

# Topic Paper 4

## Economic Growth

for the Crawley Borough Local Plan 2015-2030

November 2014





## 1.0 Introduction

1.1 This paper is part of the evidence base for the Crawley Borough Local Plan 2015-2030. It considers the economic function of Crawley, both locally and in its role as part of the wider Gatwick Diamond. It supports the council's approach to planning for economic growth which is detailed in the submission Local Plan policies:

- EC1: Sustainable Economic Growth
- EC2: Economic Growth in Main Employment Areas
- EC3: Manor Royal
- EC4: Employm68(0)1.31968(1)1.310532.44 48.3202 Tm 31968( )6.0992(f)-15.6529(o)12.1957(r)-4.



development needs of business<sup>4</sup>





- 2.9 The LSS identifies several issues that need to be planned for through joint working if the prosperity of the Gatwick Diamond area is to be maintained and enhanced. The Diamond's economy is experiencing greater competition from other locations in the South East and is underperforming, particularly in terms of attracting higher-skilled knowledge based activity. Land supply is also a challenge across the Gatwick Diamond, both in terms of identifying an ongoing supply of suitable land and premises capable of meeting demands presented by a changing economy, and in delivering housing to support the needs of an increasing population.
- 2.10 The LSS identifies Crawley/Gatwick as the primary location for economic growth and a key driver for the local economy, recognising its strength as a business location, and having regard to the strong demand to locate there. For this reason, it is recognised within the statement as the main sub-regional focus for economic development in the short to medium term<sup>11</sup>. As the leading business district in the Diamond, Manor Royal is specifically identified within the statement as a key focus for regeneration to create business environments attractive to a range of knowledge based companies<sup>12</sup>.

#### Future of Gatwick Airport

- 2.11 The Interim Report of the Airports Commission (December 2013) included Gatwick in its shortlist of potential locations for the next UK runway, and the Commission has published numerous documents assessing all three shortlisted options for consultation in November

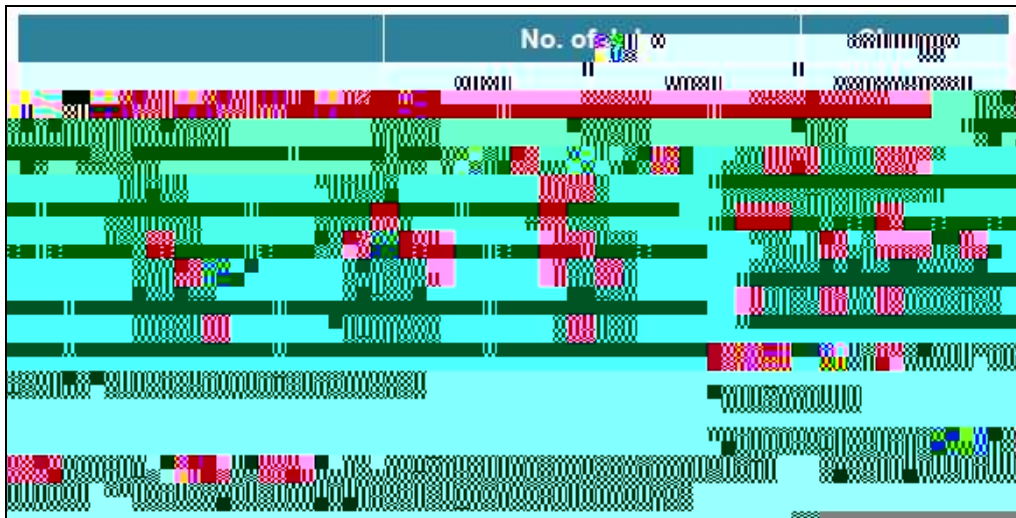






Diamond Initiative which have identified growth in the high value sectors of chemicals, machinery and equipment, computer and electronic products, transport equipment, telecoms, finance, insurance and pensions and business services.

