



GL Hearn

Chichester Employment Land Review Update

Chichester District Council

FINAL REPORT

January 2013

Prepared by

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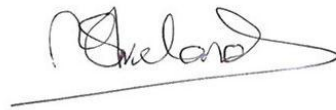
January 2013

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EXECUTIVE SUMMARY

The Council needs to set out a vision and strategy for the development of the local economy through the new Local Plan, to allocate new sites for employment uses and set out policies relating to the types of development it will allow on existing employment sites.

The Council's Sustainable Communities Strategy defines key economic development objectives – to develop a strong local economy, nurture well paid and secure jobs, improve skills, and ensure that all parts of the District prosper – the City, market towns and rural areas.

An update to the 2009 Employment Land Review was commissioned recognising that economic and property market dynamics are now different. It considers future demand for office and industrial development and what sites might be allocated for employment in the Local Plan – considering how much land is needed and where.

ECONOMIC & PROPERTY MARKET DYNAMICS

Chichester District is a £2.4 billion economy with 66,000 jobs in 2010. Over the 2000-10 period employment grew relatively strongly, increasing by 12,600. While unemployment has risen as economic conditions have worsened, and stands at 5.1% in 2012, it remains below average. Employment actually appears to have increased between 2008-10 – in contrast to many other areas. However productivity is below average – the quality of jobs is an issue.

The economy is focused towards small businesses. 19% of the resident workforce in the District are self-employed – and self-employment has been growing, particularly in professional services and agriculture. While there is commuting from parts of the District to higher paid jobs in neighbouring areas, such as Guildford and Portsmouth; the evidence suggests there is net in-commuting to the District to work.

The largest industries in the District are retail, public administration, education and health – much like many areas. However those which support higher value jobs and provide the opportunities to improve the productivity of the local economy are different and focused more on advanced manufacturing and engineering; construction and civil engineering; and finance, insurance and business services.

Prior to the recession, the District saw comparatively strong growth in warehouse and industrial floorspace – in part influenced by development at Rolls Royce. This market has held up well through the recession. Development potential in the short-term is focused at Chichester Business Park and Glenmore Business Park.

The office market – focused on Chichester - is more limited in scale and focused on local demand from Small and Medium-Sized Enterprises (SMEs). There is a significant level of empty office space currently,

equivalent to 2.7 years supply, and a further 2.3 years of supply with planning consent yet to be built. Developers are unlikely to build office space speculatively.

DEMAND FORECASTS

A number of forecasts have been prepared for future demand for employment floorspace and land, taking account of past development trends, expected performance of different industrial sectors, and what level of growth in the workforce can be expected in the District.

The forecasts indicate demand for around 180,000 sq.m of employment floorspace based on economic forecasts. This is lower than might be expected if past development trends continued – these would require around 230,000 sq.m. However the projected growth in the size of the workforce will influence demand and economic growth, with provision of between 155,000 – 170,000 sq.m of employment floorspace required to balance expected growth in employment and population. Depending on which parameters are used, the forecasts indicate that between 35-60 hectares of employment land might be developed over the plan period.

Currently there are 22 hectares of land with planning permission, and a further 7.8 hectares on allocated sites which have not yet been developed.

Taking account of both the demand forecasts and assessments of the quality of the existing employment land supply, the Study recommends that the Local Plan should identify up to 29 hectares of employment land outside of the National Park - up to 8 hectares of land for office development and up to 21 hectares for industrial uses.

FUTURE PORTFOLIO OF EMPLOYMENT LAND

The Study has included an assessment of the development potential of existing allocated sites which have not yet been developed, and the suitability and deliverability of a number of potential locations – particularly in and around Chichester – which might be considered in the future for employment development. It recommends the following:

- Provision of 4.5 hectares of employment land at Chichester Business Park, Tangmere. This includes the existing local plan allocation and other land currently being marketed for development.
- Consideration of the feasibility of mixed-use development on the former MOD Fuel Depot Site, Bognor Road, Chichester for waste/recycling uses together with up to 2.8 hectares of employment land for industrial (B2 and B8) uses;
- Consolidation of employment land provision at Selsey, based on evident market demand, with the outstanding (non-developed) allocation of land at Ellis Square reduced from the current 2.2 hectares to around 1.0 hectare;
- Delivery of up to 18 hectares of employment land through further strategic development sites in and around Chichester. This should be located to provide good access to the A27 Chichester Bypass.

In addition to the above allocations there may be circumstances where small scale employment development including extensions to existing sites in rural areas would be appropriate where evident demand exists. There may also be a strategic rationale for employment provision as part of any major residential development schemes at East Wittering/Bracklesham and Southbourne.

WIDER POLICIES TO SUPPORT THE ECONOMY

The Study provides further advice on policies to protect existing employment sites from redevelopment pressures unless it can be demonstrated that these are redundant and no longer suitable to meet modern business requirements. It also points out that there some sui generis uses such as car showrooms and waste/ recycling operations may be appropriate on employment sites.

In addition the Study highlights that the Council can support the local economy through wider measures – through working with telecommunications providers to roll-out 3G broadband and enhance broadband access in rural areas, through provision of premises and business support to facilitate small business start-ups and growth, and in working with the County Council and other bodies to improve infrastructure including congestion issues along the A27.

1 INTRODUCTION

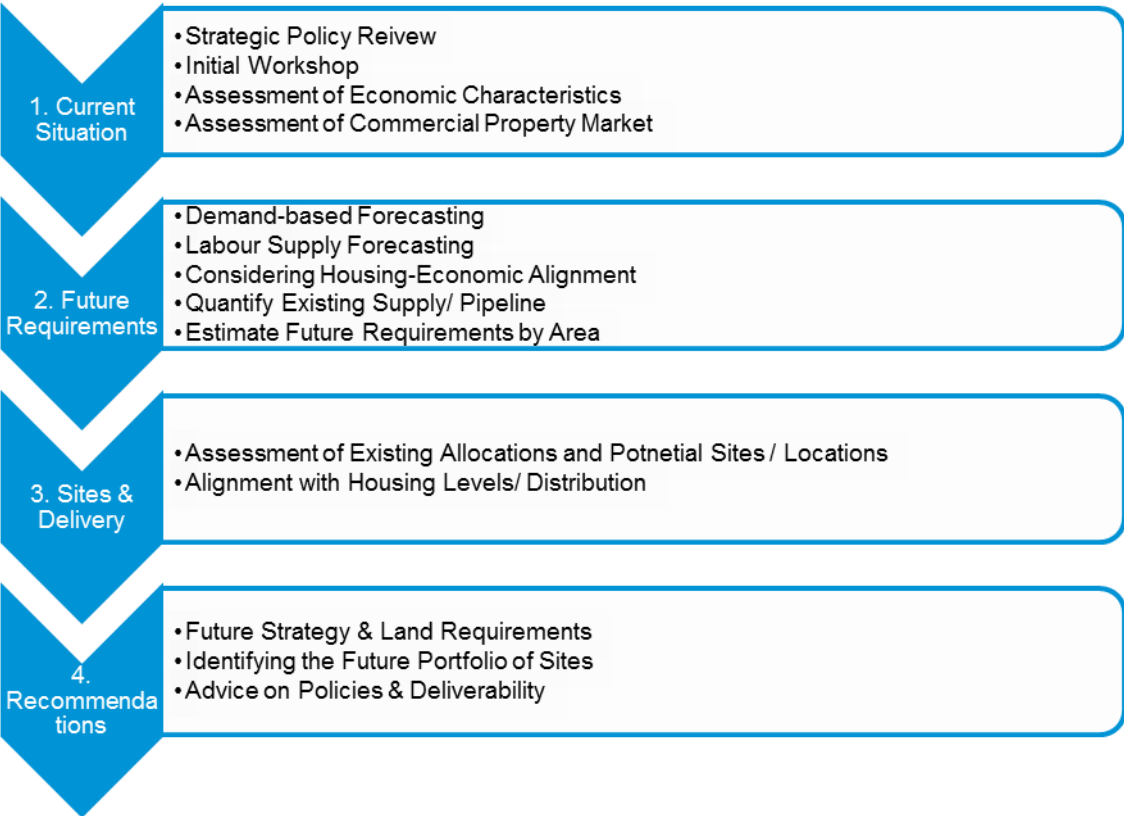
1.1 Chichester District Council has commissioned GL Hearn to prepare an updated Employment Land Review to inform policies and land allocations for employment within the forthcoming Chichester District Local Plan.

1.2 The Employment Land Review updates the assessment undertaken by Roger Tym & Partners published in June 2009. It takes account of recent economic performance and the economic outlook in Summer 2012, as well as changes to national policies for planning and other work which is being undertaken to inform the development of the Chichester Local Plan.

1.3 The Updated ELR reviews economic and property market dynamics. It provides demand forecasts for future employment land provision. It also considers employment land supply and potential employment land allocations. This is drawn together to provide advice on the level of employment land and floorspace provision which should be planned for, which sites and locations have the greatest potential to deliver employment and how planning for employment and housing provision should relate. The Employment Land Review follows Government guidance.

1.4 The approach is summarised in the diagram below:

Figure 1.1: Overview of Approach



1.5 The study has involved consultation with a range of stakeholders including local businesses, commercial agents, public sector stakeholders, and local Members. An initial breakfast workshop was held on 5th July 2012 to consider key issues affecting businesses, economic growth opportunities and constraints. A further workshop was held on 17th September to present and test the draft ELR findings. On 15th October a further seminar was held with local Members to consider the findings. The programme of stakeholder consultation has informed this report.

1.6 The remainder of the report is structured as follows:

- Section 2: Policy Context;
- Section 3: Economic Dynamics;
- Section 4: Property Market Dynamics.
- Section 5: Demand Forecasting;
- Section 6: Assessment of Potential Employment Sites;
- Section 7: Conclusions and Recommendations.

1.7 A separate appendix provides location and boundary plans for the sites considered in Section 6.

2 POLICY CONTEXT

2.1 This section reviews the policy context from the national to local levels to which planning for employment development needs to respond.

National Planning Policy Framework

2.2 The Government published a new National Planning Policy Framework (the NPPF) in March 2011. This sets out that planning should proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving places that the country needs. It sets out that every effort should be made objectively to identify and then meet the housing, business and other development needs of the area, and respond positively to wider opportunities for growth. Planning should take account of market signals ... and set out a clear strategy for allocating sufficient land which is suitable for development ... taking account of the needs of the residential and business communities¹.

2.3 In paragraph 19 the document sets out that the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be attached to the need to support economic growth through the planning system.

2.4 The NPPF sets out that to help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century. It outlines (in paragraph 21) that in drawing up Local Plans, local planning authorities should:

- Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
- Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- Support existing business sectors, taking account of whether they are expanding or contracting, and where possible, identify and plan for new or emerging sectors likely to locate in [the] area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
- Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
- Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement;
- Facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

¹ CLG (2012) *National Planning Policy Framework. Core Planning Principles (Para 17)*

2.5 In paragraph 22 the NPPF sets out that planning policies should avoid the long-term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. It promotes regular review of land allocations. The preparation of the ELR Update addresses this.

The Plan for Growth

2.6 The Plan for Growth was published by HM Treasury and the Department for Business, Innovation and Skills (BIS) in March 2011. This sets out the Coalition Government's overarching goals for economic development against the context of the recent economic recession and substantial fiscal deficit – to achieve strong, sustainable and balanced growth that is more evenly shared across the country and between industries.

2.7 The Plan for Growth sets out the Government's view that over the last decade the UK economy has become seriously unbalanced and heavily indebted, leading to a decline in underlying economic competitiveness. Growth was concentrated in a few sectors of the economy, and in a few regions of the country; with others becoming increasingly reliant on the public sector. Moving forward it sets out four key ambitions:

1. To create the most competitive tax system in the G20;
2. To make the UK one of the best places in Europe to start, finance and grow a business;
3. To encourage investment and exports as a route to a more balanced economy; and
4. To create a more educated workforce that is the most flexible in Europe.

