 - % Premises Developed in last 5 years

Sub Area	Established or Potential Office Locations	High Quality Business Parks	Research and Technology/Science Parks	Warehouse/Distribution Parks	General Industrial/Business Areas	Heavy/Specialised Industrial Sites	Incubator/SME Cluster Sites	Specialist Freight Terminals	Sites for Specific Operators	Recycling/Environmental Industries Sites	Farm Based Employment Location	TOTAL
	Av%	Av%	Av%	Av%	Av%	Av%	Av%	Av%	Av%	Av%	Av%	% of Clusters
Arun Coastal Towns	0	0	0	0	0	0	0	0	0	0	0	7.8
Chichester												
North of District	1	0	0	0	0	0	0	0	0	0	0	9.0
Chichester City and Tangmere	1	0	0	0	0	0	0	0	0	0	0	13.7
South of A28	1	0	0	0	0	0	0	0	0	0	0	12.5
<b>CHICHESTER TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10.2</b>

N.B Within Arun, outside of the Coastal towns no premises were identified which had been developed within the last 5 years.

Table 3.6 – Vacant Land

Sub Area	Employment Land (ha)	Vacant Employment Land (ha)	% Employment Land Vacant
Coastal Towns	110.36	4.60	4.2
Remainder of the District	30.66	3.29	10.7
<b>Total Arun</b>	<b>141.02</b>	<b>7.88</b>	<b>5.6</b>
North of the District	23.60	2.25	9.5
Chichester City and Tangmere	65.51	15.75	24.0
South of the A27	32.46	4.20	13.0
<b>Total Chichester</b>	<b>121.57</b>	<b>22.20</b>	<b>18.3</b>

Table 3.7 – Vacant Premises

Site Name	Total Number of Employment Premises	Number of Vacant Employment Premises	Net Vacant Employment Floorspace m2
<i>Arun</i>			
Coastal Towns	336	27	6,936
Remainder of District	123	4	1,252
<b>ARUN TOTAL</b>	<b>459</b>	<b>31</b>	<b>8,188</b>
<i>Chichester</i>			
North of District	No. 181	No. 23	No. 22,908
Chichester City and Tangmere	306	21	2
South of A27	127	25	3,239
<b>CHICHESTER TOTAL</b>	<b>614</b>	<b>69</b>	<b>26,149</b>
	%	%	%
	73	29	88
	27	50	0
	100	21	12
	100	69	100

Table 3.8 – Development Constraints

Sub Area	Evidence of Parking Difficulties	%	Access / Servicing Inadequate for existing Occupiers	%	Potential for 24hr working	%	Introduction of non B-Class may compromise site	%	Existing operations incompatible with Sensitive Neighbouring Uses	%
<i>Arun</i>										
Coastal Towns	4	26.7	4	26.7	9	60.0	0	0.0	1	6.7
Remainder of District	2	40	1	20	2	40	0	0	0	0
ARUN TOTAL	6	35.3	5	29.4	11	64.7	0	0.0	1	5.9
<i>Chichester</i>										
North of District	1	6.3	0	0.0	4	25.0	0	0.0	0	0.0
Chichester City and Tangmere	0	0.0	0	0.0	5	33.3	0	0.0	0	0.0
South of A27	16	94.1	16	94.1	13	76.5	17	100.0	16	94.1
CHICHESTER TOTAL	17	35.4	16	33.3	22	45.8	17	35.4	16	33.3

## **4. FUTURE BUSINESS NEEDS IN ARUN AND CHICHESTER**

### **INTRODUCTION**

- 4.1 This Section provides an assessment of future demand for employment land and floorspace in the period up to 2017. This has been carried out in the context of the Structure Plan guidelines for commercial and industrial floorspace requirements described in Section 2 of this report. Moreover, the assessment follows the ODPM guidance notes on employment reviews which advocates using a range of research tools to inform future demand rather than relying solely on a single methodology.
- 4.2 Of particular importance is the need to assess the extent to which the quantitative guidelines provided in the Structure Plan are realistic in terms of representing anticipated future levels of demand in both districts. Moreover, consideration is also given to key issues in respect of qualitative needs having regard to the type, size and location of potential future demand. Need is assessed in respect of both indigenous and potential inward investment demand.
- 4.3 The demand assessment set out in this Section has drawn on four key strands of analysis:
- Key findings of the socio-economic profile (Appendix E);
  - Employment forecasts converted to quantitative estimates of floorspace demand;
  - Key findings of the empirical business survey conducted in respect of employment floorspace demand arising from existing B use-class business located in Arun and Chichester Districts (Appendices F and G); and

- Consultations with local property agents.

## **ECONOMIC APPRAISAL**

- 4.4 The detailed assessment of socio-economic conditions (Appendix E) highlights the following key findings in respect of existing and potential future employment demand in the two districts.

### *Public Sector and Manufacturing Employment*

- 4.5 Public sector employment in both Arun and Chichester Districts is significant. In particular, this reflects the role of Chichester as an important administrative centre and county town. Whilst this role will continue to be significant in the future, over-reliance on public sector employment may limit opportunities for economic diversification driven by the private sector. Consequently, whilst providing for the needs of public sector occupiers, it is important for the LDF to assist in accommodating the needs of a wide range of dynamic private sector activities
- 4.6 Whilst considerably smaller in scale to the public sector in Arun and Chichester Districts, manufacturing is an important sector in both districts, particularly Arun. This is reflected by a relatively high proportion of B2 occupiers in Arun and B1b occupiers in Chichester District. In both absolute and proportional terms, manufacturing remains particularly significant in Arun and employment levels have been fairly stable over the last 10 years. The sector is relatively more important in employment terms to Arun compared to both West Sussex and the South East. Whilst it will be important for the District's LDF to provide site and floorspace opportunities for new and expanding manufacturing activities, policies should have regard to:
- the need to provide premises which are fit for the purposes of modern occupiers including those engaged in light industrial activities;
  - offer a wide portfolio of industrial sites and premises in terms of size (see Sections 5 and 6);
  - the need to plan for on-going restructuring of the manufacturing sector in order anticipate downsizing and closure possibilities as well as new and expanding sectors. Policies should focus on retaining and

attracting industrial sectors which can operate competitively in both Arun and Chichester; and

- linked to the above, adopt a pro-active approach to encouraging the development of business activities with good growth prospects (see below).

4.7 The role of manufacturing as a key employment sector in Chichester District is less significant when compared to Arun, West Sussex and the South East. Indeed, employment levels in the District fell by 23% between 1998 and 2003. Given the changing economic structure of Chichester District and global economic trends, employment in manufacturing is likely to continue falling over the next 10 years. The LDF should respond to these changes by the development of positive planning policies for economic development. This should include sufficient provision being made for expansion and establishment of high-value manufacturing activities (particularly small and medium sized operations).

#### *Growing Business Sectors*

4.8 Following national economic trends, demand for employment in banking, financial and other business services activities has increased significantly over the last decade. This trend is likely to continue to both districts particularly in activities such as professional services, support services, consultancy and a diverse range of other business services. Building on the existing strengths and role of Chichester City, demand for floorspace from these occupiers is likely to be most significant in Chichester District. Employment land policies in the LDF should respond appropriately in providing a sufficient quantity and range of sites and premises. In Arun, the challenge will be to stimulate the creation of more employment opportunities in these activities. This will require addressing issues of image and pursuing regeneration initiatives in the town centres which can assist in creating small occupier office markets.

4.9 Distribution and storage activities (logistics) are becoming increasingly important, particularly in the Chichester economy (focussed on the City and its immediate catchment area). Whilst relatively land-intensive, these activities increasingly form an integral part of a modern and diverse local economy. The need for these activities arises from both producer and consumer

demand. Ensuring an adequate supply of good quality sites and premises for small and medium sized B8 (with a varying office component) will be important in supporting the needs of other business sectors and the retail and service role provided by Chichester City, Bognor Regis and Littlehampton.

- 4.10 Whilst most of the premises requirements fall outside the B use class (the focus of this study), other key growth sectors which will be important to the future of both Districts include tourism, entertainment and retail employment. It will be critical for town centre and regeneration policies to work positively in accommodating the growth of these sectors. For activities which do require B use class premises, it will be important for the LDF to ensure that policies enable these activities can be well integrated with other town centre priorities. This will be particularly important in Chichester City, Bognor Regis, Littlehampton, Arundel and Midhurst.

#### *Business Size*

- 4.11 Despite the important employment role played by relatively large occupiers in both districts (particularly public sector and manufacturing activities), the majority of future demand for employment floorspace is likely to be generated by small and medium sized enterprises (SMEs). Furthermore, a high proportion of demand is likely to arise from micro firms (employing up to 10 workers) and from small firms (up to 50 workers). This is reflected strongly by national, regional and local trends over the last 10 years. For example, of all B use class businesses located in both Arun and Chichester Districts in 2003, 86% had less than 11 employees (see Tables E.17 and E.21 in Appendix E). Moreover, during the period 1993 and 2003, businesses with less than 11 employees expanded by an average of at least 8% per annum in both Districts.
- 4.12 The growth in small business in Arun and Chichester Districts over the last decade has been disproportionately greater than employment growth (indicating a significant decline in the average size of businesses. Whilst this reflects regional and national trends in demand, accommodating such needs will be particularly important for both Districts given that neither performs the role as a location for a significant number of major, large occupiers. The role of both Districts as a location for SMEs rather than large employers is reflected both by existing economic strengths but also by past and existing planning policies.