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



Potential Sites Scenario

- 3.16 This scenario (Table 4) explores the employment and spatial implications if a number of strategic employment sites (location not defined) were to come forward over the Plan period. It is not a measure of market demand per se but rather a theoretical measure of economic potential that does not take account of delivery or planning policy factors. Modelling assumes each strategic site to be of a significant scale (circa 30-40 hectares) and accommodate up to 3,000 jobs across over broadly 100,000m<sup>2</sup> commercial floorspace. Reflecting Crawley's existing business base and patterns of market demand, the focus of any such development is assumed to be high quality business park premises, alongside

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to reflect a normal level of market vacancy in employment space. Allowance is also applied to take account of potential delays in sites coming forward for development and potential

Need for Additional Employment Land

- 3.22 The EGA draws together its forecasts of future economic growth and land requirements against an assessment of current land supply to identify whether additional employment land is required, or whether there are surpluses (both in quantitative and qualitative terms)



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

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

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





- 3.44 Through the 2008 Regeneris report<sup>19</sup>, the council was able to initiate discussion regarding areas of concern for businesses. This assessment of need looked at what those additional facilities were in Manor Royal and how the area could be improved, identifying an inherent lack of supply of support facilities, and outlined that an enhanced environment would be needed at Manor Royal that enabled business to flourish.
- 3.45 Crawley's Economic Plan<sup>20</sup> sets out the council's commitment to encouraging sustainable local economic growth and employment. Particular focus is given to enhancing the potential of key employment locations at Gatwick Airport, Manor Royal and the town centre, and exploring opportunities to draw new elements into the Crawley economy to broaden future prosperity.

Local Plan Economy Policies: Consultation Feedback

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

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

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

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

- 3.53 There was strong support for a presumption in favour of promoting economic development in the borough's designated Main Employment Areas, and strong emphasis on compliance with design and amenity related policies. This was particularly the case given the limited supply of new land available for economic growth.
- 3.54 A modern science or technology campus was promoted by developers at Gatwick Green, within the Airport Safeguarding Area. The development consortium suggested that such a strategic employment development would not compete with Manor Royal, but would rather

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

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



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

- 4.17 The Town Centre Strategy<sup>26</sup> seeks to ensure the whole Town Centre benefits from the proposals for Town Centre North by promoting and facilitating major new mixed use development elsewhere in the town centre, including the establishment of a residential community and the creation of high quality public realm. Marketing and promotion of the town centre in conjunction with its effective management will ensure that it continues to attract people from an increasingly wide area. Again, the broader approach to the town centre is being reassessed with the removal of the Town Centre North allocation.

Local Plan Retail Policies: Consultation Feedback

- 4.18 Respondents to the Issues and Options consultation (May-June 2009) outlined support for development of Town Centre North as a comprehensive strategic allocation that improves the attractiveness of Crawley Town Centre through a retail-led mix of uses including leisure and residential. It was however noted that the impact of TCN on nearby centres should be carefully assessed to avoid negative impacts.









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

- 5.19 Policy EC2 recognises that Crawley's economy is characterised by its range of employment areas, each of which has an established character and function, and performs an identified role. The Policy recognises Manor Royal, Gatwick Airport, and Crawley Town Centre as Main Employment Areas that each perform key economic roles. Given the fundamental role performed by each in driving the Crawley and Gatwick Diamond economy, a more detailed spatial policy approach for each of these Main Employment Areas is provided through

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

- 5.26 However, Manor Royal faces challenges. As recognised through Local Plan consultation and liaison with key stakeholders including Manor Royal Business Group and the Local Economic Action Group, there is concern that gradual incursion of non-business uses has undermined the overall business function of the estate. Market feedback collated through the EGA is clear that this trend is gradually eroding the role of the site as a “business” location which may deter future investors, but in p

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

Local Plan Policy EC4: Employment Development and Residential Amenity

- 5.34 Local Plan Policy EC4 recognises that the relationship between economic growth and existing residential uses needs to be managed in amenity terms. The majority of Crawley's Main Employment Areas are self-contained and are to an extent separated from residential neighbourhoods. However some areas, particularly more peripheral locations at the edges of Manor Royal, adjoin residential areas and there is potential scope for conflict.
- 5.35 For this reason, the previous (saved) Local Plan 2000 Policy E15 identified Manor Royal Buffer Zones at Tushmore Lane and Tinsley Lane. Within these areas, the policy sought to limit employment development to B1 office use and restricted more intensive alternative uses such as industry and storage & distribution, ensuring that development proposals within Manor Royal did not impact upon the amenity and setting of existing residential uses.
- 5.36 In applying the saved Local Plan (2000) Policy E15, over time an increasingly pragmatic approach was taken in planning decisions, as it was recognised that to only allow B1 use in the Buffer Zones was overly prescriptive and does not reflect the broader promotion of economic development required by the NPPF. On this basis, non Class B1 developments have been permitted within the Buffer Zones where officers considered that the nature of operations would not result in an amenity impact on nearby residential, most notably for Sui Generis uses.
- 5.37 The new Local Plan recognises that potential for conflict between economic and nearby residential land use remains, and there is still an ongoing need to manage the relationship in amenity terms. Furthermore, feedback from elected ward members has drawn attention to the value of saved Local Plan Policy E15 for local communities, and it is recognised that the Buffer Zones are valued in protecting the amenity of nearby residents. Therefore, although the current Policy EC4 was not proposed at the Preferred Strategy stage, it has been drafted for inclusion e vdra.32233(s)-0.297vditofy ed