2.8 These are supported by action on a number of fronts including seeking to reduce regulation and through targeted investment. The Government intends to reduce the costs of doing business through a reduction in Corporation Tax, simplification of the tax system and the review/ roll-back of regulations. It intends to make Britain more business friendly, encouraging investment and business start-ups through a range of measures including tax reliefs and planning reforms. It also wants to encourage investment and exports and is implementing a number of measures to achieve this, including allowances for new capital investment, setting up a number of new Enterprise Zones and a Green Enterprise Bank, as well as a network of Technology & Innovation Centres and reform of inward investment activity. To improve skills it supports additional work experience and apprenticeship places and establishment of new University Technical Colleges. Additional measures are outlined to support the housing market (and thus the construction sector).

2.9 The Plan also identifies a number of key sectors which the Government wishes to support, which so far include: healthcare and life sciences; advanced manufacturing; construction; digital and creative industries; retail; professional and business services; the space industry; and tourism. The ambition

is clearly for private sector-led growth and across a greater spread of sectors relative to the last decade.

Coast to Capital Local Enterprise Partnership

- 2.10 The Coast to Capital Local Enterprise Partnership (LEP) was formed in October 2010 and is a voluntary, private sector-led partnership covering an area stretching from Croydon in South London to the South Coast. The LEP includes the authorities within the Gatwick Diamond and Coastal West Sussex, together with Brighton and Hove and the London Borough of Croydon.
- 2.11 The LEP aims to develop an economy that is trade-led with a business community which is outward looking, investment-focussed and driven by the need to be innovative. It will have a skilled workforce delivering higher value added and knowledge-driven products and services.
- 2.12 The LEP is specifically focused on two priorities:
- Enterprise and innovation – tackling low levels of enterprise and business formation so that the longer-term competitive health of the area is secured; and
 - International trade – to significantly increase the number of firms who trade internationally.
- 2.13 Core aims of the LEP are to:
- Increase the proportion of businesses which are internationalised from the level of 12% regular exporters by 1% per annum over the next five years;
 - Increase entrepreneurship and the business start-up rate to above the regional and England average – creating 4,500 new businesses over the next 5 years;
 - Stimulate business growth, innovation, productivity and employment across a range of key sectors, bringing GVA and employment growth overall up to at least the regional average;
 - Generating the required investment to bring about major catalytic investments in key business locations;
 - Creating a planning environment which supports business development and growth; and
 - Pressing for and helping to secure investment in transport infrastructure, business premises and other infrastructure.
- 2.14 The LEP is organised around a number of sub-regionally partnerships, with Chichester falling within Coastal West Sussex. Action at a Coastal West Sussex level includes work to join-up and coordinate strategic planning across the sub-region, and to develop the case for investment in critical transport infrastructure which will help to unlock development opportunities.

Chichester District Sustainable Communities Strategy

- 2.15 *Chichester District: A Very Special Place* is the Sustainable Communities Strategy for the District, prepared in 2009. It sets out a vision of the District as a place of sustainable, thriving and vibrant communities. Priorities relevant to economic development which are identified include:

- Transport and access: traffic management; lobbying for improvements to the A27; development of a new bus/rail interchange; improved access to broadband and new technologies;
- Economy:
 - A strong local economy (through business improvement and advice and encouraging creativity and diversification);
 - Employees with good skills relevant to local employers, prepared for national and international competition and with well-paid and secure jobs (through working with educational establishments and attracting and developing new businesses in the District);
 - Vibrant and sustainable City and market towns, with a good range of businesses and retail types (supporting the City's sub-regional retail role, improving its industrial estates, and improvements to market towns to encourage growth and activity);
 - A centre for creative and innovative industries (developing employment opportunities, and supporting arts and heritage).
- Environment: encouraging greener living and businesses; including promoting sustainability and energy efficiency.

Chichester Local Plan

- 2.16 The Chichester District Local Plan was adopted in April 1999. A number of policies within the Local Plan are 'saved' pending the adoption of a new Local Plan.
- 2.17 The Plan makes provision for 190,000 sq.m of employment floorspace over the 1990-2006 plan period. The overall policy approach is to seek balanced growth in employment and population, and to focus development in and around Chichester as the most sustainable settlement.
- 2.18 Policy B1 allocates a number of sites for employment development. A number of these have since been developed.
- 2.19 Policy B5 ensures that proposals for extensions to existing buildings for business, industry or warehousing in the rural area will be permitted provided that they are only of modest scale in relation to the size of existing buildings. A number of restrictions are set out to mitigate against the impact of development.
- 2.20 Policy B6 outlines that redevelopment of existing developed sites in the rural area without a formal planning status will be supported provided there is no expansion of change of use and they are consistent with landscape protection policies.
- 2.21 Policy B8 seeks to safeguard business floorspace and prevents changes of use unless there is an identified adequate supply or it would improve local amenity.
- 2.22 The Plan additionally contains policies for horticultural development. Areas for horticulture development are identified in Policy RE11A; with Policy RE11B supporting development outside of

these areas but associated with them where not in open countryside in areas where glasshouses are currently absent.

Chichester District New Local Plan

- 2.23 The Council is currently preparing a new Local Plan. In August and September 2011 it consulted on housing numbers and locations. This Consultation requested feedback on a number of options for housing provision, ranging from 305–415 homes a year in the South of the District, and for between 12-20 homes a year in the North of the District outside of the National Park. A number of locational options were outlined, which included major development at Chichester and Tangmere.
- 2.24 The Council has been undertaking further work to inform its Local Plan, in particularly addressing key potential strategic development constraints:
- Waste water treatment capacity at Chichester;
 - Capacity of A27 Chichester Bypass Junctions; and
 - Impact of development on disturbance of birds at Chichester and Pagham Harbours, which are designated SPA and RAMSAR sites.
- 2.25 Current strategic development options being considered by the District Council for development include sites to the east, north-east and west of Chichester City and at Tangmere.
- 2.26 This Employment Land Review Update is intended to support and inform the Local Plan.

3 ECONOMIC DYNAMICS

3.1 This section provides an overview of the dynamics of the District's economy. It is structured as follows:

- Geography – considering the geography of the area, including commuting dynamics;
- Economy – considering economic output, employment trends, and the structure of the local economy;
- Enterprise – addressing the business stock and structure of this, business start-ups and deaths, and self-employment;
- Labour Market – considering key labour market indicators including economic participation, unemployment, skills and earnings.

Geography

3.2 Chichester is a primarily rural district located on the South Coast in West Sussex. It stretches from Chichester Harbour and Selsey north to the Surrey border, and includes Petworth, Midhurst and Fernhurst which fall within the South Downs National Park.

3.3 Key transport arteries affect the economic geography of the area. The A27 runs east-west through the south of the District, connecting to the west to Portsmouth and Southampton; and to the east to Worthing, Brighton and Eastbourne. The A27 is a dual carriageway from Arundel west towards Portsmouth. The A27 can get quite congested, with peak hour congestion on key junctions on the A27 Chichester Bypass as well as through Arundel and Worthing to the West.

3.4 The Sussex Coastway rail line also runs east-west through the District connecting key settlements in the South of the District to Brighton, Worthing, Bognor Regis, Portsmouth and Southampton; as well as services via the Arun Valley Line to Crawley, Croydon and London. Journey times to London from Chichester are around 1h30 by rail (compared to up to 1h50 by road).

3.5 North south road connections are weaker than those east-west, with the principal routes being the A3 to the west and A24 to the east (both outside of the District). Within the District, the A286 runs north from Chichester to Midhurst linking to the A3 near Haslemere. The A285 runs from Chichester north through Petworth to Godalming. Midhurst also sits on the A272 which runs east-west from Petersfield to Billingshurst and Haywards Heath.

3.6 The 2001 Census indicated net commuting into the District of around 2,900 people a day. The primary flows of workers into the District were from Arun and Havant Districts (most likely to employment in the South of the District). In contrast there was a net outflow (most likely from the north of the District) to Guildford and Waverley. There was also a moderate net outflow of people to work in Portsmouth. Around 1,870 residents also commuted to London to work. Reliable further data will not be available until publication of analysis from the 2011 Census.

Figure 3.1: Travel to Work, 2001

	Workplace destinations for Chichester District Residents	Origins of people working in Chichester District	Net Commuting Flows
Chichester	32,757	32,757	0
Portsmouth	1,632	1,279	-353
Arun	2,032	7,970	5,938
Waverley	1,407	463	-944
Guildford	620	118	-502
Horsham	1,164	962	-202
Havant	1,323	2,290	967
East Hampshire	1,130	1,415	285
Elsewhere in West Sussex	956	1,001	45
Elsewhere in South East	3,439	1,771	-1,668
London	1,866	284	-1,582
Total	47,989	50,901	2,912

3.7 Economic investment in the District is influenced by its distance from London and other major economic centres in the region (such as those on the M3 and M4 Corridors). The opening of the Hindhead Tunnel on the A3 however potentially improves journey times from Chichester (and some parts of South Hampshire) to London.

Chichester District's Economy

3.8 Chichester District is a £2.4 billion economy.² There were an estimated 65,900 jobs in the District in 2010³. This comprises 54,100 employee jobs, 9,800 persons who are self-employed plus Government trainees and HM Forces personnel.

3.9 Gross Value Added (GVA) is a measure of the total value of goods and services produced in an area or industry. The West Sussex Local Economic Assessment identifies that GVA per head is below the country and regional averages in common with other parts of Coastal West Sussex⁴. Given above average jobs density and economic participation rates in the District (discussed below) this is a function of the quality (value added) of jobs. Below average productivity is an issue across Coastal West Sussex.

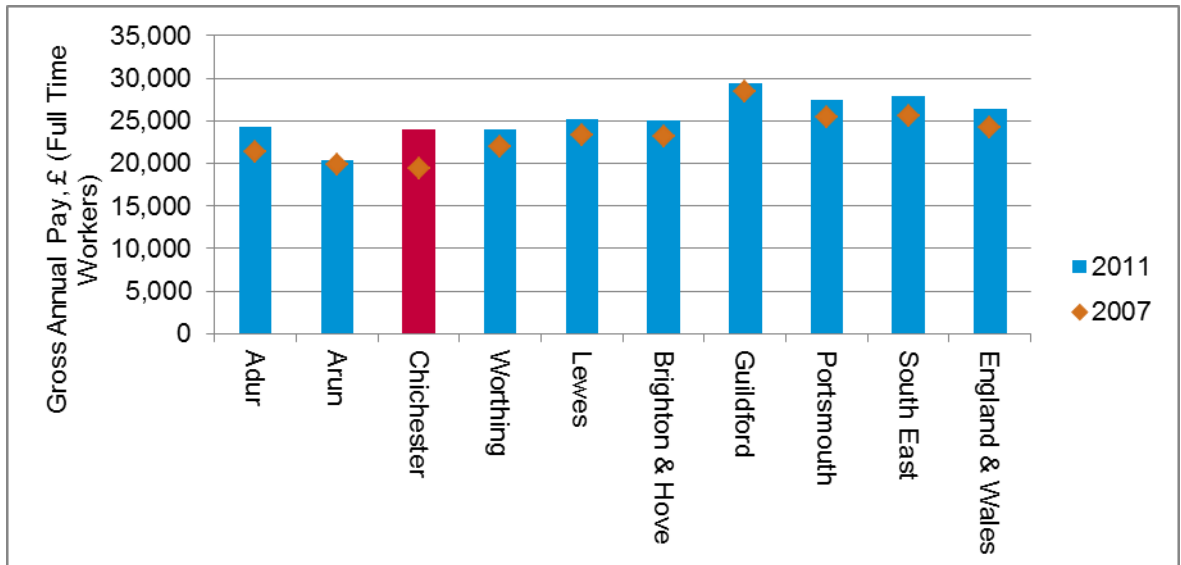
3.10 This is confirmed by data on workplace earnings which provide an indication of the relative value-added of local economies. Figure 3.2 provides a comparative analysis of workplace earnings for full-time workers in Chichester and a range of other surrounding areas. Average gross workplace earnings for full—time workers in the District in 2011 at £24,100 are 14% (£2,300) below the South East average and 9% (£2,200) below the national average.