- 4.13 Whilst the major challenge for the LDFs will be to accommodate demand from SMEs in a variety of sectors, sufficient expansion and consolidation opportunities will need to be provided (in terms of sites and premises) to meet the needs of larger occupiers. This will be particularly important for established businesses in the area that are planning to expand locally or respond to changing market circumstances. In meeting these needs, it will be necessary for employment land policies to be complemented by on-going dialogue and consultation with major employers in the area. Many of these businesses will have bespoke requirements which should be identified in advance through a proactive and integrated corporate local authority approach in terms of economic development, land-use and transportation strategies.

*Agriculture and Related Industries*

- 4.14 Agriculture and related employment (including horticulture) remains an important sector in both districts. Given the existing strengths of the agriculture sector in both districts, this role will continue although expansion is unlikely to be significant. Central to the LDF process will be the need to facilitate on-going rural diversification through the promotion of positive rural enterprise planning and economic development policies. The evidence demonstrates that rural enterprise is critical to the economies of both Arun and Chichester. It will be essential to ensure that LDF employment land policies maximise their contribution to sustainable employment creation in rural locations having regard to other environmental and community priorities.

*Unemployment and Deprivation*

- 4.15 Unemployment is significantly higher in Arun compared to Chichester and the rest of the South East. Consequently, there will be a need to ensure that the promotion of new job opportunities in Arun is accompanied by efforts to improve the skills profile of local residents and increase access to such opportunities. Other key initiative should focus on measures to attract people of working age to both districts to ensure sufficient labour market capacity to meet the recruitment needs of new and expanding firms (see below).
- 4.16 The distribution of deprivation within both districts is highlighted in Figures E.7 and E.8 in Appendix E. Both districts include local areas where deprivation is high compared to other communities in the South East. Particular priorities are concentrated in central parts of Littlehampton, Bognor Regis, rural areas

to the east of Chichester District and southern and western pockets of Chichester City. Many rural communities are significantly deprived relative to the regional benchmark.

*Population and Labour Markets*

- 4.17 Initiatives aimed at creating employment growth should be considered in light of the need to increase the working-age population in both districts. High house prices, restricted job opportunities and high levels of the in-migration of retirees to the area have resulted in an ageing population in Arun and Chichester Districts.
- 4.18 In encouraging a more balanced demographic profile, co-ordinating housing and employment land provision policies in the LDFs will be essential. Whilst the Structure Plan adopts such an approach, for the policies to be successful (in encouraging sustainable patterns of spatial development), it is important to ensure that employment land allocations are realistic and can support the creation of jobs opportunities for the local population. The creation of job generating opportunities will play an important factor in encouraging young people and other participants in the labour market to retain in, or be attracted to the Districts.
- 4.19 In pursuing a co-ordinated approach to housing and employment provision, and in creating a level playing field between the respective markets, policies should have regard to the differentials in land value and other determinants of viability between employment and housing uses. This may require appropriate forms of policy intervention and prioritisation which facilitate sustainable employment generation. Without the provision of suitable job opportunities, a strong housing policy coupled with a constrained employment policy is likely to accentuate the forces which create an ageing population.

*Inward Investment Needs*

- 4.20 The availability of a sufficient supply of good quality employment sites will be an important factor in influencing inward investment locations to both Districts. Other key factors relate to issues of strategic accessibility, availability and skills profile of the local labour forces, local educational capacity and standards, wage levels, house prices, quality of life and proximity to key suppliers and markets.

4.21 Whilst strategic accessibility and labour market constraints means that neither Districts are likely to be suitable to accommodate a significant number of large scale inward investment projects, they offer potential in attracting new projects and relocations of small to medium sized businesses in key sectors. Facilitating an increase in the value of inward investment and the expansion of existing investors in the Districts will be an important policy consideration during the LDF period. This is supported by the regional priority established in the draft South East Plan and the Regional Economic Strategy to encourage the economic regeneration of Coastal Sussex. Moreover, increasing the availability of good employment opportunities through inward investment and other means is a particularly priority in Arun, given the greater extent of deprivation in the District.

4.22 The inward investment approach to be reflected in the LDFs should mirror a broader economic development strategy aimed at encouraging economic diversification, increasing value-added activities and building on existing strengths. Key sectors and activities which should be promoted for inward investment include:

- Advanced engineering and high value light industrial activities;
- Assembly and logistics;
- Professional, business and financial services;
- Marine technology and defence;
- Shared service and contact centres; and
- New media, ICT and other creative industries.

## EMPLOYMENT FORECASTS

- 4.23 Trend-based employment forecasts were prepared for Arun and Chichester as a comparison to those produced for Coastal Sussex by Cambridge Econometrics (CE) in 2002. The latter forecasts did not include projections for the whole district areas of Arun and Chichester, therefore, can not be used as a reliable basis for assessing employment growth for the LDFs. Moreover, the forecasts were produced at a time when business confidence in the national economy was cautious which consequently had a dampening effect on the scale of forecast growth. Indeed, the CE forecasts for Coastal Sussex indicated an average growth rate of 0.45% per annum for the period 2001-2017. This compares to actual, past rates of growth as follows:
- 1993-2003: 2.9% per annum;
  - 1984-2003: 1.8% per annum.
- 4.24 Using a spreadsheet model which converts projected employment levels into a theoretical requirement for B use class floorspace, Table 4.1 summarises this gross requirement by applying the two trend-based rates of growth uniformly to both Arun and Chichester Districts (for the period 2001-2017). Upper and lower end scenarios have been produced using a range of assumptions relating to the density of future employment related development which will depend on the future structure of jobs in each area.
- 4.25 Reflecting the exclusion of public sector activities from the definition of B Use-Class activities (using SIC codes), it is important to highlight that the floorspace forecasts also do not take account of future public sector requirements. This assumption reflects the need to focus on private sector (B use class) occupiers which will be central to driving the competitiveness of the local economies in Arun and Chichester District. In addition, public sector activities occupy a wide range of premises (occupying different use classes). Given the strong representation of public sector activities currently in both Districts, their inclusion in the modelling process is likely to skew the results. Consequently, in making an allowance for B use class requirements in the future (including public sector activities), it is important to assume that the quantitative guidelines set out in Table 4.1 represent minimum estimates.

**Table 4.1 – Private Sector Requirements for Gross B Use Class Floorspace 2001-2017 Based on Past Employment Growth Trends (sq.m.)**

Employment Growth Trend Period	District	Lower End Forecast (2001-2017)	Upper End Forecast (2001-2017)
1993-2003 (2.9% growth p.a.)	Arun	245,000	335,000
	Chichester	320,000	375,000
1984-2003 (1.8% growth p.a.)	Arun	190,000	225,000
	Chichester	215,000	245,000

Source: Atkins. Floorspace forecasts based on application of worker floorspace ratios to future estimates of B use class employment (B1a: 20 sqm / worker; B1b and B1c: 25 sqm / worker; B2: 30 sqm / worker; and B8: 50 sqm./worker).

4.26 It was highlighted in Section 2 that a similar approach to estimating future employment floorspace requirements had been used in the 1993 Structure Plan. However, the methodology was not adopted in the current Structure Plan (2005). Instead, the requirements set out in Policy NE1 are stated to reflect:

- the aim of creating a general balance between future numbers of workers (generated by new housing provision) and jobs;
- provision of a net increase in jobs in excess of the projected resident workforce in coastal areas (where there is a large net outflow of workers to other areas);
- past rates of building; and
- existing commitments (pipeline supply).

4.27 Given the limitations of translating employment forecasts to potential future floorspace requirements, it is not appropriate in Arun and Chichester to determine LDF policies solely on this basis. However, the model provides a useful basis for comparison with the Structure Plan requirements set out in Policy NE1. The requirements set out in Table 4.1 compare reasonably closely with the Structure Plan, particularly for Arun. Reflecting real, past rates of employment growth in Chichester, the model resulted in theoretical floorspace scenarios which are marginally higher than the Structure Plan requirement. This may reflect current planning priorities to limit the release of land for employment purposes relative to potential business need.

## EMPIRICAL BUSINESS SURVEY

- 4.28 A survey of over 1,000 existing businesses located in Arun and Chichester Districts was conducted in spring 2005. The main objective of the survey was to provide a statistically significant, empirical basis for assessing future business needs in the districts, having particular regard to requirements for employment land and premises. Background and full results of the business survey are provided in Appendix G.
- 4.29 This Section provides a summary of the key business survey results of particular relevance to the assessment of employment needs and floorspace requirements in Arun and Chichester Districts.

### Floorspace Occupied

- 4.30 The survey indicated that the average amount of floorspace occupied was approximately 1,772 sq. m in Arun and 1,778 in Chichester. However, this varies significantly between sectors and the size of businesses as highlighted in Tables 4.2 and 4.3.