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- 5.48 The council is therefore seeking to encourage the regeneration and efficient use of under-utilised town centre and edge-of-centre sites, particularly where this will maximise the potential of outworn buildings and underused land. The policy endorses proposals that will support and diversify Crawley's role as a primary regional centre, enhance the vitality of the town centre, provide facilities for new and existing residents, improve the links between different areas of the town centre and create a good living and working environment.
- 5.49 The town centre is recognised as a highly sustainable location for residential development and, given Crawley's high levels of housing need and constrained housing land supply, it is critical that town centre sites identified for residential use are prioritised for that purpose and that every opportunity is taken to maximise the delivery of housing. Likewise, there is an identified need for office accommodation, which is recognised as a main town centre use in NPPF terms.
- 5.50 Policy EC6 identifies sustainable development locations at town centre and edge-of-centre locations to accommodate a flexible mix of town centre uses, particularly main town centre uses, including retail and offices, and residential development. Within the town centre, flexibility for a range of main town centre uses is provided, including opportunities to incorporate residential as part of mixed-use development. At identified edge-of-centre locations there is clearer focus on residential-led mixed use development comprising main town centre uses. A number of suitable sites are id

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

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

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

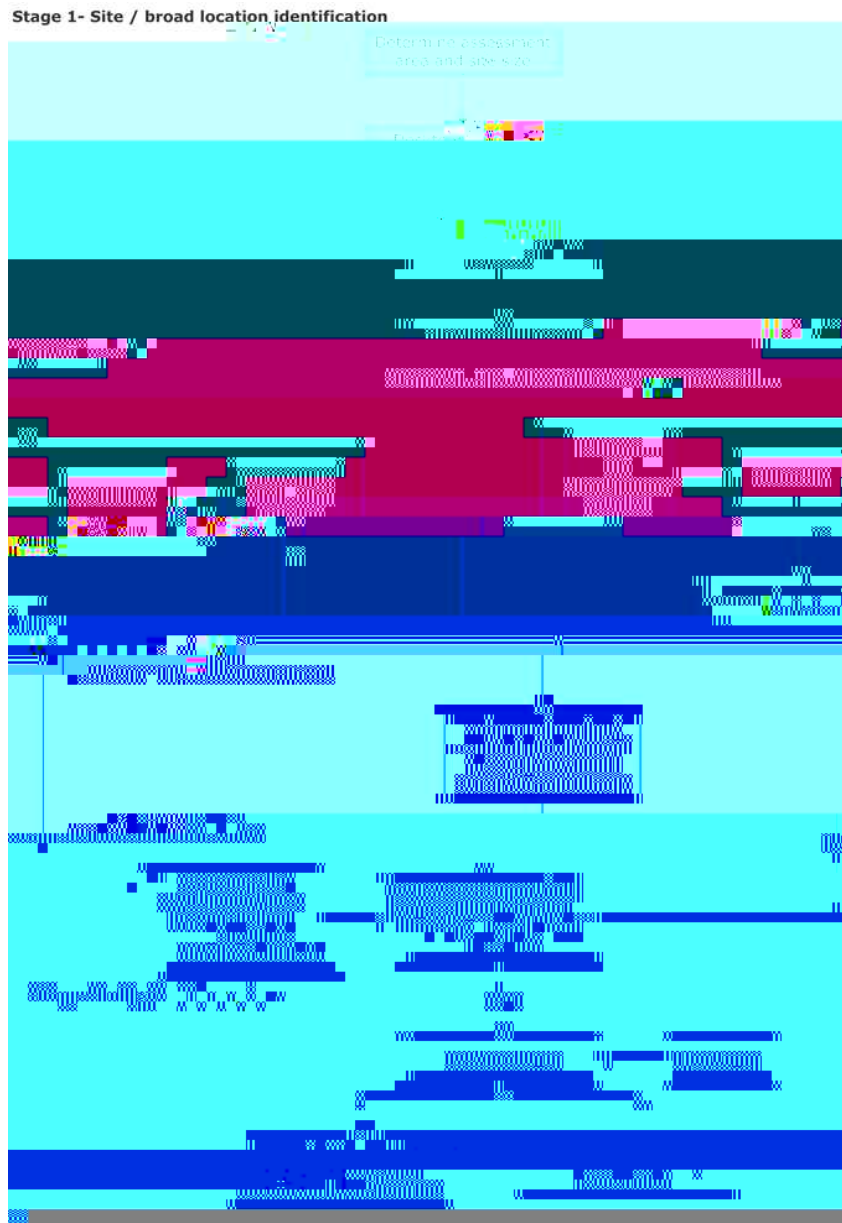
## 6.0 Building a Strong, Competitive Economy: Managing Delivery over the Plan Period