² Estimated in 2010, Experian

³ ONS Workforce Job Estimates

⁴ West Sussex Local Economic Assessment: Spatial Area Factsheets – Coastal West Sussex. Based on 2007 estimates from Local Futures.

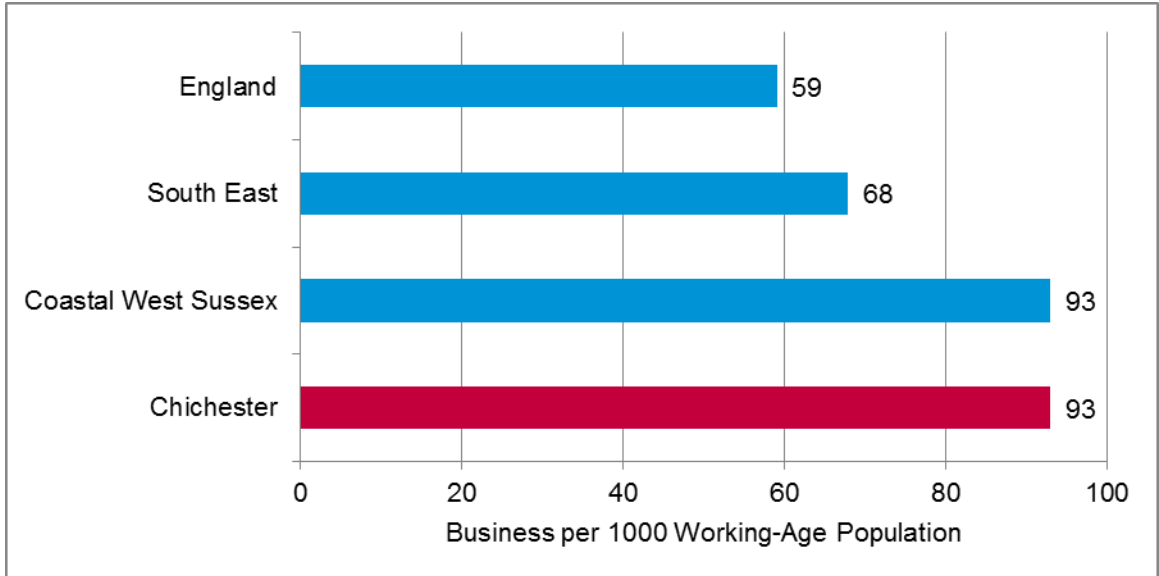
Figure 3.2: Workplace Earnings for Full-Time Workers



Source: Annual Survey of Hours & Earnings

- 3.11 The availability of higher-paid jobs (evident by the higher average workplace earnings) in Portsmouth and Guildford support the net out-commuting from the District to these areas.
- 3.12 Productivity and wages are to a degree a function of the structure of the economy. We explore the various components of these next.
- 3.13 Business density describes the number of businesses per 10,000 population. Chichester District has a business density which is significantly above average. This is a function particularly of a business base focused more towards small businesses and above average levels of self-employment.

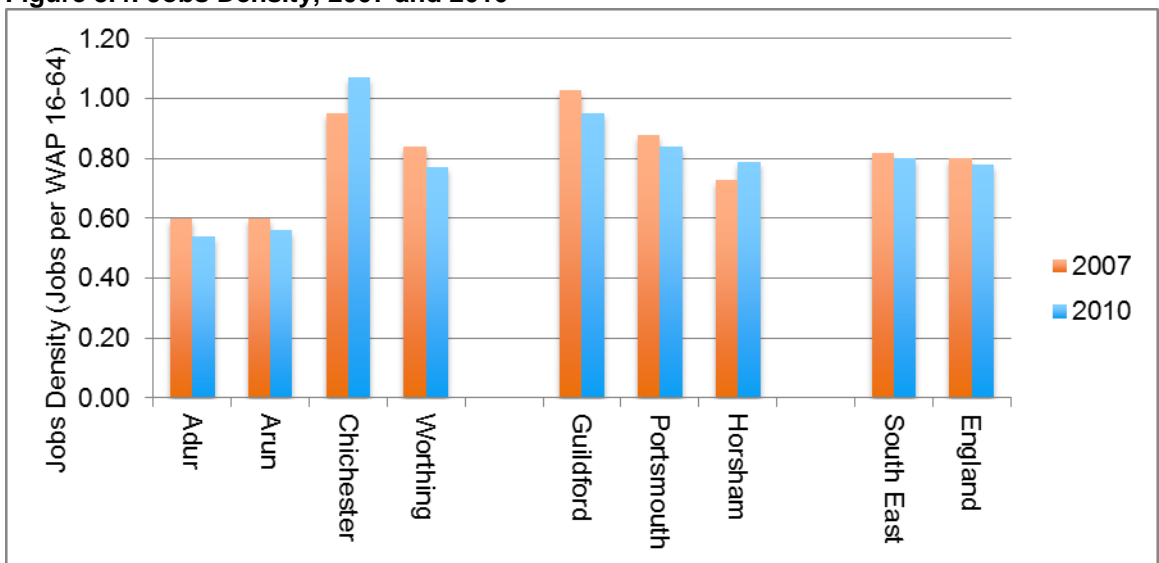
Figure 3.3: Business Density, 2010



Source: ONS Business Demography; ONS Mid-Year Population Estimates (2010)

- 3.14 Jobs density describes the overall balance between the number of jobs in an area and the number of residents of working-age. Figure 3.4 indicates jobs density in 2007 and 2010 in Chichester District and other nearby local authorities, as well as regional and national averages.
- 3.15 Chichester District in 2010 had a jobs density of 1.07 indicating that there were 107 jobs in the District for every 100 people aged 16-64 compared to an average of 80 across the South East.

Figure 3.4: Jobs Density, 2007 and 2010

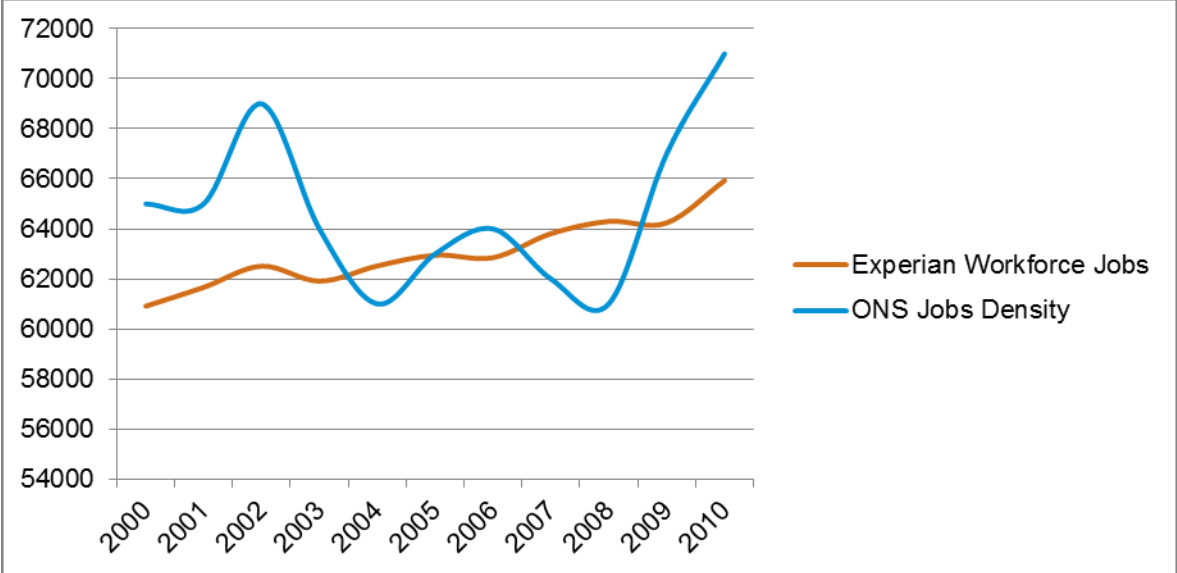


Source: NOMIS

3.16 The jobs density has increased between 2007 and 2010 through the recession, whilst in many other areas it has fallen as employment has reduced. The increase in the jobs density since 2001 (when it was 1.03) suggests that net in-commuting to the District is likely to have increased over this period.

3.17 Figure 3.5 indicates trends in jobs recorded over this period using two sources of data, ONS Jobs Density figures (which include Government Forces and Trainees) and Experian figures for workforce jobs. The Experian figures indicate employment growth between 2000-10 of 5,000; with the ONS figures indicating growth of 6,000. In both cases it is notable that job numbers have continued to grow since 2008 in Chichester District (whilst they have declined over this period across the South East region and nationally).

Figure 3.5: Total Jobs



Source: ONS Jobs Density (from NOMIS) / Experian

3.18 Figure 3.6 considers the distribution of employment by area within the District (based on wards). Chichester City is the largest employment centre: it provides 52% of jobs in the District. Wards which fall largely within the National Park include 21% of the total jobs in Chichester District.

Figure 3.6: Distribution of Employment in 2010 across the District

2010	Employee Jobs	Employment	% Employment
Chichester City	30,400	31,700	52%
South	13,800	15,200	25%
North-East	1,200	1,400	2%
Total Outside National Park	45,500	49,300	79%
National Park	11,500	12,900	21%
District Total	57,000	61,200	100%

Source: Business Register and Employment Survey (BRES), 2010

- 3.19 Next we consider the structure of the District's economy. Looking first at employment, the largest employment sectors (those employing more than 6000 people in the District) are the wholesale and retail sector (10,100 jobs), public administration and defence (7,400 jobs), health and social work (8,000 jobs) and tourism/leisure (6,000 jobs in accommodation/ food services).
- 3.20 We have used a location quotient analysis to consider the relative concentration of employment in different sectors (for both Chichester District and Coastal West Sussex more widely) relative to the South East Region.

Figure 3.7: Location Quotient Analysis of Economic Structure vs. South East

Employment, 2010	Chichester	Coastal West Sussex	South East	Chichester LQ	CWS LQ
B : Mining and quarrying	0.0%	0.1%	0.1%	0.18	0.92
C : Manufacturing	7.3%	8.0%	7.0%	1.04	1.15
D : Electricity, gas, steam and air conditioning supply	0.0%	0.3%	0.4%	0.03	0.77
E : Water supply; sewerage, waste management and remediation activities	0.4%	0.6%	0.8%	0.47	0.74
F : Construction	4.5%	4.8%	5.5%	0.82	0.88
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	16.5%	17.5%	17.3%	0.96	1.01
H : Transportation and storage	2.1%	2.3%	4.1%	0.51	0.55
I : Accommodation and food service activities	9.8%	8.8%	6.7%	1.47	1.31
J : Information and communication	2.6%	2.9%	5.3%	0.49	0.54
K : Financial and insurance activities	2.1%	2.8%	3.2%	0.66	0.87
L : Real estate activities	2.8%	2.1%	1.7%	1.62	1.21
M : Professional, scientific and technical activities	6.0%	6.0%	8.2%	0.73	0.73
N : Administrative and support service activities	6.5%	6.0%	7.4%	0.88	0.81
O : Public administration and defence; compulsory social security	12.0%	8.2%	4.1%	2.94	2.01
P : Education	8.4%	8.0%	9.9%	0.85	0.81
Q : Human health and social work activities	13.1%	17.0%	12.1%	1.08	1.40
R : Arts, entertainment and recreation	3.4%	2.6%	2.6%	1.35	1.02
S : Other service activities	2.1%	1.9%	2.3%	0.91	0.83

Source: Business Register & Employment Survey (BRES), 2010

3.21 From the statistics it is evident that:

- There is a particular concentration of employment in public administration, which is likely to be influenced by employment in both the District and County Councils as well as the West Sussex Fire and Rescue Service. Employment growth in this sector in the period to 2017 is likely to be influenced by spending constraints as part of the Government's austerity programme;
- There is also significant employment in tourism, leisure and the arts. Across the District there are over 8,100 jobs in the arts, entertainment and recreation; and the accommodation and food service sectors. Chichester City has a cluster of cultural facilities, whilst there is additionally tourism and leisure spending in both the National Park and along the Coast; with the coastline in the District being a particular destination for yachting activities;
- The retail sector is also a large employer, as is the case in many areas, with around 6,800 jobs with the concentration of employment slightly above the South East average;
- Overall there are also more than 7,500 jobs in business and professional services in the District, which is an important component of demand for office floorspace. In addition there are around 700 jobs in publishing activities (with an above average location quotient);
- The proportion of employment in the manufacturing sector is similar to the South East average with around 4,400 jobs, but slightly lower than in other parts of West Sussex. Key employment sectors include food production and motor vehicle manufacture (the latter associated with Rolls Royce). The marine industry is also important in the south of the District.