**Table 4.2 – Average Size of Floorspace Occupied – Arun 2005**

	No. of respondents (excl. don't knows)	Average floor space	TOTAL floor space Sq M.
By industry sector			
Manufacturing	61	1 909	116 425
Construction	32	184	5875
Transport, distribution & wholesale	46	5 817	267 559
Business services	56	169	9 443
Other services	35	234	8 184
Farm	0	n/a	n/a
TOTAL	230	1 772	407 487
Size of business			
Small (0-10)	196	497	97 437
Medium (11-50)	26	6 939	180 409
Large (51+)	8	16 205	129 641
TOTAL	230	1 772	407 487

**Table 4.3 - Average Size of Floorspace Occupied – Chichester District 2005**

	No. of respondents (excl. don't knows)	Average floor space	TOTAL floor space
By industry sector			
Manufacturing	42	1 160	48 709
Construction	29	212	6 162
Transport, distribution & wholesale	52	2 196	114 180
Business services	95	114	10 842
Other services	24	7 320	175 689
Farm	1	74 000	74 000
TOTAL <sup>9</sup>	243	1 768	429 581
Size of business			
Small (0-10)	211	1 688	356 262
Medium (11-50)	23	580	13 349
Large (51+)	9	6 663	59 970
TOTAL <sup>10</sup>	243	1 768	429 581

### Expansion Floorspace

- 4.31 Respondents were asked whether they are planning to expand their business in the next 10 years. Approximately 33% of businesses in Arun stated that they are planning to expand. Of those intending to expand, 68% stated that their plans will include a requirement for additional floorspace.
- 4.32 In Chichester District, 26% of all businesses intend to expand, of which 59% require additional floorspace.
- 4.33 Applying the sample results to reflect the whole economy, we can provide indicative estimates of the total expansion requirements of all existing B use class businesses in Arun and Chichester Districts (see Tables 4.4 and 4.5).
- 4.34 Tables 4.4 and 4.5 provide estimates of the floorspace requirements of business in Arun and Chichester Districts expecting to expand over the next ten years (based on the survey question). Row A in both tables provides the

<sup>9</sup> This includes one particularly large response.

<sup>10</sup> This includes one particularly large response.

extrapolation using the sample results where a specific floorspace figure was provided by respondents (i.e. excludes those that did not know how much would be required). Row B provides estimates that include those that did not know how much space would be required (by applying the distribution recorded in Row A by size of business). All estimates provided in the tables have been weighted according to business size. This is important to ensure that the expansion requirements of large firms recorded by the sample do not overly skew the extrapolation results.

**Table 4.4 - Expansion Requirements of Indigenous Private Sector Businesses in Arun by Size over the next 10 years (Sq. )**

Sample	Small	Medium	Large	Total
Arun (A) excluding don't know	52,434	27,051	27,200	106,685
Arun (B) including don't know	106,410	39,074	54,400	199,884

Source: Atkins based on extrapolation of Atkins Business Survey, 2005

4.35 Table 4.4 indicates that up to 200,000 sq. m. of additional B use class floorspace is required over the next 10 years to meet the expansion needs of existing business in Arun. Table 4.5 shows that the requirement in Chichester District is for up to 287,000 sq. m additional floorspace.

**Table 4.5 - Expansion Requirements of Indigenous Private Sector Businesses in Chichester District by Size (Sq. )**

Sample	Small	Medium	Large	Total
Chichester (A) excluding don't know	79,792	53,468	9,290	142,520
Chichester (B) including don't know	171,794	86,885	27,870	286,550

Source: Atkins based on extrapolation of Atkins Business Survey, 2005

4.36 In interpreting Tables 4.4 and 4.5 it is important to highlight that the estimates relate to the requirements of existing private sector businesses in both districts. In other words, the tables exclude estimates of the potential requirements of both public sector occupiers and future inward investors. Moreover, it should also be highlighted that the survey respondents outlined

their requirements over the next 10 years (i.e. up to approximately 2015 rather than 2017<sup>11</sup>). Consequently, the tables should be regarded as providing minimum empirical estimates of total business requirements over the next 10 years.

4.37 Taking on board the above exclusions, it can be concluded from Tables 4.4 and 4.5 that:

- (i) In Arun, the gross Structure Plan requirements identified in Policy NE1 are considered to be comparable to the business survey results. Therefore, the Plan provides a reasonable estimate of future B use class requirements. However, it is important 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. This is supported by the forecasts of future demand identified in Table 4.1 and the need to provide a wide range of site opportunities for both existing businesses and future potential inward investors (including businesses needing to relocate from unsuitable or outdated premises). Policy NE1 should not become a constraint to the promotion of economic development in a District where the provision of improved job opportunities should be a fundamental objective of the LDF.
- (ii) In Chichester District, the evidence from the business survey and our forecasts of demand indicates that the gross Structure Plan requirements may underestimate real need in the local economy. Whilst the quantitative guidelines provided by Policy NE1 are unlikely to represent a substantial underestimate of future requirements, prescriptive adherence to the Policy would require a restrictive planning policy approach. Given the priorities of providing more local job opportunities to counter a declining working age population and diversifying the local economic base to counter the current dominance of public sector activities, we recommend that the LDF makes provision of employment floorspace in excess of the Structure Plan requirement. As for Arun, this should include a wide range of site opportunities for both existing businesses and future potential inward investors

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<sup>11</sup> Requests for information on future expansion requirements of business beyond a period of 10 years was considered by the consultant team to be unrealistic.

(including businesses needing to relocate from unsuitable or outdated premises).

### **Relocation Demand**

- 4.38 The need to ensure that future floorspace provision includes an allowance for relocation demand is highlighted by the results of the business survey. For Arun, the survey indicated that 19% of existing B use-class businesses have considered recently relocation from their current premises. Approximately 21% of businesses in Chichester District had considered relocation.
- 4.39 Of businesses in both Districts considering relocation, approximately 70% had favoured a location within the existing area (i.e. Arun or Chichester Districts). For businesses established in Arun, the most preferred location (over 50%) was noted to be Bognor Regis or Littlehampton (particularly those operating in business services). However, 40% also indicated a preference to relocate to Chichester City.
- 4.40 For businesses established in Chichester District, approximately 27% favoured a relocation to Chichester City. A further 12% perceived that a location to the south of Chichester City / A27 would be appropriate for their operations. However, nearly 25% of established businesses in the District highlighted a location in Bognor Regis or Littlehampton would suit their relocation preferences.
- 4.41 Importantly in both districts, two thirds of respondents considering relocation stated that their current site and/or premises were too small to accommodate their changing business needs.

## **5. FUTURE SUPPLY REQUIREMENTS**

### **INTRODUCTION**

5.1 Chapters 3 and 4 highlighted the main issues facing both Districts in terms of demand and supply. These can be summarised as:

- A limited amount of vacant floorspace available for immediate occupation;
- Lack of available serviced vacant employment land for development within existing employment allocations;
- Within Chichester the existing stock of vacant premises does not meet the requirements of the full range of growth sectors in terms of the type and size of available premises:
  - There is a particular shortage of premises of all types up to 100 sq. m in size including small scale start up office and light industrial premises;
  - A shortage of and sites suitable for accommodating medium sized “move on” premises within easy access of the A27; and
  - A shortage of suitable locations and available sites for businesses diversifying along the supply chain to include a greater proportion of warehousing accommodation which require easy access to the A27;
  - A shortage of available, good quality opportunities for inward investment projects and the expansion of existing investors in the Districts.

- Several sites within the north of Chichester District are constrained in terms of their availability in the short and medium term which restricts their potential to meet business needs within the next 5 years;
- Within Chichester there is a spatial mismatch between the distribution of existing allocations and available sites and the locations sought by indigenous business. As present businesses are displaced away from Chichester to what are viewed as sub-optimal locations;
- Within Arun there is shortage of available land and premises of all types in accessible locations;
- Several premises niches are not available to the market at present within or adjoining the main settlements of Bognor Regis or Littlehampton including sites for small and medium sized premises.

## **IDENTIFYING A NEW PORTFOLIO OF SITES**

### **SUPPLY PIPE LINE**

- 5.2 The floorspace forecasts identified in Table 4.1 indicate that there is a potential upper-end gross floorspace requirement of 335,000 sq. m of additional floorspace in Arun and 375,000 sq. m of additional floorspace within Chichester District between 2001 and 2017. These figures represent maximum needs to be planned for over this period and include existing Local Plan allocations, as well as the balance to be provided through new allocations, windfalls and redevelopment etc. The floorspace figures are expressed in terms of gross external floorspace.
- 5.3 The floorspace estimates identified reflect upper end employment forecasts. Depending on levels of economic growth, the floorspace requirements of prospective occupiers in terms of location, size and type of premises and the suitability of windfall employment sites for re-use the actual floorspace requirements may be lower than the requirements identified. However, it is necessary to plan for this level of variability to ensure there is sufficient choice and flexibility in the portfolio of employment locations and to ensure there is a managed supply of sites available for immediate development. Chapter 6 considers the phasing and monitoring of employment land.

### **Breakdown of Gross Quantitative Requirements**

- 5.4 Consistent with Employment Land Review Guidance note which accompanies PPG 4 it is necessary to disaggregate future requirements as far as possible. The segmentation of future requirements is evidence based and uses the findings of the site appraisals and business survey conducted as part of this study together with ODPM/VOA data on the existing quantum and distribution of existing floorspace. This information has been used to define the future portfolio in terms of use class, premises size requirements and broad location using the five study sub areas. The parameters should be viewed as a broad indication of the type and nature of employment sites required to meet future requirements rather than a precise means of directing growth.
- 5.5 Each of the indicators is described below and is followed by Tables 5.1- 5.10 which summarise the requirements for each District.