- 6.1 As outlined through the NPPF and PPG, local planning authorities are required to undertake a thorough assessment of sites to gauge their suitability for development, availability and achievability (including viability). The EGA is a key evidence base document in this regard having undertaken an assessment of existing and potential sites to identify an available land supply in Crawley of 42 hectares over the Plan period, sufficient to



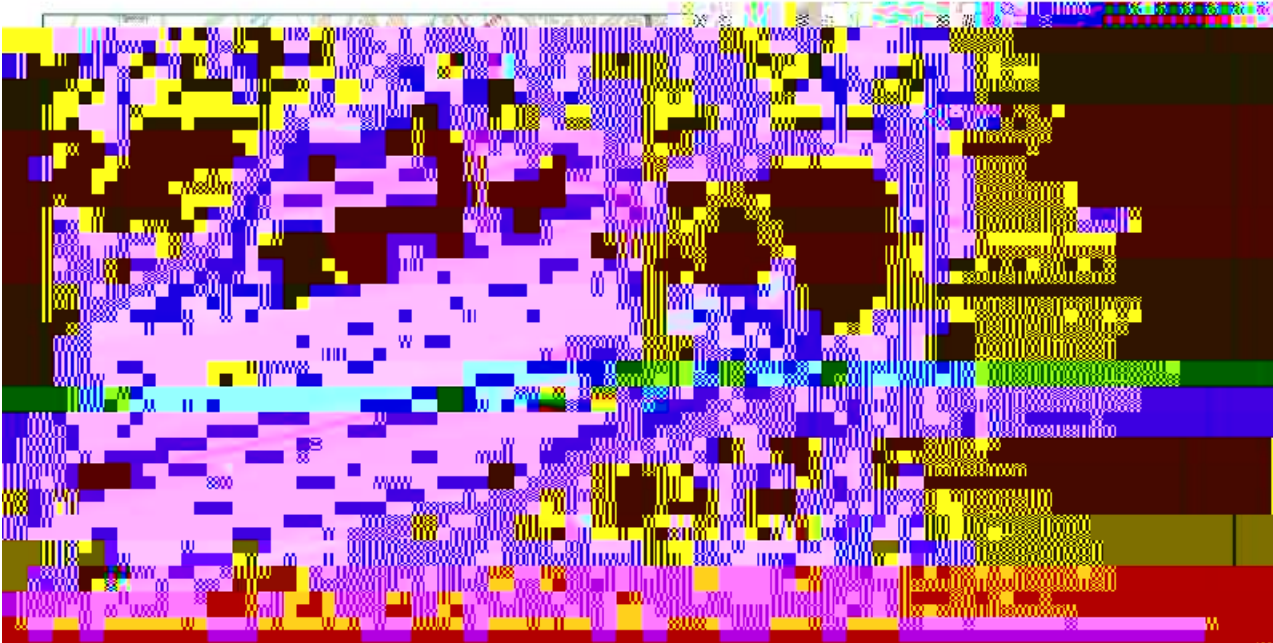


APPENDIX A: PPG METHODOLOGY FLOW CHART FOR HOUSING AND ECONOMIC LAND AVAILABILITY ASSESSMENT



APPENDIX B: GATWICK AIRPORT RUNWAY OPTION SUBMISSION N 2014

FIGURE 2: 2050 MASTER PLAN



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