3.22 The BRES statistics are not reliable for the agriculture and horticulture sector. Instead we have drawn on 2010 data from DEFRA's Agriculture and Horticulture Survey. This records total employment in the sector as 2,400 in 2010, a 6% increase on levels of employment in 2007. Of this 43% are full-time regular workers, 28% are regular part-time workers and 29% are casual labour. The sector is evidently an important local employer (and one in which employment has been growing).

3.23 We have additionally undertaken an analysis of employment in public administration, health and education using the BRES 2010 statistics. This highlights that the significant components of public sector employment in the District are public administration (district and county councils, 4,800 jobs), employment in hospitals (3,300 jobs), and employment in schools/ colleges (4,000 jobs)⁵.

3.24 Fundamentally it appears that the below average productivity is a function of the economic structure in the District. We have undertaken an analysis using Experian forecast data of GVA per job across different economic sectors. Of the 10 largest employment sectors in the District only two support above average productivity (professional services and the wholesale sector).

3.25 In the table below we have ranked the top ten sectors in terms of their contribution to output, employment and productivity. The employment base is focused towards lower value sectors.

⁵ There appears to be an anomaly in the BRES statistics which indicate over 1,400 jobs in the fire service in the District.

Figure 3.8: Top 10 Sectors – Output, Employment & Productivity

	Output (GVA)	Employment (Workforce Jobs)	Productivity
1	Real Estate	Retail	Real Estate
2	Public Administration & Defence	Public Administration & Defence	Air & Water Transport
3	Retail	Education	Utilities
4	Education	Health	Insurance & Pensions
5	Professional Services	Accommodation & Food Services	Civil Engineering
6	Health	Professional Services	Telecoms
7	Wholesale	Admin & Supportive Services	Finance
8	Accommodation & Food Services	Residential Care & Social Work	Computer & Elect Products
9	Admin & Supportive Services	Wholesale	Machinery & Equipment
10	Construction of Buildings	Agriculture, Forestry & Fishing	Construction of Buildings

Source: GLH based on Experian data

3.26 Those sectors with more than 500 jobs which support above average productivity (GVA per job) relative to the District average are: professional services, wholesale activities, real estate activities, construction and civil engineering, media, transport equipment (Rolls Royce), finance, food manufacturing. These are the sorts of activities which the District would need to target to improve productivity and wealth creation.

3.27 We have also sought to analyse differences in the economic structure across the four sub-areas within the District. The analysis, presented in Figure 3.9, indicates:

- *Chichester City* – a concentration of public sector employment in public administration and education, as well as strong employment in wholesale and retail activities given the City's status as the largest employment and retail centre in the District;
- *South of the District* – a stronger level of employment in manufacturing and construction, which traditionally takes place on employment sites; as well a strong tourism centre (with high employment in accommodation and food service) not least because of the strength of this sector on the Coast/ around Chichester Harbour;
- *North East of the District* – a relatively low number of jobs overall, but with above average employment in wholesale/retail, professional, scientific and technical activities and health.

Figure 3.9: Employment Structure by Sub-Area

	Manufacturing	Construction	Wholesale, Retail, Care Repairs	Transport & Storage	Accommodation & Food	Information & Communication	Finance & Insurance	Real Estate	Professional & Scientific	Admin & Support Services	Public Administration	Health	Education	Arts, Entertainment & Recreation	Other Services
CHICHESTER	3.1%	1.9%	17.3%	1.9%	6.1%	2.9%	2.0%	2.1%	5.8%	4.1%	22.4%	8.9%	17.0%	2.6%	1.8%
SOUTH	13.1%	5.9%	15.6%	1.2%	18.9%	2.0%	0.6%	1.0%	3.8%	10.9%	2.3%	8.9%	10.5%	2.8%	1.4%
NORTH-EAST	6.7%	8.8%	24.2%	2.0%	9.9%	2.0%	1.6%	3.8%	9.4%	5.8%	0.0%	10.2%	4.8%	7.6%	2.7%
NATIONAL PARK	12.4%	5.5%	13.2%	3.8%	8.7%	2.3%	4.4%	5.6%	6.0%	7.7%	2.1%	8.5%	9.8%	5.8%	3.0%
DISTRICT	7.5%	3.7%	16.2%	2.1%	9.8%	2.6%	2.2%	2.6%	5.4%	6.5%	12.9%	8.9%	13.7%	3.4%	2.0%

3.28 We have used Experian data to consider employment changes in the pre-recession decade (1998-2008) and between 2008-10. In the pre-recession decade public administration saw some of the strongest growth in jobs in absolute terms. Other key growth sectors were retail, wholesale, professional services and administration and support services – all posting employment growth of 100 or more jobs a year. The employment trend in healthcare was negative.

Figure 3.10: Changes in FTE Employment by Sector, 1998-2008 and 2008-10 (Selected Sectors)

	1998-2008		2008-10	
	# pa	% pa	# pa	% pa
Agriculture, Forestry & Fishing	-30	-1%	-15	-1%
Manufacturing	93	2%	10	0%
Construction	-3	0%	-35	-1%
Utilities	12	10%	4	2%
Wholesale	105	4%	-7	0%
Retail	146	4%	2	0%
Land Transport, Storage & Post	57	6%	-10	-1%
Air & Water Transport	-8	-8%	0	-1%
Accommodation & Food Services	161	6%	22	1%
Recreation	54	5%	-4	0%
Media Activities	30	6%	-6	-1%
Computing & Information Services	39	12%	-7	-1%
Finance	28	5%	10	1%
Insurance & Pensions	25	24%	-1	0%
Real Estate	69	11%	9	1%
Professional Services	139	7%	-21	-1%
Administrative & Supportive Service Activities	111	5%	-50	-1%
Other Private Services	24	3%	-9	-1%
Public Administration & Defence	262	11%	169	3%
Education	42	1%	-14	0%
Health	-115	-2%	27	1%
Residential Care & Social Work	42	2%	37	1%

Source: Experian / GLH Analysis

3.29 Between 2008-10 public administration continued to record the strongest growth in jobs and can be seen to be primarily responsible for the growth in total employment over this period. Employment increased (to a more moderate degree) in residential care and health – sectors where population growth and an ageing population is a demand driver but are also influenced by public spending. Public spending was thus important in sustaining employment growth over this period.

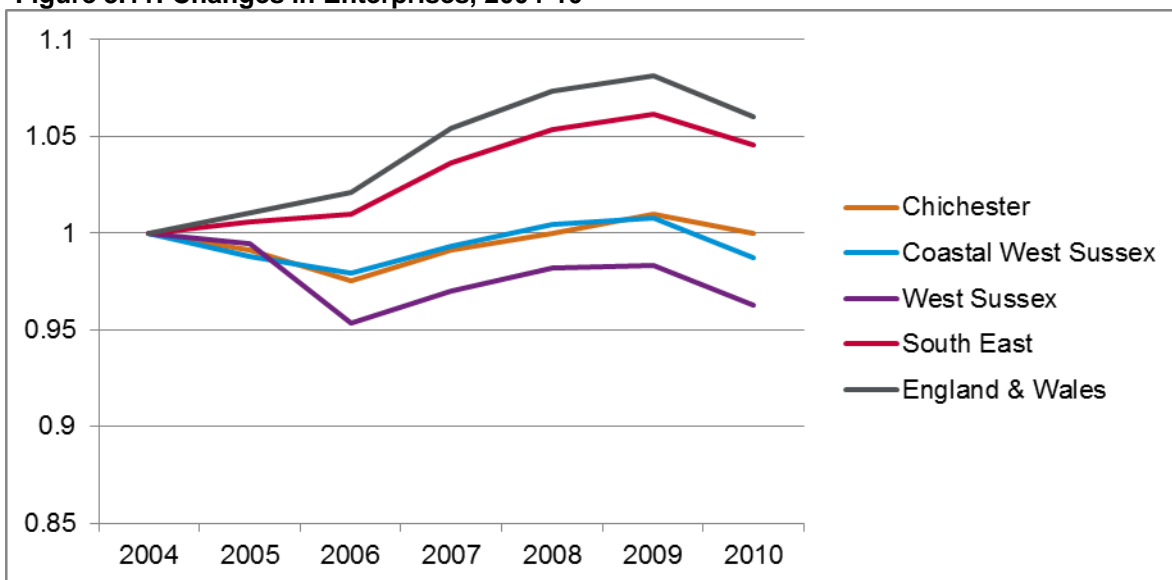
3.30 A number of sectors including construction, administration and support services and agriculture experienced a reduction in full-time equivalent employment. In contrast to national trends, the

manufacturing sector has performed well recording employment growth both before and during the 2008-10 recession. The transport equipment sector (linked to Rolls Royce) and food manufacturing (linked to horticulture) have both performed well and influenced this trend.

Enterprise

3.31 There were a total of 6,235 enterprises in Chichester District in 2010. This represented 36% of total enterprises across Coastal West Sussex. Over the preceding six years, the level of enterprises had remained relatively stable (with the number of enterprises 0.9% up on 2004 in 2010). This is consistent with the trend more widely across Coastal West Sussex. However growth in enterprise before the recession was notably lower than regional or national trends.

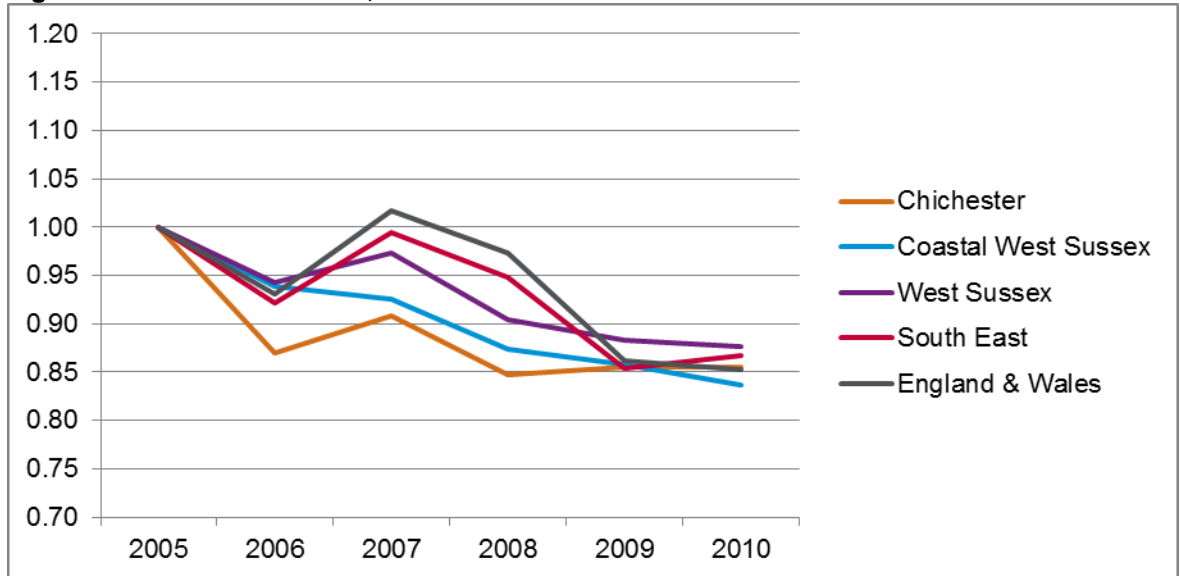
Figure 3.11: Changes in Enterprises, 2004-10



Source: ONS Business Demography Statistics

3.32 Changes in the numbers of enterprises are a function of business births and deaths. Business births in Chichester District have fallen from 690 a year in 2004 to 595 in 2007 and 560 in 2010. Figure 3.12 provides a comparative analysis of trends in business births since 2004. We have seen the levels of new businesses decrease over this period by around 15% - broadly consistent with the national trend.