#### *Requirements by use class*

- 5.6 An estimate has been derived of the broad types of premises required within each District by use class through:
- An analysis of ODPM/Valuation Office data relating to existing B-class floorspace by type;
  - Consideration of existing patterns of premises occupancy (derived from the business survey);
  - The premises requirements of those businesses seeking to expand (derived from the business survey); and
  - Local property market indicators.
- 5.7 Taking account of this basket of indicators this information was then applied to the additional floorspace requirements needed up to 2016. The results for Arun District are shown in Table 5.1 and Chichester District in Table 5.6. It is not possible to derive accurate estimates for individual economic sectors due to the uncertainty and limitations in identifying future needs relating to each sector.

5.8 It should be recognised that the above estimates provide only a guide to how future floorspace needs are likely to be broken down by sector. The exact proportions will depend on (for example) how much useable vacant floorspace is comes onto the market from firms who cease trading and the success of initiatives to upgrade the quality of the existing B-class building stock. It should also be noted that well located, flexible and adaptable premises may be suitable for occupation by a range of B-class activities.

*Requirements by size of premises*

5.9 It is possible to identify the likely size of premises needed by existing and future occupiers by considering several different indicators namely:

- The sizes of existing premises in the District (refer to Business Survey Report);
- The floorspace requirements identified by firms seeking to relocate;
- Business start up and survival rates to identify the space requirements of new firms based on VAT Registration and De-Registration rates considered in Appendix E and rates of Business Survival; and
- Qualitative indicators gained from consultation and property market intelligence.

5.10 Based upon the consideration of existing and potential occupancy requirements of existing firms it is possible to estimate the approximate size requirements relating to indigenous business needs in terms of the size of individual premises (refer to Table 5.2 Arun District and Table 5.7 Chichester).

5.11 It should be recognised that the size of premises is not the only criteria sought by small businesses. Firms may have particular requirements relating to the type of accommodation sought (including location, level of business support management and leasing terms).

*Spatial distribution/choice of locations*

5.12 It is important to provide businesses with a choice of types of location and to encourage a range of different forms of employment premises in different

parts of each District which provide flexibility to growth sectors, enable indigenous businesses to grow and to meet the requirements of prospective inward investment. The business survey provides an indication of the locational preferences of those indigenous firms seeking to relocate. The findings are illustrated in Tables 5.3 (Arun) and Table 5.8 (Chichester) in terms of the broad mix of locations by sub area. The balance of floorspace and land requirements based upon this mix of locations is illustrated in Tables 5.4 & 5.5 (Arun) and Tables 5.9 & 5.10 (Chichester). Floorspace requirements are shown in terms in gross floorspace.

- 5.13 The land requirements assume a plot ratio of 50% for B1(a) and B1(b) employment use (assuming 2 storey development), and a 40% plot ratio for B1(c) and B8 and sui generis uses, assuming single storey development. These assumptions have been derived to consider the space required to meet the needs of efficient modern employment uses.
  
- 5.14 The balance of floorspace shown in these Tables is a broad reflection of market requirements for different types of floorspace. The balance of requirements for both Districts illustrates the spatial mismatch between the existing distribution of floorspace and employment land allocations and the locations sought by businesses seeking to expand. Consistent with ODPM guidance it is important that the portfolio of sites should not be determined solely by the aspirations of businesses. Other planning policy criteria including accessibility, sustainability criteria, environmental and other development constraints, regeneration potential and availability also need to be taken into consideration.

**Table 5.1 – Gross Floorspace Requirements by Use Class (Arun)**

Use Class	Existing Floorspace (%)	Existing Premises Occupancy (%)	Occupier Expansion Requirements (%)	Average %	Floorspace Requirement (Lower) sq. m	Floorspace Requirement (Upper) sq. m
B1a & B1b	10	55	10	25	67000	83750
B1c B2 and Sui Generis	65	30	79	58	155440	194300
B8	25	15	11	17	45560	56950
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>268000</b>	<b>335000</b>

**Table 5.2 – Gross Floorspace Requirements by Premises Size Mix (Arun)**

Size Mix	Proposed Size Mix %	Average %	Floorspace Requirement (Lower) sq. m	Floorspace Requirement (Upper) sq. m
0 - 100	35-45%	37	99160	123950
101-250	20-30%	26	69680	87100
251 - 500	15-25%	20	53600	67000
501 - 1000	5-15%	9	24120	30150
1001 - 5000	0-10%	4	10720	13400
> 5000	0-10%	4	10720	13400
Total		100	268000	335000

**Table 5.3 – Gross Floorspace Requirements by Location % (Arun)**

Use Class	Arun Coastal Towns %	Rural Arun %
B1a &B1b	75	25
B1c B2 and Sui		
Generis	67	33
B8	45	55

**Table 5.4 – Gross Floorspace Requirements by Location (Arun) (Sq. m)**

Location	Arun Coastal Towns		Arun Rural	
	Lower	Upper	Lower	Upper
B1a &B1b	50250	62812.5	16750	20937.5
B1c B2 and Sui	104144.8	130181	51295.2	64119
Generis				
B8	20502	25627.5	25058	31322.5
Total	174896.8	218621	93103.2	116379

**Table 5.5 –Gross Land requirements by Location (Arun) (Ha)**

Location	Arun Coastal Towns		Arun Rural	
	Lower	Upper	Lower	Upper
B1a &B1b	5.03	6.28	1.68	2.09
B1c B2 and Sui	26.04	32.55	12.82	16.03
Generis				
B8	5.13	6.41	6.26	7.83
Total	36.19	45.23	20.76	25.95

**Table 5.6 – Gross Floorspace Requirements by Use Class (Chichester)**

<b>Sector</b>	<b>Existing Floorspace (%)</b>	<b>Existing Premises Occupancy (%)</b>	<b>Occupier Expansion Requirements (%)</b>	<b>Average</b>	<b>Floorspace Requirement (Lower) sq. m</b>	<b>Floorspace Requirement (Upper) sq. m</b>
B1a &B1b B1c B2 and Sui Generis	30	68	33	44	131000	163750
B8	46	15	22	28	83000	103750
	24	17	45	29	86000	107500
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>300000</b>	<b>375000</b>

**Table 5.7 – Gross Floorspace Requirements by Premises Size (Chichester)**

<b>Size Mix</b>	<b>Recommended Size Mix %</b>	<b>Average % *</b>	<b>Floorspace Requirement (Lower) sq. m</b>	<b>Floorspace Requirement (Upper) sq. m</b>
0 - 100	30-40%	35	105000	131250
101-250	15-25%	21	63000	78750
251 - 500	15-25%	21	63000	78750
501 - 1000	0-10%	5	15000	18750
1001 - 5000	10-15%	13	39000	48750
> 5000	0-10%	5	15000	18750
<b>Total</b>		<b>100</b>	<b>300000</b>	<b>375000</b>

\* Derived from Expansion Requirements of Indigenous Businesses

**Table 5.8 – Gross Floorspace Requirements by Location % (Chichester)**

<b>Use Class</b>	<b>Chichester City</b>	<b>Rest of District North of A27</b>	<b>Rest of District South of A27</b>
B1a &B1b B1c B2 and Sui Generis	52	33	15
B8	67	13	20
	14	29	57

**Table 5.9 – Gross Floorspace Requirements by Location Chichester (Sq. m)**

Use Class	Chichester City		Rest of District North of A27		Rest of District South of A27	
	Lower	Upper	Lower	Upper	Lower	Upper
B1a & B1b	68120	85150	43230	54038	19650	24563
B1c B2 and Sui Generis	55610	69513	10790	13488	16600	20750
B8	12040	15050	24940	31175	49020	61275
Total	135770	169713	78960	98700	85270	106588

**Table 5.10 – Gross Land requirements by Location (Chichester) (Ha)**

Use Class	Chichester City		Rest of District North of A27		Rest of District South of A27	
	Lower	Upper	Lower	Upper	Lower	Upper
B1a & B1b	6.81	8.52	4.32	5.40	1.97	2.46
B1c B2 and Sui Generis	13.90	17.38	2.70	3.37	4.15	5.19
B8	3.01	3.76	6.24	7.79	12.26	15.32
Total	23.72	29.66	13.26	16.57	18.37	22.96

## IDENTIFICATION OF FUTURE PORTFOLIO OF EMPLOYMENT SITES

### Identification of potential employment locations

- 5.15 In order to meet employment land requirements up to 2017, it is necessary to firstly identify potential employment locations which have the physical potential to accommodate future growth and secondly evaluate the potential sites in terms of their suitability for meeting future requirements.
- 5.16 The potential employment sites have been identified using a range of information sources:
- (i) Existing employment commitments identified from county level employment land monitoring which represent existing unimplemented employment land allocations (with or without planning permission) and sites with planning permission for employment development;
  - (ii) Opportunity areas identified during the site appraisal process which either comprise of clusters of vacant premises or groups of premises in

poor condition which are unsuitable for re-occupation, or opportunities for extension/expansion of the site; and

(iii) Areas of land that are currently not used for employment use, which may have the potential to be used as such in the future, these have been identified through a review of the following criteria:

- Areas located within 1km of the strategic road network;
- Broad brush review of environmental constraints and policy designations.

5.17 As a result of this process 18 potential employment locations were identified in Arun District and 26 locations within Chichester District (44 in total). It should be noted that 20 of the 'potential employment locations' were identified as opportunity areas within existing employment sites. The locations were identified and assessed in broad terms and according to the likely maximum capacity of sites as measured by their size. Figure 5.1 identifies the potential employment locations and existing employment sites.