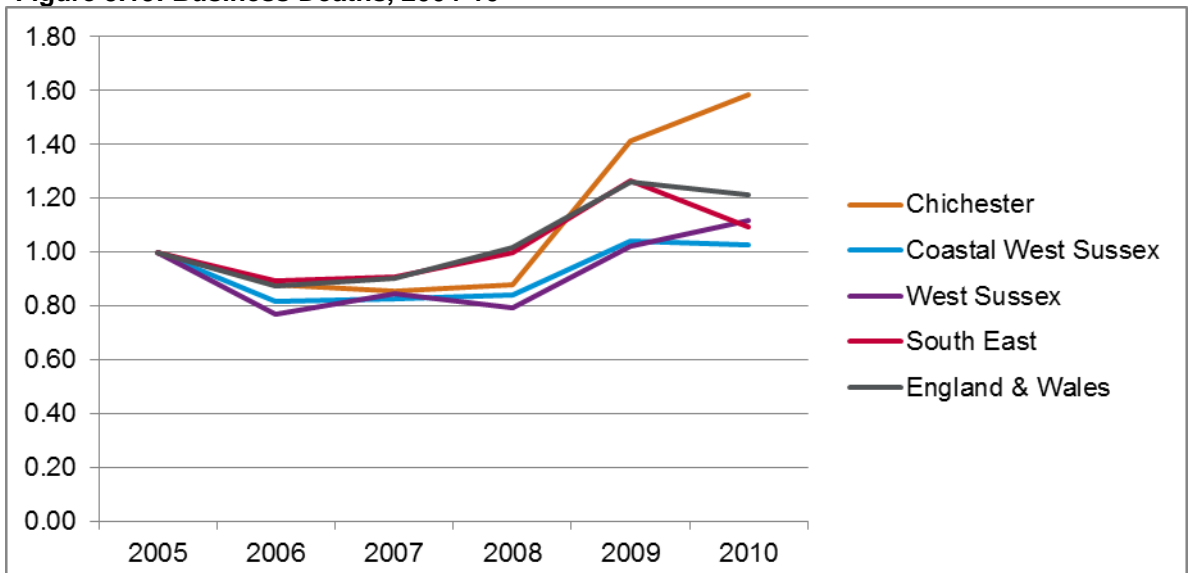
Figure 3.12: Business Births, 2004-10



Source: ONS Business Demography Statistics

3.33 Over this period we have also seen an increase in business deaths. Business deaths have increased in particularly since 2008 (likely influenced by the wider economic climate and availability of finance). Business deaths in Chichester District were almost 60% up on 2005 levels.

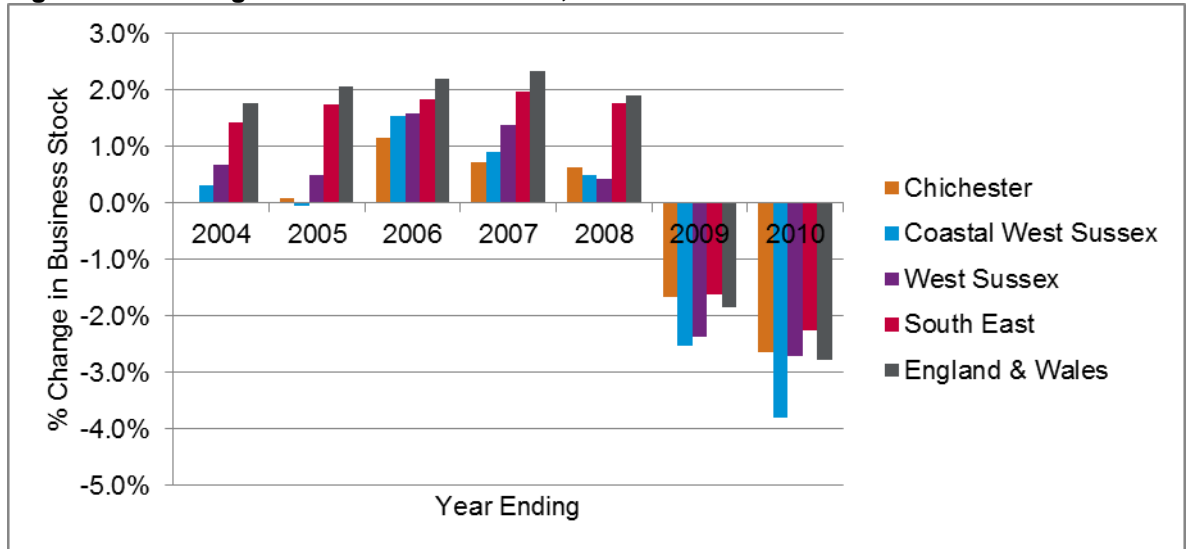
Figure 3.13: Business Deaths, 2004-10



Source: ONS Business Demography Statistics

3.34 The increase in business deaths has been higher than average in Chichester District since the onset of the recession in 2008. It is this which has constrained overall growth in the business base. As Figure 3.13 shows, the stock of businesses in the District thus declined in both 2009 and 2010.

Figure 3.14: Changes in the Business Stock, 2004-10



Source: ONS Business Demography Statistics⁶

- 3.35 To provide an overall understanding of levels of enterprise, we have analysed the stock of enterprises per 10,000 population. Chichester District has a high level of enterprises with a business density around 37% above the South East average.

Figure 3.15: Stock of Enterprises per 10,000 Population, 2010

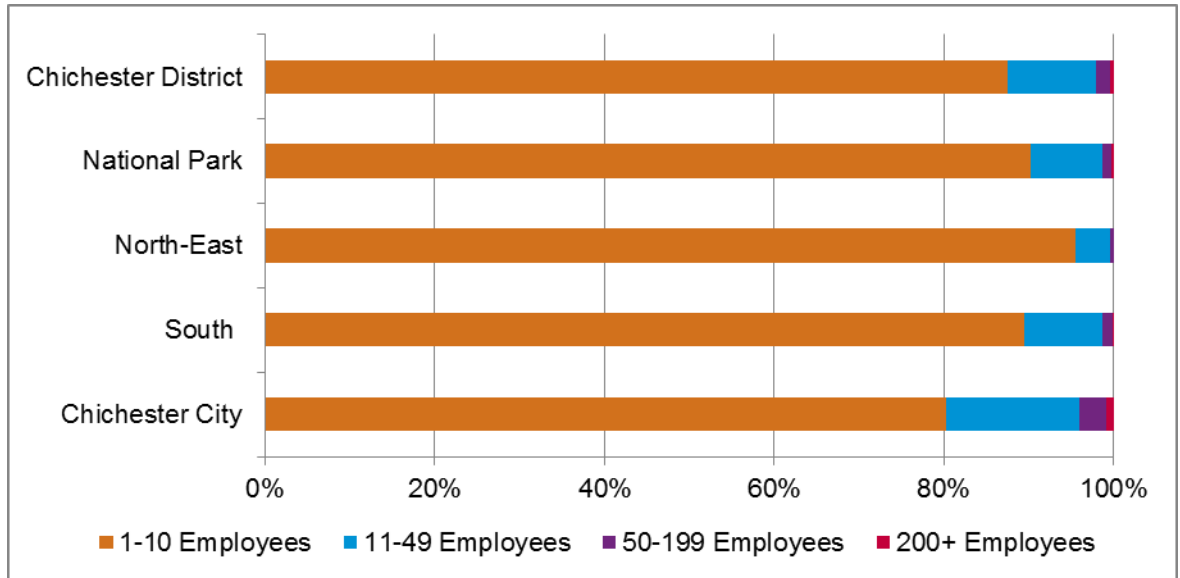
	Enterprises, 2010	Population 16-64, 2010	Enterprises per 10,000 Population
Chichester	6235	67,000	931
Coastal West Sussex	17410	254,100	685
West Sussex	33795	488,100	692
South East	369920	5,444,500	679
England & Wales	2090055	35,761,700	584

Source: ONS Business Demography, 2010 Mid-Year Estimates, GLH Analysis

- 3.36 Data from the 2008 Annual Business Inquiry can be used to examine the numbers of businesses of different sizes. Of a total of 6430 businesses in the District there were 132 businesses with over 50 employees (2.0% of total businesses). Of these 22 had over 200 employees.

⁶ Note, there was no net change in the business stock between 2003-4 in Chichester District

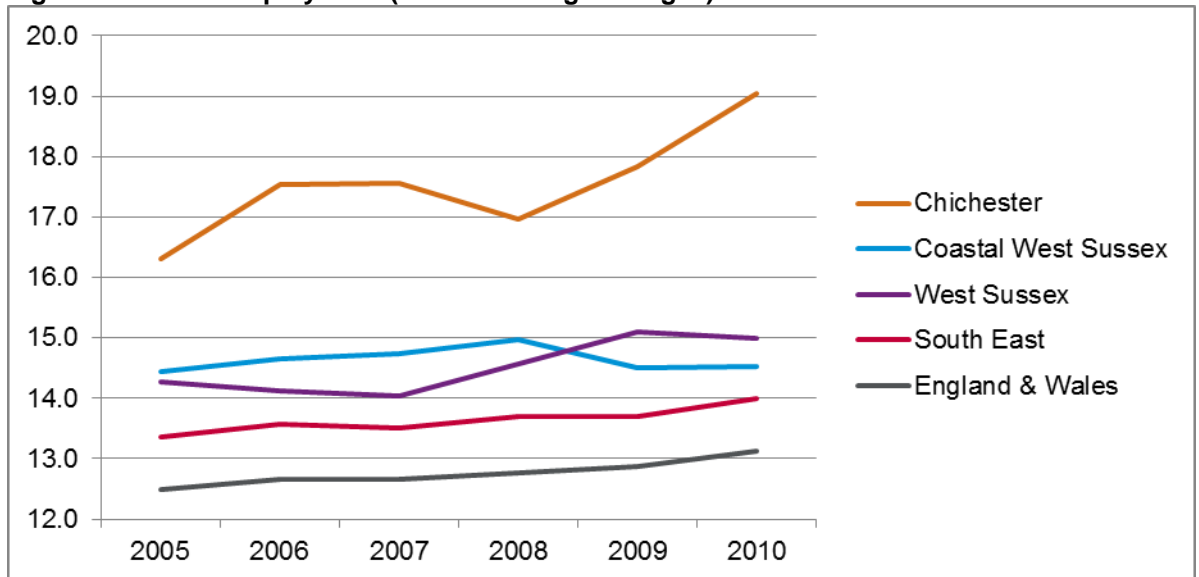
Figure 3.16: Business by Size, 2008



Source: Annual Business Inquiry, 2008

3.37 A local economy focused towards small businesses is also borne out in high levels of self-employment. Figure 3.17 graphs trends in self-employment since 2004-6. Because of data issues three year moving averages are used. It is clear that self-employment in Chichester District at 19% is notably above average – this compares to 15% across West Sussex and 14% across the South East. It has risen notably since 2008 (and more sharply than across wider areas).

Figure 3.17: Self-Employment (3 Year Moving Averages)



Source: Annual Population Survey

3.38 We have also used Experian data to track self-employment. Self-employment in the District increased by 10.3% between 2000-10. Figure 3.18 tracks trends in self-employment by sector

Figure 3.18: Self-Employment by Sector, 2000-10 (Selected Sectors)

Change in Employment	1998-08	2008-10
Agriculture, Forestry & Fishing	-0.2%	5.5%
Mining & Quarrying	0.8%	0.0%
Manufacturing	1.5%	-3.8%
Construction	0.6%	-3.2%
Wholesale & Retail	-0.3%	-6.4%
Transport & Storage	0.4%	-5.6%
Accommodation, Food & Recreation	0.8%	1.2%
Information & Communication	-0.9%	4.9%
Finance & Insurance	10.0%	25.0%
Professional & Other Services	0.2%	5.6%
Public Services	-1.7%	17.4%

Source: Experian/ GLH Analysis

- 3.39 In the pre-recession decade (1998-2008) self-employment increased most notably in finance and insurance. Employment in this sector has continued to increase between 2008-10, as had employment in professional & other services, public services, agriculture and insurance and communication. The growth in self-employment is focused on service-based activities.