### **Evaluation of potential employment locations**

5.18 Consistent with the requirements of PPG 4 and accompanying best practice guidance the suitability of potential employment locations has been considered in order to assess how the existing balance of sites in terms of their location and suitability for different employment uses compares with the requirements identified for the period up to 2017.

5.19 A criteria based matrix has been used as the basis to evaluate potential employment locations within each District. The same criteria have been applied to established employment locations, commitments and additional locations identified as part of the study. The 4 main groups of criteria identified are:

- Access requirements;
- Sustainable development criteria;
- Market requirements and perceptions; and

- Site availability.

5.20 Within each of the 4 main groups a range of indicators were derived to address different issues and constraints. A score for each indicator was derived for each location depending based upon assigning a number of points based on the descriptive criteria which most accurately reflected the site. A composite percentage score was derived which equally weighted the results of the 4 groups of indicators outlined above. The 41 potential employment locations were then ranked according to composite site score. Each indicator under the 4 main headings is described below, the site assessment matrix and ranked scores are included within Appendix D (Table C.10).

### **Access**

#### *Public transport access*

5.21 Access to efficient public transport links, is an important determining factor in encouraging sustainable travel to work patterns. The distance from a public transport interchange and the frequency of the public transport service is important in determining public transport accessibility of potential employment locations.

5.22 The assessment of public transport accessibility has been based upon on the proximity of each location to a railway station. It is beyond the scope of this study to evaluate the location of sites relative to bus routes as no readily available information on public transport accessibility exists at district or county level. A score of 5 was given to sites that are within 400m of the station, 3 points were awarded for sites with fair access, within 800m of a station, and a single point awarded for sites that are further than 800m from a station. Distances were measured on a straight line basis.

#### *Proximity to the Strategic Road Network (including consideration of proposed improvements)*

5.23 The importance of being located close to the strategic road network varies according to business sector, the stage in the supply chain, market access dependencies and the frequency of inward and outward deliveries. Firms within the B8 use class who are engaged in storage and distribution activities are likely to attach the most importance to proximity and access to the

strategic road network. B1(c) firms may also have a strong business need for good access to the road network.

- 5.24 Points have been awarded to the potential employment locations on the following basis: 5 points for sites within 1 km of the Strategic Road Network (SNR), 4 points for roads between 1 km and 3km from the SRN, 3 points for fair access between 3 and 10km from the SNR, and no points for sites further than 10km from the SNR. Distances were measured on a straight line basis.

## **Sustainability**

### *Travel to work considerations*

- 5.25 To minimise journey times between work and home locations, it is desirable to locate employment uses either within, or adjacent to the most densely populated urban areas where the size of the labour pool is greatest.
- 5.26 In the absence of detailed travel to work information derived from the 2001 census, the scale of population and population densities has been used as a proxy to indicate the degree of sustainability of a settlement. For the purposes of this study, it has been assumed that larger the size of the settlement, the larger the scale of gross in-bound commuting flows and the greater the potential for sites to be served by public transport.
- 5.27 Sites within and adjoining the Chichester, Bognor Regis and Littlehampton urban areas are considered to be most sustainable in fostering sustainable travel to work patterns as these settlements are the best served transport terms and have been awarded the highest score of 5. Sites within other small towns and larger villages are considered to be the next most sustainable sites, and have been awarded a score of 3. Small villages and rural areas are the least sustainable in transport terms and have been given a score of 1.

### *Housing / Employment balance*

- 5.28 In order to promote sustainable patterns of development it is desirable for a town to provide a scale of employment opportunities which broadly matches the employment needs of the local population (workforce). Where there is an imbalance between the size of the workforce and the scale of employment opportunities, the provision of further employment or residential development

to address the imbalance should encourage more sustainable commuting patterns in the long term. It should be recognised that the objective should be to provide a more even balance of commuting flows rather than promote self containment as within a regional labour market labour force a degree of mobility is necessary to match skill requirements with available positions.

- 5.29 There may also be opportunities to promote sustainable development through providing for employment and residential land requirements through urban extensions where it is possible to co-locate both forms of development within the same location.
- 5.30 Sites within and adjoining the largest urban areas of Chichester, Bognor Regis and Littlehampton are likely to provide the greatest potential degree of housing / employment balance at the settlement scale or through the provision of sustainable urban extensions and were attributed a score of 5. Locations within and adjoining the smaller towns and larger villages were awarded 3 points, and locations in the smaller villages / rural areas represent the least sustainable sites and were allocated a single point.

*Previously developed land*

- 5.31 In sustainability terms, it is preferable to re-use of existing land and premises to maximise the most efficient use of existing resources. Locations have been evaluated according to whether they represent “brownfield” locations consistent with the definition of previously developed land identified in Annex C of PPG3.
- 5.32 Due to the importance attached to re-using previously developed land where possible, previously developed sites have been awarded a score of 5, and Greenfield sites score 0 points.

*Sequential test*

- 5.33 The location of potential employment locations has been considered on a sequential basis to provide a measure of the centrality of the location and the extent to which access can be provided by a range of transport modes. The locational typology has been adapted from those identified within PPS6 (Town Centres and Retail Development) and PPG 3 (Housing) however the principles can equally be used to provide an indicator of the centrality

(providing access to other services and firms) and access (proximity to transport network and labour pools. The highest score has been attributed to locations within the existing urban area (5 points) followed by locations on the edge of existing urban areas (3 points) and rural locations (1 point).

#### *Contribution towards local employment needs*

- 5.34 The final sustainability factor considered was the proximity of potential employment locations to areas experiencing deprivation in terms of access to employment opportunities. The provision of employment opportunities in close physical proximity to areas experiencing deprivation is one enabling factor identified by the Government's Social Exclusion Unit<sup>12</sup>. The potential of locations to provide opportunities in close proximity to areas of employment need were assessed through reviewing maps identifying multiple levels of deprivation (Figure E.7 and E.8). The scale of potential for locations to perform this role has been graded on the following basis: high (5 points); fair (3 points); and low (1 point).

#### **Market considerations**

##### *Marketability (perception and demand)*

- 5.35 The market attractiveness of sites varies according to the demand for different types of premises, market perceptions are also influenced by factors such as the desirability of an area as an employment location, the quality of the environment surrounding a site, and the accessibility of a site.
- 5.36 Good location and access is often viewed as a pre-requisite for employment sites, and exerts a strong influence on the marketability of a site for employment use. A potential site must exceed the minimum size requirement needed to make a given development economically viable. For B-class uses in new locations it is necessary to provide sufficient land for a critical mass of similar activities to be established. The size of parcel varies according to the target sector and size of premises to be provided. Consequently, a relatively small site may be large enough to make B1(a) development feasible, but may be too small for B1(c) development.

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<sup>12</sup> Making the Connections: Final Report on Transport and Social Exclusion (SEU, 2003)

5.37 Certain occupiers may have particular site requirements depending on the operations of their business particularly in terms of accessibility, and environmental requirements, for example HQ occupiers within some sectors have a preference for a high quality business park type environment in a prominent location whereas similar functions in other sectors are less prescriptive. B1(c) and B8 firms typically require purpose built, low density sites in order to undertake their operations in an efficient manner and to allow room for expansion in situ.

5.38 An assessment has been made of the market attractiveness of each potential location in terms of:

- Suitability in meeting the locational, use class and size requirements for the area in which it is located (with reference to Tables 5.1- 5.10);
- Flexibility of the site in meeting the needs of a range of employment requirements;
- Accessibility by road and public transport; and
- Potential to establish an attractive environment to meet the needs of the target use class(es).

5.39 The attractiveness of each potential location has been summarised on the basis of the factors described above for B1(a), B1(c) and B2, and B8 use in turn, on a scale of 1-5 (1 = very poor, 5 = very good). The use with the highest score has been used to form the overall marketability rating for each location.

## **Availability**

### *Site Availability*

5.40 The availability of a site is influenced by its current physical state including whether it accommodates an existing use and the presence of environmental constraints which need to be overcome prior to development. The need for land assembly may also reduce the availability of a site for development in the short-medium term. The availability of a site has a direct relationship on the ease at which a site can be brought forward for development and

development costs. Sites that accommodate an existing use and require land assembly are generally harder to develop than undeveloped sites in single ownership.

*Site development constraints (undeveloped sites)*

- 5.41 For undeveloped land the assessment of availability has also been taken into account within the availability score to reflect environmental and other development constraints that would influence the extent to which a site may be suitable for development, or could even preclude development of all or part of a site. These include flood risk, ecological and heritage designations, overhead power lines and infrastructure requirements.
- 5.42 The availability of sites has been assessed on a scale of 1-5 (1 = very poor, 5 = very good).

### DEFINING A PORTFOLIO OF SITES

- 5.43 Potential employment locations have been considered in the context of their suitability for meeting employment requirements. The next stage is to relate the quantum of potential sites located within each District to the Structure Plan requirements for the period 2001-2017. The current balance is illustrated in Table 5.11.

**Table 5.11 – Comparison of Structure Plan Requirements and Existing Provision**

	Arun	Chichester
Gross NE1 Requirement	240,000	210,000
Total Built	26,469	100,368
Balance Required	213,531	109,632
Existing Provision	159,761	134,569
Industry Lost to Office	0	2,138
Net Balance To be Provided	53,770	-22,799

Source: WSCC, CIDS, August 2004

- 5.44 The employment land review has reviewed the scale of the Structure Plan requirements for each District and has identified that there is a need to accommodate employment floorspace of up to 335,000 sq. m gross within

Arun District and 375,000 sq. m gross in Chichester District up to 2017, These figures are a higher estimate than the requirement set out within the Structure Plan.

5.45 Table 5.12 sets out the quantity of gross floorspace which would be required in both Districts to meet our estimates of potential future requirements identified above having regard to completions and small scale commitments not identified specifically within the review (taken from WSCC CIDs monitoring data). The 'gross balance' figure represents the gross floorspace which needs to be provided for in the LDFs through either suitable existing commitments and/or new allocations (A-B-C within Table 5.12). Within Arun this represents a net figure of 246,373 sq. m gross floorspace. Within Chichester the gross balance of floorspace required amounts to 221,629 sq.m.

**Table 5.12 – Revised Employment Floorspace Requirements (sqm) and Potential Supply (sqm and ha) 2001-2017**

	<b>Arun</b>	<b>Chichester</b>
(A) Gross Floorspace requirement	335,000	375,000
(B) Total Built	26,469	100,368
(C) Existing Provision (small sites)	62,158	53,003
(D) Existing Provision (large sites for evaluation)	97,603	81,566
<b>Net Balance (A-B-C)</b>	<b>246,373</b>	<b>221,629</b>
(E) Total Area of Potential Employment Sites (including existing large commitments and potential 'new' sites)	247.74 (ha)	342.62 (ha)
(F) Total Floorspace Capacity of Potential Employment Sites (including existing large commitments and potential 'new' sites)	1,188,844 (sq. m)	1,445,296 (sq. m)

Notes:

(C): Small planning commitments identified by WSCC CIDs assumed to be required and suitable for employment use during plan period.

(D): Large planning assumed at this stage not to be suitable for employment use during plan period but reviewed along with other potential 'new' employment sites identified during study by Atkins (E & F).

Floorspace (sqm) is translated into land area (ha) and vice versa by the application of plot ratio assumptions as follows: B1a: 50% (2 storey); B1c, B2 & B8: 40% (single storey)

5.46 The total employment land within each District comprising sites which have the physical potential to accommodate future requirements is set out in rows E & F (expressed in terms of land and floorspace). The floorspace capacity estimates for each site were based upon the following assumptions:

- Whether the land was potentially most suitable for accommodating B1 or B1c, B2 or B8 development determined from the evaluation of potential employment sites. If a site was equally suitable for either category of use an even split between the uses was assumed;
- Application of a plot ratio. For B1a uses a plot ratio of 50% and 2 storey development was assumed, For B1c, B2 & B8 uses a plot ratio of 40% and single storey development was assumed.

5.47 Overall the capacity of potential sites to accommodate employment development/intensification equates to some 247.74 ha (with a capacity of some 1,188,844 sq. m floorspace) in Arun; and 342.62 ha (with a capacity of 1,445,296 sq. m floorspace) within Chichester. Therefore, of the sites offering potential for employment development/intensification approximately 23% of the floorspace identified would be required to meet future requirements in Arun and some 16% within Chichester District.

5.48 Considering the balance required between B1 and B2, B8 and Sui Generis uses, the area of land to be identified within each plan through either suitable existing commitments and/or new allocations equates to a maximum gross figure of 52.35 ha within Arun District (6.16 ha Office and 46.19 ha Industrial and warehousing)<sup>13</sup>. Within Chichester District there is an upper level gross requirement for up to 40.78 ha of employment land comprising of some 9.75 ha of office development and 31.03 ha of industrial and warehousing land.

5.49 Taking into account our assessment of suitability of existing employment allocations for the stated use, Table 5.13 set out our estimates of the net requirement to meet both the WSCC Structure Plan requirements (Policy NE1) and higher estimates of requirements for the LDF plan period identified above. The table provides the net balance requirements by use class which should be compared to the CIDs data set out in Table 5.11.

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<sup>13</sup> Floorspace (sqm) is translated into land area (ha) by the application of plot ratio assumptions as follows: B1a: 50% (2 storey); B1c, B2 & B8: 40% (single storey). These are applied to the

**Table 5.13 - Net Employment Land Requirements by Use Class 2001-2017**

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

Note: The table provides an estimate of net floorspace and land which is required to meet our upper level estimates of requirements taking into account completions since 2001 and existing commitments assessed as suitable for employment use (during the plan period).

5.50 The evaluation of existing (large) planning commitments and potential new employment sites (identified by Atkins) is set out in Tables D10 and D11 in Appendix D. Table D11 sets our recommendations for sites which provide the most suitable options for meeting both the existing Structure Plan requirements and our upper level of need as described above. Based on a range of supply and demand side criteria, a composite suitability score is identified in Table D11 to indicate which sites should be considered as most appropriate in meeting the requirements identified in Table 5.13. This proposed portfolio of sites is described further in Chapter 6 and defined fully in Appendix D.

## **6. CONCLUSIONS AND RECOMMENDATIONS**

### **INTRODUCTION**

- 6.1 This Section sets out our recommendations in respect of the future employment land policy approach. The primary purpose of the recommendations is to inform the emerging Local Development Frameworks being prepared for Arun and Chichester District Councils. Particular emphasis is given to addressing the key objectives of the study as defined in Section 1.
- 6.2 Our conclusions and recommendations are based on the cumulative findings of our assessment of employment land demand and supply in both districts. The analyses have been carried out in accordance with recent government policy statements and guidance on undertaking employment land reviews.

### **NATIONAL AND REGIONAL POLICY**

- 6.3 This study has been carried out in accordance with the requirements of recent and emerging strategic policy considerations. In particular, this has included:
- ODPM Employment Land Review Guidance Note;
  - Amendment of PPG3 (Housing); and
  - Draft South East Plan.

### **ODPM Guidance Note**

- 6.4 The ODPM's Guidance Note on Employment Land Reviews provides advice to local authorities in respect of assessing the demand for, and supply of, land for employment. It aims to ensure that existing, allocated and potential employment sites are assessed in terms of their suitability for employment use in order to safeguard the best sites from competition from other higher

value uses and to identify sites which are no longer suitable for employment use (which may be considered for alternative uses). Appendix B summarises the Guidance Note. This study has adopted the criteria-based assessment approach recommended in the Guidance Note which and has resulted in an independent, comprehensive and up-to-date review of the existing and potential employment land portfolio in both Districts.

### **PPG3 (Housing)**

- 6.5 Reflecting the strategic policy objectives underlying the Employment Land Review Guidance Note, the government issued a new paragraph 42 (a) to PPG3 (Housing) in January 2005. This requires local authorities to consider applications for housing or mixed-use developments on land allocated for industrial or commercial use unless it can be demonstrated through an up-to-date review of employment land, that there is a realistic prospect of the land being taken up for its stated use in the plan period (see Appendix B).
- 6.6 In our conclusions below, we highlight that in both Arun and Chichester Districts, there is potential that the current portfolio of existing and allocated employment sites may be insufficient in meeting the requirements of businesses during the plan period (in both quantitative and qualitative terms). In particular, we consider that a number of existing employment land commitments (as identified by the West Sussex CC CIDs monitoring system) are unsuitable for employment use as defined by PPG3. Consequently, it is our view that these sites should be considered for alternative uses and should not be allocated for employment use in the LDFs. These sites are identified in Table D11 of Appendix D. Consequently, we conclude that a number of new sites need to be identified to meet needs during the plan period whilst sites which have been assessed as suitable for employment use should be safeguarded accordingly (see below).

### **Draft South East Plan**

- 6.7 The draft South Plan (January 2005) highlights that local authorities should allocate employment land to provide a range of sites and premises to meet the diverse array of business needs. It advocates that local authorities should:

- resist the loss of suitably located industrial and commercial sites to other uses where it is justified by local economic and employment evidence and only to consider the transfer of sites where it has been demonstrated that sites are incapable of meeting the needs of businesses (through employment land reviews);
- promote regionally significant and locally important sectors and clusters as they evolve;
- encourage the economic regeneration of Coastal Sussex; and
- support rural diversification in towns and villages or on farm sites where applications show positive benefits.

6.8 In addressing the draft policies of the South East Plan, this report has provided a comprehensive review of existing, allocated and potential employment sites in order that suitable employment sites are distinguished from those which are not suitable or likely to be taken-up for employment use during the plan period. This is set in the context of our quantitative and qualitative assessments of economic and employment need in both Districts, the conclusions of which are discussed below. Moreover, our conclusions and policy recommendations set out below are provided in light of the sub-regional objective of encouraging economic regeneration along the Sussex Coast as well as rural diversification in appropriate locations.

### **STRUCTURE PLAN REQUIREMENTS**

6.9 Section 2 of this report described the indicative requirements for employment floorspace provision in Arun and Chichester Districts. We have tested the gross floorspace requirements against results of our trend-based forecasting techniques and the results of our empirical survey of local businesses in both districts. In broad terms, the gross requirements are reasonably comparable to the forecasting analysis and basic expansion requirements of existing businesses although more so for Arun than for Chichester District. However, depending on the economic priorities to be adopted in the LDFs, 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.

6.10 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 Council's 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.

6.11 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. Indeed, it is important to highlight that the results of the business survey on expansion plans related only to indigenous businesses. Consequently, the business survey estimates excluded potential demand from inward investors. The business survey sample is particularly useful for assessing the needs of SMEs in the Districts. 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.