Labour Market

- 3.40 Chichester District's population increased by 7,100 between 2000-10. The rate of population growth was consistent with the South East average and above average for Coastal West Sussex. Chichester and Arun Districts have seen the strongest growth in population in Coastal West Sussex.
- 3.41 The 2011 Census indicates that the District had a population of 113,800. This compares to a population of 106,450 recorded in 2001 indicating population growth of 7% over the decade.
- 3.42 Figure 3.19 below provides analysis of the working-age population in different parts of the District.

Figure 3.19: Working-Age Population by Sub-Area, 2010

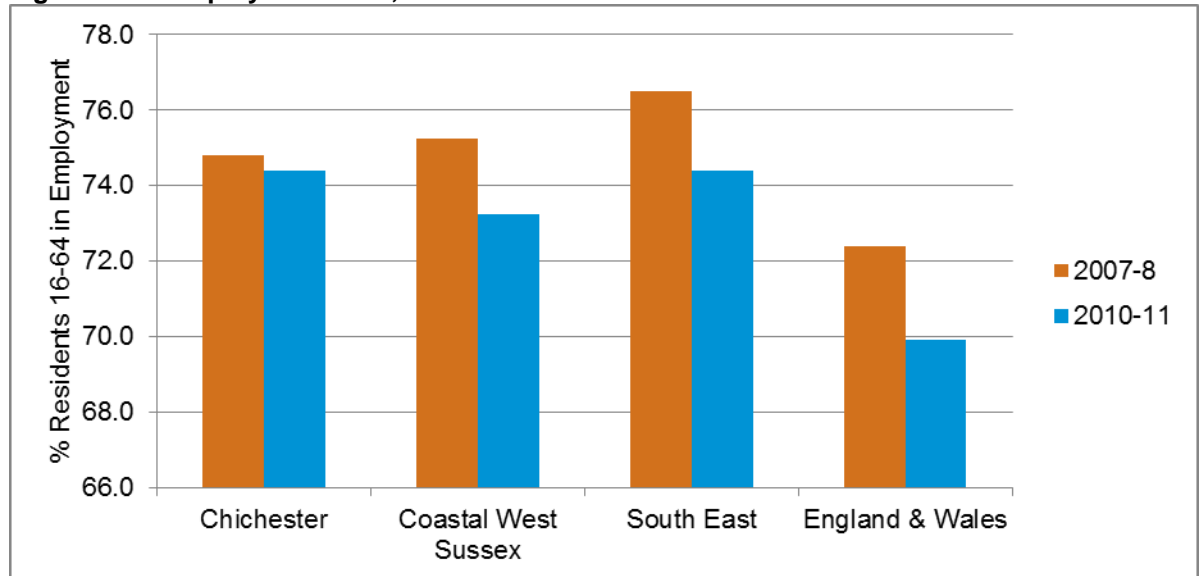
	Total Population	Population 16-64	% Population 16-64	Jobs Density
Chichester	28016	17350	62%	1.83
South	47163	27049	57%	0.56
North-East	7026	4212	60%	0.33
National Park	31298	18402	59%	0.70

Source: ONS 2010 Ward-Level Population Estimates

- 3.43 The total population of working-age (16-64) across the District in 2010 was 67,000. Comparing the distribution of population and jobs, Chichester has a much higher jobs density than other parts of the District. It is therefore a sustainable location for housing growth.
- 3.44 The employment rate describes the proportion of people aged 16-64 in employment. The employment rate in Chichester District has declined slightly since the onset of the recession in 2008.

In 2010-11 it is consistent with the South East average, and above the national average. It is higher than in other parts of Coastal West Sussex – with the evidence suggesting that employment levels in the District have been more resilient than across wider areas (where they have fallen more notably since 2007-8).

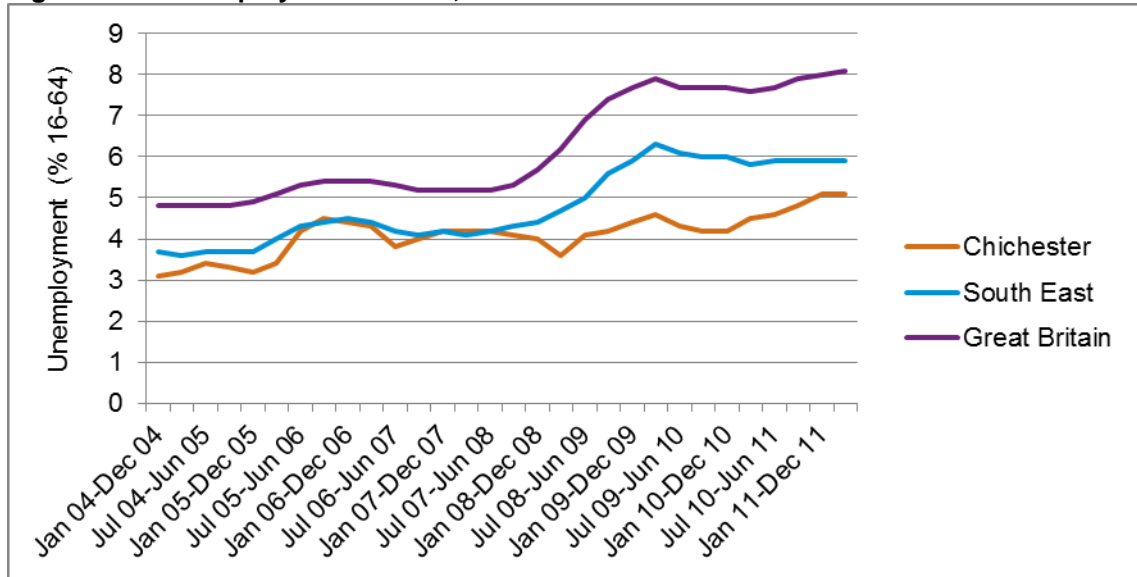
Figure 3.20: Employment Rate, 2007-8 & 2010-11



Source: Annual Population Survey

- 3.45 Unemployment (Apr 2010- Mar 2011) is estimated at 5.1% (as a proportion of those 16-64) across the District. There are an estimated 2,800 unemployed in the District. The unemployment rate is below the South East and national averages (5.9% and 8.1% respectively).

Figure 3.21: Unemployment Trends, 2004-11



Source: NOMIS

3.46 While unemployment has increased in the District since 2008, the growth in unemployment has not been as strong as that across wider geographies.

3.47 Job-Seekers Allowance (JSA) Claimants are a sub-set of wider unemployment. Figure 3.22 indicates trends in JSA Claimants. Our analysis indicates that unemployment is higher in the City and South of the District than in the National Park or North-East. However in all cases it is below average for Coastal West Sussex and the South East.

Figure 3.22: JSA Claimant Trends, 2007-2012

	JSA Claimants, July 2012	JSA Claimant Rate, July 2012	% Change in Claimants, July 2007-July 2012
Chichester City	419	2.4%	87%
South	571	2.1%	96%
North East	65	1.5%	150%
National Park	251	1.4%	113%
Chichester District	1,306	1.9%	98%
Coastal West Sussex	6,414	2.5%	117%
South East	136,521	2.5%	93%

Source: NOMIS / GLH Analysis (Population Base, Mid 2010)

3.48 Levels of claimants have however increased to a slightly greater degree in the National Park and North East over the past five years

3.49 An above average proportion of Chichester District residents are employed in managerial, professional and associate professional occupations. These are typically higher skilled/ paid. This is to some degree a reflection of the quality of place of the area (alongside the economic structure).

The District also has an above average proportion of people employed in skilled trades, and in caring, leisure and other services (reflecting for instance tourism employment).

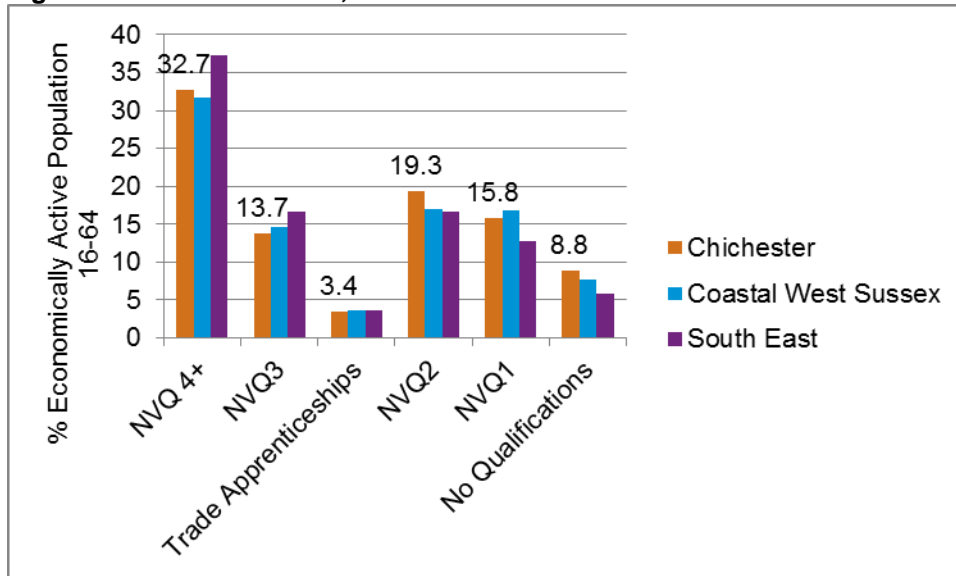
Figure 3.23: Occupational Structure, 2010-11

	Chichester	Coastal West Sussex	South East
Managers & Senior Officials	12.3	13.0	11.4
Professional	26.1	19.6	21.2
Associate Prof & Technical	15.8	13.8	15.3
Admin & Secretarial	6.0	12.7	11.7
Skilled Trades	10.1	9.9	9.7
Caring, Leisure & Other Services	11.2	10.1	9.2
Sales & Customer Service	6.4	5.9	7.1
Process, Plant & Machine	4.3	4.5	4.7
Elementary	7.7	10.1	9.3

Source: Annual Population Survey

- 3.50 If we look at the qualifications profile, there is an above average level of residents with NVQ2 level skills and no qualifications relative to the regional profile. A third of working residents have degree-level skills – though we might expect this to be higher given the presence of a university in Chichester. This is a function of the economic structure and wages.

Figure 3.24: Qualifications, 2010-11



Source: Annual Population Survey

3.51 Turning finally to consider earnings, residents living in the District in full time work earn on average over £4,000 more than those working within the District. This suggests that those commuting out of the area to work are doing so to access notably higher paid jobs. Resident earnings are notably above those in Arun and Portsmouth. Both Portsmouth and Guildford have a stronger density of higher paid jobs supporting commuting from Chichester.