6.12 It is also important to highlight that both the business survey findings and the theoretical floorspace forecasts exclude B Use Class occupiers in the public

sector<sup>14</sup>. Again this highlights the need not to be overly-prescriptive in respect of the quantitative Structure Plan requirements.

6.13 Despite the limitations of the Structure Plan in quantitative terms, it is important to highlight that Plan policies introduce a degree of flexibility for individual authorities. Indeed, it is highlighted that local circumstances may dictate that some authorities may need to identify more or less floorspace than the indicative requirements set out in the Structure Plan. Reflecting on the various strands of our demand side analysis, 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%<sup>15</sup> 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%<sup>16</sup> should be identified as long-term reserve land for release towards the end of the Structure Plan period, subject to monitoring.

6.14 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.

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<sup>14</sup> This reflects the constraints of disaggregating public sector employment activities into B use classes and, more importantly, enables the analysis to focus on the market needs of private sector businesses which are largely responsible for driving the competitiveness of a local economy.

<sup>15</sup> 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.

## **KEY GAPS AND NEEDS**

- 6.15 Following our analysis of supply and demand side conditions, we conclude that the following key gaps and needs should be given particular priority in the LDFs

### **Allocation of New Employment Sites**

- 6.16 It was highlighted above that, 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 (see Table D11 in Appendix D).
- 6.17 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 D11.
- 6.18 To meet the higher level of provision as indicated earlier in this Section, and quantified in terms of land in Chapter 5, we recommend that new sites to should be identified up to a maximum of 52.35 ha in Arun and 40.78 ha in Chichester District. The preferred sites to meet this need are identified in Table D11.
- 6.19 Consultations with local property agents reinforce our conclusions that existing supply is likely to fall short of meeting demand in both Districts even in the short to medium term. These consultations indicated that there is a perceived lack of supply of employment site and premises to accommodate the expansion needs of existing businesses in both Arun and Chichester. Moreover, in Chichester, the lack of significant development opportunities is reported to undermine opportunities to attract valuable inward investment to the District.
- 6.20 Our consultations also indicated that the perceived constraint on employment land supply runs the risk of creating a significant mismatch between the size

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<sup>16</sup> As above.

of the resident workforce generated by new housing development and the number of new jobs generated to create local employment opportunities for these workers. This concern is reinforced by the solid commitments being made to accommodate housing targets whilst a significant proportion of the employment commitments may not be suitable for that use, particularly in the short to medium term.

### **Employment Location Strategy**

- 6.21 Chichester and western parts of Arun offer good potential to attract inward investment by office and light industrial occupiers. This is particularly the case for those with small to medium sized floorspace requirements. In Chichester City the key opportunities are for business and professional services, knowledge / technology intensive light industry and small to medium sized logistics and distribution activities. The majority of these activities are likely to have a preference to be located within or close to Chichester City and the strategic road network. Arun offers most potential for the attraction of light industrial activities, B2 manufacturing and logistics / distribution.
- 6.22 The business survey reinforced our analysis of existing and potential economic opportunities within the two Districts. The survey results demonstrated that the majority of businesses considering relocation would prefer to remain within or close to the Arun and Chichester District Council areas. With the exception of small rural businesses (which will be dispersed throughout the districts) and a relatively small number of isolated sites away from the main urban areas, location demand is focused on: Chichester City and the surrounding area; Bognor Regis and Littlehampton; land between the two Arun towns (around Ford); and land between Chichester and Bognor Regis.
- 6.23 Our recommendations for the allocation of new employment sites reflect our analysis of economic opportunities and locational preferences of established businesses in the Districts.

### **Promoting Diversity of Business Needs**

- 6.24 Ensuring economic diversity in the future in Arun and Chichester will depend largely on the success of the SME market (particularly businesses employing up to 50 people). These types of businesses occur in all sectors but are

particularly prevalent in the service-based sector. Our analysis of business trends over the last 10 years has demonstrated the significance of small businesses to Arun and Chichester: this role is likely to become even more prevalent in the future, as is highlighted by the expansion plans of the business sampled as part of the business survey. It will be critical that the LDFs make provision for accommodating the needs of small businesses. Not only should this include the identification of sufficient sites and premises to meet their floorspace needs, but also include proactive initiatives to link property provision with business support services (e.g. through business centres, managed workspace and incubator units). Close integration between planning policies and economic development activities should be central to the Councils' plan to meet the needs of the small business sector. Many of these businesses are likely to require premises up to 1,000 sq m (10,000 sq. ft).

- 6.25 The analysis set out in Section 5 provides an indicative distribution of future requirements by use class and business size. In Arun, the LDF should take steps to generate small office markets in Bognor Regis and Littlehampton. Successful integration of this priority with wider regeneration initiatives will be of fundamental importance (particularly initiatives to attract new retail, leisure, tourism and cultural activities).
- 6.26 Our analysis has indicated that the rural enterprise sector is a fundamental component of both districts. Indeed, the rural economy in Arun and Chichester is characterised by a diverse range of activities, some of which relate to agriculture and horticulture but many to niche service activity (e.g. ranging from marine defence consultancy to I.T. support to training services). Given the need to promote on-going rural diversification through a variety of enterprise activity, it is important that the LDFs support this process. Later in this Section, we identify the key criteria that we considered should be adopted to manage employment-related development in rural areas.

### **Inward Investment**

- 6.27 Whilst the expansion of indigenous businesses and existing investors will provide the main source for improving employment opportunities and facilitating economic diversification in the Districts, it is important the LDFs provide good quality options for potential inward investment projects and relocations from areas outside the District. Initiatives aimed at inward investment promotion should focus on small to medium sized. Key sectors

and activities which offer potential for inward investment in the Districts include:

- Advanced engineering and high value light industrial activities;
- Assembly and logistics;
- Professional, business and financial services;
- Marine technology and defence;
- Shared service and contact centres; and
- New media, ICT and other creative industries.

6.28 Critical to facilitating high value inward investment activity will include the provision of readily available, good quality office, light industrial and distribution sites and premises. Most inward investment decisions are dependent on the ability to move quickly in terms of site development and/or occupation. As highlighted in Section 5, we have recommended that a number of existing employment allocations in the Districts should be replaced with new, higher quality sites. Some of these proposed sites would provide good inward investment opportunities.

6.29 Whilst the provision of readily available, good quality employment sites is an important factor in shaping inward investment decisions, it is critical that any such promotional activities are integrated with related initiatives including: business support and aftercare services; labour market and skills programmes; and educational capacity development.

### **Qualitative Improvements to Existing Stock**

6.30 There is a need for both Councils to take a strongly proactive approach to facilitating the qualitative improvement in the supply of employment land and premises in the Borough. This is particularly important for industrial sites owned by the Councils where there is a clear opportunity to stimulate private sector investment. Improving the qualitative supply can be achieved through a combination of the following measures:

- For Council owned estates, initiate co-ordinated investment through the renewal of long leases with the condition of occupier investment in sites and premises (for example, Terminus Road);
- Intensifying the use of some existing employment locations (for example, Terminus Road);
- Introducing complementary ancillary employment uses that fall outside the B use class;
- Redevelopment of some existing sites for continued employment use;
- Redevelopment of some existing employment sites for employment-led mixed use development;
- Redevelopment of windfall and/or other key sites with opportunities for mixed-use development with a significant employment component;
- Utilising gap funding and direct development options if appropriate; and
- Improving environmental and security conditions (e.g. through Council / SEEDA initiatives and grants).

### **Infrastructure Priorities**

6.31 Reflecting the priorities of both the Local and Structure Plans, it is essential that commitment to key transport investments is achieved as soon as possible (particularly A27 Chichester By-pass, Bognor Regis By-pass, and Arundel By-pass). Other studies and our analysis highlights that the delivery to market of a significant amount of employment land provision is dependent on the implementation of these transport projects. Should this investment be prevented or delayed significantly further, it may be appropriate to consider the identification of further new employment sites from the list of sites required to meet future requirements identified in Appendix D.

## CRITERIA BASED POLICY APPROACH – EMPLOYMENT PROTECTION AREAS

6.32 A typology of employment locations has been derived which considers the existing and future floorspace requirements for the Districts up to 2016 and the capability of existing sites and premises to meet these requirements. The typology of locations is shown in Table 6.1 and builds on the existing planning policy approach relating to employment land and premises in Arun and Chichester Districts. Each of the employment location types identified in Table 6.1 should be regarded as ‘employment protection areas.’ Based on our assessment of future employment needs and our evaluation of sites in terms of their suitability in meeting these needs, Appendix H sets out an indicative ‘designation’ of required sites according to the proposed typology.