Figure 3.25: Annual Earnings, 2011

Full-Time Workers, 2011	Residents	Workers	Differential
Chichester	£28,327	£24,068	-£4,259
Arun	£22,801	£20,382	-£2,419
Portsmouth	£24,592	£27,461	£2,869
Guildford	£33,612	£29,446	-£4,166

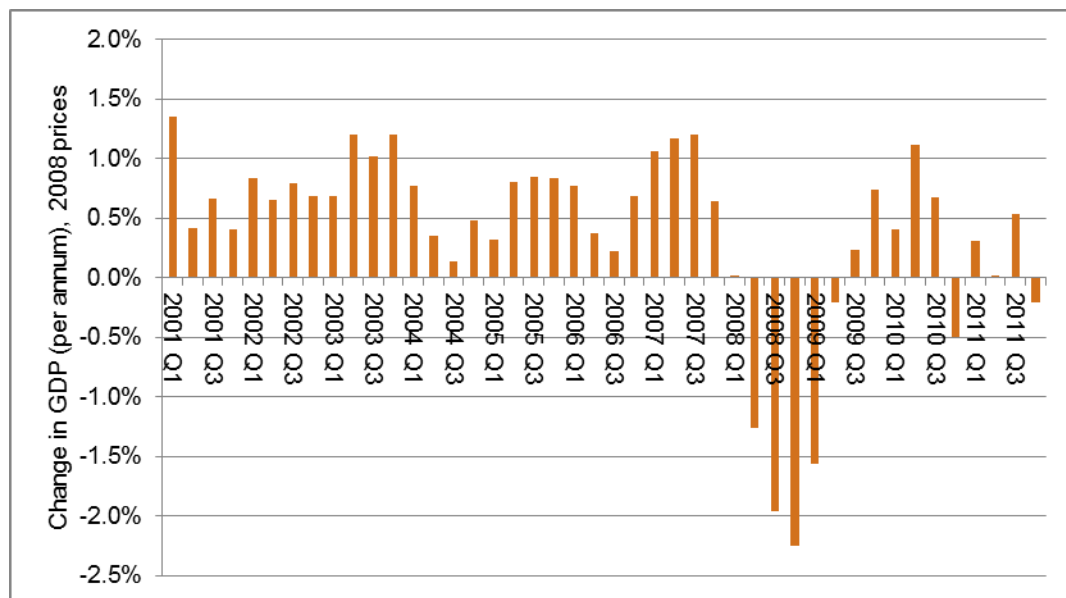
Source: Annual Survey of Hours & Earnings

4 PROPERTY MARKET DYNAMICS

Macro-Economic Dynamics

- 4.1 Overall performance of UK commercial property market continues to be affected by wider economic performance. The UK economy has slipped back into recession with output (GDP) contracting by an estimated 0.2% in the first quarter of 2012 mirroring a similar drop in the final quarter of 2011.
- 4.2 Figure 4.1 indicates long-term trends in GVA. Economic growth overall in 2011 was a very weak 0.9% compared to 2.1% in 2010. The recent economic recession has been deeper than the previous three UK recessions, and the recovery has been much more protracted: we have not seen a strong return to growth, with economic growth remaining muted.
- 4.3 At a national level, the economy continues to be affected by weak economic performance in Europe, the major export market for UK businesses, and concerns over the resolution of the Eurozone debt crisis, as well as cuts in public spending. These concerns have affected UK business confidence, and together with high inflation (resulting in declining real incomes) has impacted on consumer spending and thus domestic demand, resulting in a stagnant rather than growing economy.

Figure 4.1: UK Economic Growth Trend



Source: ONS

- 4.4 Q4 2011 saw a decline in production output (-1.2%) and in construction (-0.5%) impacting on demand for industrial premises; while the service sector was static (0.0%) with a notable slowdown in output from business services and finance (which are key drivers of office occupier demand).

- 4.5 Unemployment statistics for Q1 2012 at the national level were down 35,000 on the previous quarter but at 2.65 million nationally, were up 172,000 on a year previously. This represents an unemployment rate of 8.3%.
- 4.6 On the positive side, inflation has fallen notably over the last six months and stood at 3.5% (CPI) in March 2011. This will provide support to exports and consumer spending, albeit that there remain risks in particular associated with oil prices.
- 4.7 Looking forwards, the economic outlook in the short-term is relatively poor. We have reviewed a number of forecasts. The Office for Budget Responsibility's Economic and Fiscal Outlook (March 2012) indicated moderate growth of the UK economy by 0.8% in 2012, consistent with 2011, rising to 2.0% in 2013, 2.7% growth in 2014 and 3.0% in 2015 and 2016. This compares to the long-term average of 2.3% per year. It means that the UK economy will have gone through five to six years with little or no growth in the economy.
- 4.8 Unemployment nationally is forecast to rise from 8.4% to 8.7% over the coming year but is expected to fall over the medium-term to around 6.3% by 2016.
- 4.9 The forecasts assume that the Eurozone continues to struggle through its current difficulties, and that the current problems are resolved and a solution delivered which provides sovereign debt sustainability and supports the normal operation of financial markets in the medium-term. The Eurozone situation remains a major risk to the forecasts.
- 4.10 The forecasts also assume that the inflation continues to fall back, providing some support to a recovery in the second half of 2012 from growth in consumer spending albeit that the expectation is that real household disposable income growth will be weak in both 2012 and 2013, and only begin to outstrip inflation by a significant margin from 2014 onwards. Again there is a downside risk associated with any further spike in energy or commodity prices.
- 4.11 The most recent Treasury 'consensus forecasts' from April 2012 however indicate that while inflation is expected to recede, overall more moderate growth is likely in the short-term with 0.6% growth forecast for 2012 (compared to 0.8% by the OBR) and 1.7% in 2013.
- 4.12 Overall we can expect occupier demand for commercial property to remain weak in 2012 and improve slowly thereafter. The economic outlook suggests that we should not expect a significant bounce-back in demand in the short-term.
- 4.13 The outlook for credit conditions for commercial property improved in mid-2011 however it appears to have deteriorated since.

National & Regional Market Trends

- 4.14 The RICS UK Commercial Market Survey Q1 2012 indicates that both demand and the level of available space have stabilised but overall expectations for rental growth remain negative. Levels of new development continue to fall, albeit that the pace of reduction is falling. With a lack of new development the level of available supply (overall) has been falling resulting in slightly tighter market conditions overall albeit that demand remains subdued. Shortages of prime space are beginning to emerge in some markets, including Central London Offices.
- 4.15 Demand has stabilised for offices but has increased for industrial space. On the supply-side, available office floorspace has continued to rise, while on the other hand we have seen a modest reduction in availability of industrial premises – the first since 2005. As a result industrial rents are expected to stabilise (having fallen) albeit that further reductions in rents for office space are likely as landlords seek to attract tenants.

Offices

- 4.16 Economic conditions and uncertainty coupled with the impact of austerity measures continue to hinder recovery of the office market. Following a strong bounce-back in take-up in 2010 (particularly in Central London), market performance in 2011 has been more subdued. With companies less likely to expand or upgrade their accommodation, deals are particularly associated with lease events.
- 4.17 Office take-up in 2011 outside of Central London, according to Lambert Smith Hampton, was similar to 2010. Across the South East, take up since 2008 has remained below the long-term average but was in 2011 was marginally down on 2010. Across the region, office take-up is dominated by the Thames Valley.
- 4.18 Office availability levels remain high across nearly all UK office markets, albeit below their 2009 peak. This is also the case across the South East. With an excess of supply over demand, rents have fallen in many centres although there are some exceptions. The vacancy rate across the South Coast is approximately 11%.
- 4.19 Looking forward, with little speculative development underway, the likelihood is that availability, particularly of Grade A space, should fall over time and drive a reduction in incentives to entice occupiers. However there are downside risks associated with economic performance.
- 4.20 Figure 4.2 profiles office rents and availability across selected office markets in the region. It shows that the level of supply of office space on the market in 2011 (the market balance, measured relative to monthly take-up) and compares this to the long-term average. It also shows what proportion of available office space is Grade A and rental levels for Grade A space. For the South

Coast office market it suggests that the level of available floorspace is equivalent to 55 months' supply (based on average monthly take-up). This is below the UK average of 94 months' supply and below the long-term average for the South Coast office market.

- 4.21 Rental values are influenced by the relative size of markets and their connectivity to London. Rents for prime new-build space in the South Coast office market are £19.50 per square foot.

Figure 4.2: Key Market Indicators – Office

Market	Market Balance (months) ⁷	Average Market Balance (months)	Grade A as % available space	Prime Rent (£ psf)
South Coast	55	74	11	19.50
Guildford	99	34	0	27.00
Staines	179	43	19	28.00
Heathrow	65	40	27	27.00
Slough	78	45	31	20.00
Reading	83	63	43	30.50
Blackwater Valley	126	67	11	22.00
Oxford	27	41	38	20.50
Newbury	304	34	0	17.00
UK Average	94	44	26	23.00

Source: LSH National Office Market 2011

- 4.22 The South East business park market performed strongly in the 2nd quarter of 2011, with take-up of 1.1 million sq.ft recorded by GVA, 40% above the five-year trend. Despite this vacancy levels remain significant, at 17.7% nationally and 15% in the South East/East. This includes significant levels of vacant floorspace on major business parks such as Green Park, Reading and Stockley Park near Heathrow.
- 4.23 While we have seen a moderate return to rental growth for business park space in London and the South East in 2011, growth rates are forecast by IPD to increase over the medium-term to 2016.
- 4.24 The level of construction of new business park space continued to fall, with space under construction at the end of 2011 40% down on a year previously.

Industrial and Distribution

- 4.25 The industrial and distribution market remained relatively buoyant compared to other commercial markets in 2011, with 101 million sq.ft of activity recorded nationally by Lambert Smith Hampton – a decline of just 0.8% on 2010. Indeed the distribution warehouse market saw a 15% increase in activity in the medium-sized sector (10,000 – 50,000 sq.ft) and a notable decline in availability.

⁷ Market balance is the number of months supply available at current or average take-up levels

Activity however declined in the second half of the year linked to the worsening Eurozone crisis, with take-up recorded 17% below that in the first half. Overall demand in 2012 is expected to remain similar to 2011 according to GVA.

- 4.26 The market however performed better than average in the South East, with take up in 2011 26% above 2010 levels.
- 4.27 Availability of industrial and distribution space has declined slightly to 10.2% whilst the supply of Grade A floorspace has fallen to less than 12 months supply in most size bands. It represented just 11% of available space at the end of 2011. This reflects limited speculative development activity in 2010/11. Across the South East the level of available space has remained relatively stable. However within this, there is a particularly short supply of large sheds over 250,000 sq.ft. In contrast, the supply of industrial units of less than 10,000 sq.ft has continued to increase.
- 4.28 Recent demand for warehouse floorspace has been driven by food and discount retailers and internet operations. There has been a strong level of activity for Grade A and pre-let/build to suit space according to Lambert Smith Hampton, with strong demand in particular in London and the South East where take-up of larger units of >100,000 sq.ft in 2011 was double 2010 levels. There is an acute current shortage of this larger stock in key markets across the region.
- 4.29 At the other end of the size spectrum, take-up from SMEs has held-up well with occupiers taking advantage of favourable terms. Take-up of units of < 10,000 sq.ft in 2011 was 6% up on the previous year, although this was driven by performance in the first half of the year. Despite reasonable demand, availability increased marginally to 85m sq.ft albeit that there remains an acute shortage of Grade A stock in certain regions including the South East with less than 10 months supply.
- 4.30 Overall, rental levels currently remain stable although we have seen some growth in rents for Prime Grade A stock during 2011. In the South East, Lambert Smith Hampton record prime industrial rents declining by an average of 0.8% in 2011. GVA consider that they are likely to remain so over the next year outside of prime locations. The secondary market is however quite different, and with significant availability rental values fell by an average of 3.4% in the region in 2011.

4.31 Prime rents in key centres are set out below.

Figure 4.3: Industrial Rents, Spring 2012

	< 20,000 sq.ft	20,000 - 50,000 sq.ft	50,000+ sq.ft
Crawley	£7.50	£7.00	£7.00
Southampton/ Portsmouth	£7.75	£7.25	£7.50
Reading	£8.50	£8.00	£7.50
Maidstone	£7.50	£7.25	£6.50

Source: Knight Frank Research, 2nd Half 2011

4.32 Heathrow commands some of the highest rents nationally at £12 psf headline. Headline rents are £7.75 psf for smaller units in the Southampton/Portsmouth market.

4.33 With bank finance remaining limited, design and build pre-lets are emerging as a key means of delivering new supply.

Local Market Dynamics

4.34 There was over 600,000 sq.m of commercial floorspace in B-class uses in Chichester District in 2008⁸. The profile of this by B-class use shows a slightly higher proportion of industrial floorspace compared to the regional average and indeed take-up of industrial floorspace is stronger in comparative terms.