**Table 6.1 - Typology of Employment Locations**

Designation Type	Description
<b>Major Employment Sites</b>	<p>Major Employment Sites are strategically and locally significant. They encompass viable locations for supporting B1, B2 and B8 land uses. These sites should be protected strongly by policies opposing change of use, Major Employment Sites will normally meet the following criteria (in both Arun and Chichester Districts):</p> <ul style="list-style-type: none"> <li>• Form part of established area of existing industrial, warehousing or office-based activity. Normally include more than 4,000 sq. m (43,000 sq. ft.) of employment floorspace. In addition, employment floorspace should represent a minimum of 30% of the total area of floorspace within the area;</li> <li>• Support clusters of economic activity which are of particular importance to the future growth of the Arun / Chichester economy. Such clusters may include cultural and creative industries, financial and business services, other business services, public administration, manufacturing, storage / distribution and environmental industries (including recycling and related waste treatment operations).</li> <li>• Well located in proximity to the road network and are normally accessed directly from a primary, secondary or local distributor road;</li> <li>• The quality of the employment building stock and the state of the physical environment and public realm are attractive to business or have the physical potential to be upgraded to meet those needs;</li> <li>• Provides an existing role or offers potential with regard to the provision of premises serving small and medium sized businesses (including start-up, expanding and relocating businesses);</li> <li>• Provides lower cost accommodation suitable for small, start-up or lower-value industrial, warehousing or office uses or other business important to the local economy;</li> </ul>

Designation Type	Description
<b>Rural Enterprise Locations</b>	<ul style="list-style-type: none"> <li>Contributes to local employment objectives and local economic diversity.</li> </ul> <p>Some sites may be identified as Major Employment Sites because they offer potential for 24 hour working, or provide facilities for 'bad neighbour' uses without detriment to residential amenity.</p> <p>Key locations for rural enterprise should be identified as firm allocations and mapped accordingly. These should be defined according to a comprehensive needs assessment (see below). Whilst the rural enterprise locations should represent the areas where greatest need is demonstrated to exist, it is important that supporting policies do not exclude other rural areas from the development of employment and enterprise generating activities. Based on the presumption of prioritising the re-use of existing buildings in the countryside, the criteria based approach outlined below should be used to guide development.</p>
<b>SME Sites and Premises</b>	<p>The aim of this designation would be to ensure that sufficient sites and premises are made available for the establishment and expansion of small firms. This should include specific opportunities to provide affordable and/or managed workspace, incubation and business centres. The identification of these sites and premises should be undertaken as part of an integrated approach to land-use planning and economic development (in both districts). Key public and private sector providers of workspace should also be involved in the identification of sites and in defining the most appropriate mechanisms for delivery (including associated business support and training services).</p> <p>As a guideline, an indicative upper threshold for such sites could be identified in LDDs (for example, up to 2ha in size). In some cases, there will be sites which are identified as both a Major Employment Site and a location for SME activities.</p>
<b>Strategic Development Sites</b>	<p>These sites would represent a limited number of 'fresh' allocations which would support significant job generating floorspace. The sites would be largely previously undeveloped and located in key strategic locations in both districts. Given the location and size of these potential sites, it would be appropriate, in some cases, for sites to be considered for mixed-use development (including housing). However, the degree and nature of mixed-use activity should be informed by other key objectives of the LDF (e.g. sequential policies).</p> <p>Effectively, these sites would perform a similar role to the Structure Plan Strategic Locations but on a smaller scale. In employment terms, these sites would represent important opportunities for facilitating expansion of existing businesses and attracting inward investment activity.</p>
<b>Sector Specific Locations</b>	<p>In consultation with business representatives, it may be appropriate for the Councils to consider the adoption of policies which support the development of key sector activities. In some cases, these policies may be supported by site specific designations. This would be particularly important where there is evidence of significant threats to key sector activities in particular locations (for example, higher value residential and retail uses displacing key, lower value activities). This approach could</p>

Designation Type	Description
	<p>also be used where there is a long-term need to protect key infrastructure assets which are critical to the operation of key industries (e.g. wharfs, intermodal interchanges).</p> <p>Key industries which may be considered appropriate for this designation could include: marine technology and leisure activities; advanced engineering; logistics; environmental industries; and tourism.</p>

## RURAL ENTERPRISE

6.33 It was highlighted in Section 2 that PPS7 requires local authorities to set out, in LDFs, criteria for permitting economic development in different locations. Based on a policy principle of encouraging sustainable economic diversification and rural enterprise, we consider that the following factors should be used to define the criteria in rural areas in both Arun and Chichester Districts:

- (i) Presumption in favour of maximising the re-use / conversion of existing buildings in the countryside. Proposals for new development should demonstrate that no disused buildings are available within a reasonable catchment area (subject to factors of viability).
- (ii) Need for social and/or economic investment to sustain the local economy including the retention of existing employment. This should be based on a local authority-led definition and assessment of need reflecting a thorough analysis of local socio-economic conditions including: amount and extent of unemployment / deprivation; patterns of in/out commuting; and economic health of village centres. The LDF could identify priority areas based on this analysis where rural enterprise is particularly required to meet need (but not to the exclusion of all other areas). Applicants should be encouraged to demonstrate the positive socio-economic impact of development proposals relative to identified priorities.
- (iii) Demonstrable social or economic need for proposals to be located in the countryside relative to an urban location (e.g. access to a specific market, raw material or particular labour force);

- (iv) Definition of a size threshold to guide the scale of development (e.g. maximum 200 sq. m.). Development or occupation of floorspace in excess of this threshold should be subject to a more rigorous demonstration of need for the particular scheme.
- (v) No adverse impact on the character or environment of the rural area (as defined by the assessment of rural need and priorities). Proposals which provide a net benefit to the environment should be promoted (e.g. reduction in out-commuting).
- (vi) Demonstrate that traffic generation from the scheme can be accommodated by the existing or planned local road system. Also ensure that access arrangements are acceptable for the scale and type of development.
- (vii) Safeguard the employment function of the development from other uses through planning conditions/planning gain mechanisms.

## **IMPLEMENTATION**

### **The Marketing Tests**

- 6.34 We consider that both districts should adopt policies which strongly protect the best employment sites identified earlier in the employment site typology. Loss of these sites to alternative uses runs the risk of constraining employment growth, limiting economic diversification and fuelling a significant imbalance between the size of the resident workforce and the number of locally available jobs. The site typologies identified in Table 6.1 reflect a variety of economic and employment roles that should be catered for in both Districts. Consequently, sites which have been assessed and demonstrated that they meet the criteria outlined for each site type should be protected against loss. In identifying the sites and the supporting policies, it will be important for the LDFs to demonstrate that a rigorous process of assessment has been undertaken. However, the LDF should also build in periodic reviews in order to update, and if necessary, revise the employment land assessment.
- 6.35 Other types of employment sites should also be subject to robust policies which protect the sites from transfer to other uses except when it can be demonstrated that clear criteria can be met. This should include evidence of

marketing activity which has taken place over a defined period of time (2 years):

- Policies should highlight the need for applicants to demonstrate the land and rental values being sought through the marketing process. It is important that these are appropriate in light of local and sub-regional market conditions and in relation to the specific characteristics of the site or premises being offered to the market.
- Also of particular importance, policies should require developers or landowners to demonstrate that sites have appropriately been offered to the market in terms of potential redevelopment opportunities for employment use. It is critical that the marketing process is not constrained by the current condition and/or specification of the buildings on the site.

6.36 It is also appropriate for the policies to give wider consideration to issues of viability of sites for employment use. This could include the potential intervention of public bodies to ensure viability for key sectors and/or types of businesses (e.g. start-ups). In guiding the viability of development proposals, it will be important that applicants have regard to guidance prepared by the local authority. We recommend that benchmarks should be established jointly with surrounding districts having regard to variations in location, size, type / quality of premises (fit for purpose), lease length and conditions, business sector and affordability.

6.37 Critically it will be essential for benchmarks to compare like with like. Moreover, a standard monitoring and review process should be established to account for changing local, sub-regional and regional market conditions. This should form part of an annual monitoring review process undertaking jointly with surrounding local authorities. This should include the involvement of private and public sector property professionals who are active in the area.

6.38 In addition to the marketing tests, other exception criteria which could be adopted to manage the potential loss of other employment sites could include circumstances where it can be demonstrated that:

- a) the proposal is for other non-residential uses that provides significant employment, and there is no identified need for the site or buildings for Class B uses; or
- b) the proposal is wholly for affordable housing, the site is vacant and the development would not prejudice the continuation of adjacent employment uses; or
- c) the proposal is for any other use and the application is supported by a statement of the efforts made to secure re-use for Class B1-B8 or similar uses or other non-residential use that provides employment, which indicates that there is no realistic prospect of the site or buildings being used or re-used including redevelopment for these purposes; or
- d) the site or buildings would be physically unsuitable for re-use for Class B1-B8 or similar use, even after adaptation (including sub-division into smaller units), refurbishment or redevelopment, in terms of siting, design, access, layout and relationship to neighbouring buildings and uses.

6.39 The supporting text should state that, where an application is made under clause (c) the applicant should include as a minimum requirement:

- The length of time the property has been unused for employment purposes;
- The length of period during which it has been actively marketed for such purposes which should include the possibility of redevelopment and should provide evidence of this marketing (not normally less than 24 months). The evidence should show where the property has been marketed including publications and a wide circulation such as property journals;
- The prices at which the land and buildings have been marketed during this period which should reflect that obtained for similar property in the locality;
- A list of all expressions of interest during this period;

- An evaluation of why it is considered that the property has failed to attract interest from potential occupiers or for redevelopment for B Class use.

### **Positive Planning**

6.40 The research carried out for ODPM in respect of planning for economic development highlighted the importance of planning positively. This is particularly important for both local authorities to ensure that they can take a proactive planning approach which is well integrated with local economic development objectives. Moreover, proactive planning is likely to have the effect of improving engagement with the development market and local businesses. In the face of ongoing economic change and growing competition (particularly in the manufacturing sector), it is essential that Arun and Chichester District Councils take all steps to marshal the forces of growth. This is appropriate to ensure that the high dependency on public sector employment in both districts (and to a degree, manufacturing in Arun), does not increase the vulnerability of the local economies to cyclical changes in the future.