Figure 4.4: Employment Floorspace, 2008

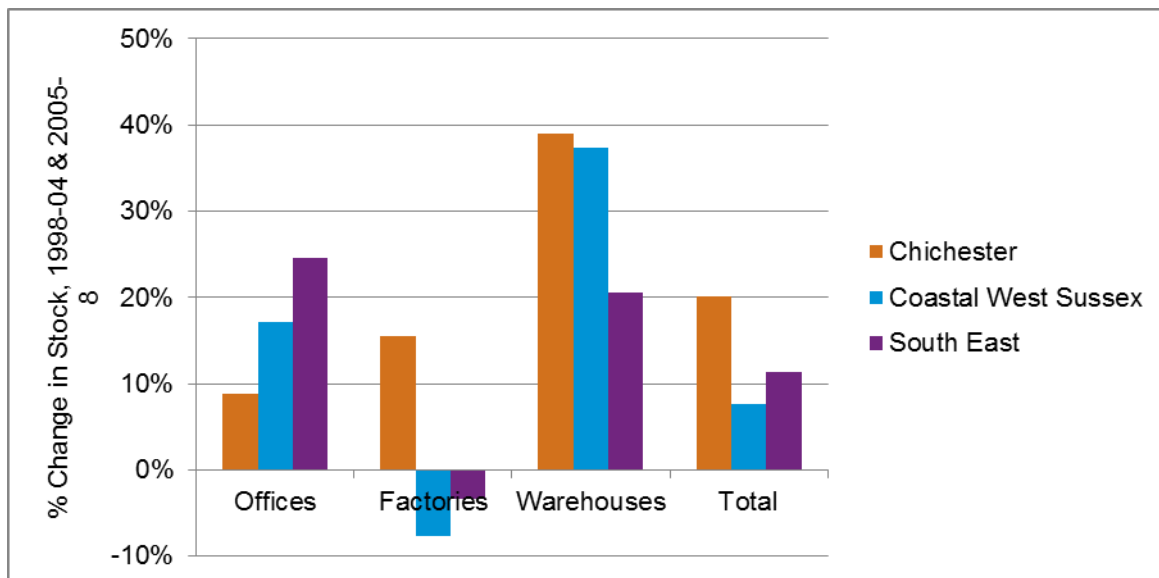
	Chichester	Coastal West Sussex	South East
Offices	134,000	425,000	15,767,000
% All Bulk Floorspace	16%	15%	22%
Industrial	290,000	1,005,000	20,377,000
% All Bulk Floorspace	34%	34%	28%
Warehouses	186,000	628,000	19,042,000
% All Bulk Floorspace	22%	21%	26%

Source: CLG Industrial Floorspace & Rateable Value Statistics

4.35 Figure 4.5 profiles how the stock of B-class floorspace has changed between 1998-2008. Chichester District has seen comparatively stronger growth in the stock of B-class floorspace, primarily as a result of strong growth in industrial and warehouse floorspace. We consider that the figures are likely to have been influenced by development of new-build industrial premises by Rolls Royce at Goodwood in 2007/08.

⁸ The latest published data from CLG Industrial Floorspace & Rateable Value Statistics is from 2008

Figure 4.5: Changes in Stock of B-Class Floorspace, 1998-2004 & 2005-8⁹



Source: CLG Industrial Floorspace & Rateable Value Statistics

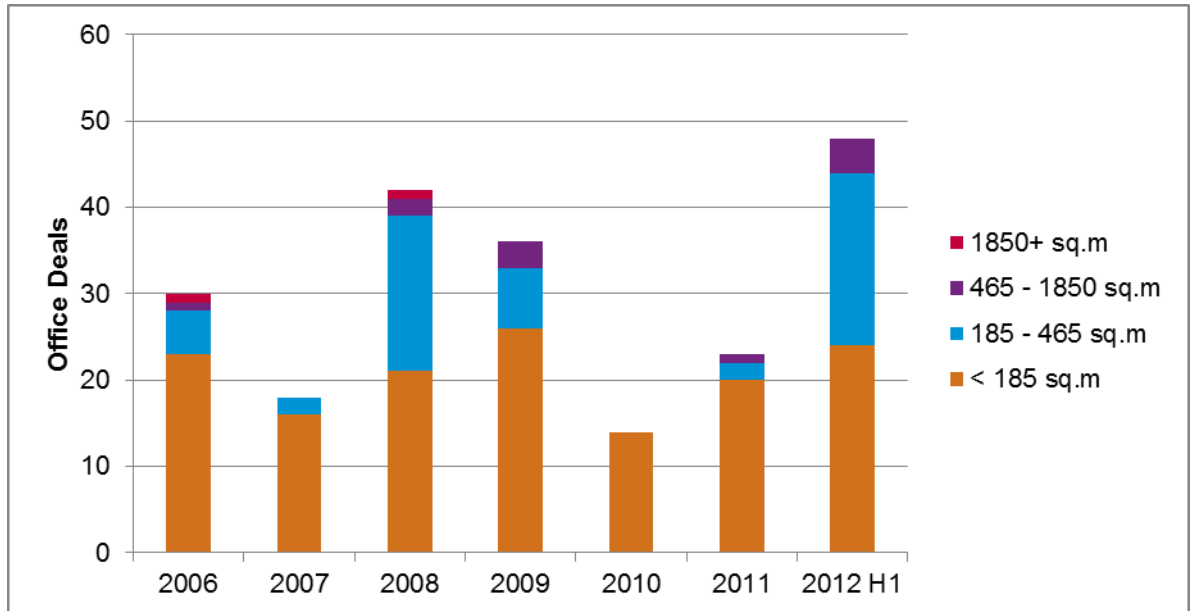
4.36 Over this nine year period, there was a net 39% increase in warehouse floorspace, a 16% growth in industrial floorspace and a more moderate 9% growth in office floorspace. Office floorspace growth was more moderate relative to Coastal West Sussex and the South East more widely.

Office Market

4.37 Figure 4.6 profiles office deals over the last 6.5 years. There have been an average of 24 deals a year over this period, with the focus biased towards small office suites of less than 185 sq.m. There is a very limited level of activity for units of over 465 sq.m. The market is focused on demand from small businesses reflecting the wider structure of the local economy.

⁹ Comparable date between 2004-5 is not available because of the rating revaluation which took place

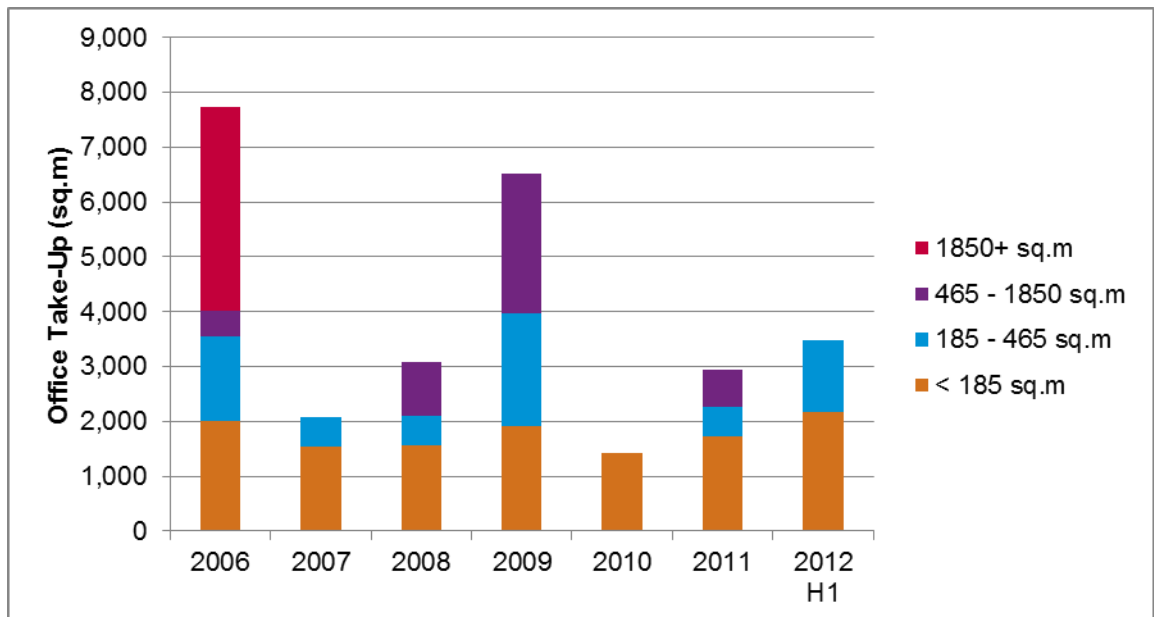
Figure 4.6: Office Deals, 2006- mid 2012



Source: GLH Estimates based on Focus & EGi

4.38 Office-take-up over the last 6.5 years has averaged a moderate 3,900 sq.m per annum. Take-up was stronger in both 2006 and 2009, driven by a number of larger deals in these years supporting take-up of over 6,000 sq.m. On other years it has fallen between 2,000 – 3,500 sq.m.

Figure 4.7: Office Take-Up, 2006 – mid 2012



Source: GLH Estimates based on Focus & EGi

- 4.39 In total 93% of office floorspace take-up recorded by Focus and EGi over the 2006-2012 period has been in the South of the District. The 7% take-up in the National Park is focused on Midhurst and Petworth and focused on small office suites.
- 4.40 Recent office deals in the District have included:
- Letting of 4,467 sq.ft (415 sq.m) at St Johns House in St Johns Street, Chichester at £12.98 psf in March 2012 to Martlett Management Ltd on a 20 year lease;
 - Letting of 2,551 sq.ft (237 sq.m) at Bicentennial Buildings, a new-build development at Southern Gate, Chichester at £14 psf to WSAM (UK) Services Ltd in April 2012;
 - Letting of 7,330 sq.ft (681 sq.m) at 40 North Street, Chichester in November 2011 to an undisclosed purchase;
 - Letting of 3,627 (335 sq.m) of refurbished premises at Ambassador House in Crane Street, Chichester to Shore Brokers at £10 psf with three months rent-free on a five year lease.
- 4.41 The office market in the District is focused on Chichester City Centre. The City Centre includes a range of office accommodation, with recent new-build activity focused around the Terminus Road area which is both close to the rail station and within walking distance of the City Centre. This has included delivery of new-build offices for Hyde Martlet and Nicola Jane and delivery of Bicentennial Buildings (all at Southern Gate).
- 4.42 There are a number of further new-build schemes in the Terminus Road area with planning consent, including development of 20,000 sq.ft (1,858 sq.m) at Cedar Park, 26,900 sq.ft (2,500) sq.m at Chichester House and a further 15,000 sq.ft (1,395 sq.m) at Southern Gate. All are being marketed on a pre-let basis.
- 4.43 Rental levels for new-build development varied depending on the size of unit, location and quality of space. Smaller units in the City Centre can fetch up to £15.80 psf. New-build units for small businesses at Vinnetrow Business Park are being marketed for between £14-17.25 per square foot. Proposed development of office floorspace at Meteor Court within Chichester Business Park, Tangmere is being advertised at £17 psf on a design and build basis.
- 4.44 There is an estimated 10,550 sq.m of vacant floorspace in August 2012 equating to a supply of 2.7 years based on past take-up. We estimated that this equates to a vacancy rate of around 8%. This is slightly higher than the 4.5% office vacancy rate estimated in the 2009 ELR. The growth in availability is common with trends seen nationally.

Figure 4.8: Vacant Office Floorspace, August 2012

	Sq.m NIA
Grade A, Chichester City	1,130
Grade B, Chichester City	8,614
Grade B, South Downs National Park	806
Total Vacant Stock	10,550
Current Supply: Years	2.7
Estimated Vacancy Rate	8%

Source: EGi

- 4.45 Given the high existing vacancy rate, current muted levels of demand and difficulties in securing bank finance there is little market appetite for speculative development. There are however a number of schemes in the development pipeline which are being advertised on a pre-let or design and build basis. These are set out in the table below. Collectively they provide 9,263 sq.m of floorspace providing equivalent to 2.3 years of supply based on past (total) take-up (on top of the level of vacant floorspace).

Figure 4.9: Availability – New Build Pipeline, August 2012

Scheme	Floorspace (sq.m NIA)
Cedar Park, Terminus Road	1,858
Donnington Park	657
Meteor Court, City Fields	2,871
Chichester House, Terminus Road	2,500
Southern Gate Block B, Terminus Road	1,377
Total	9,263

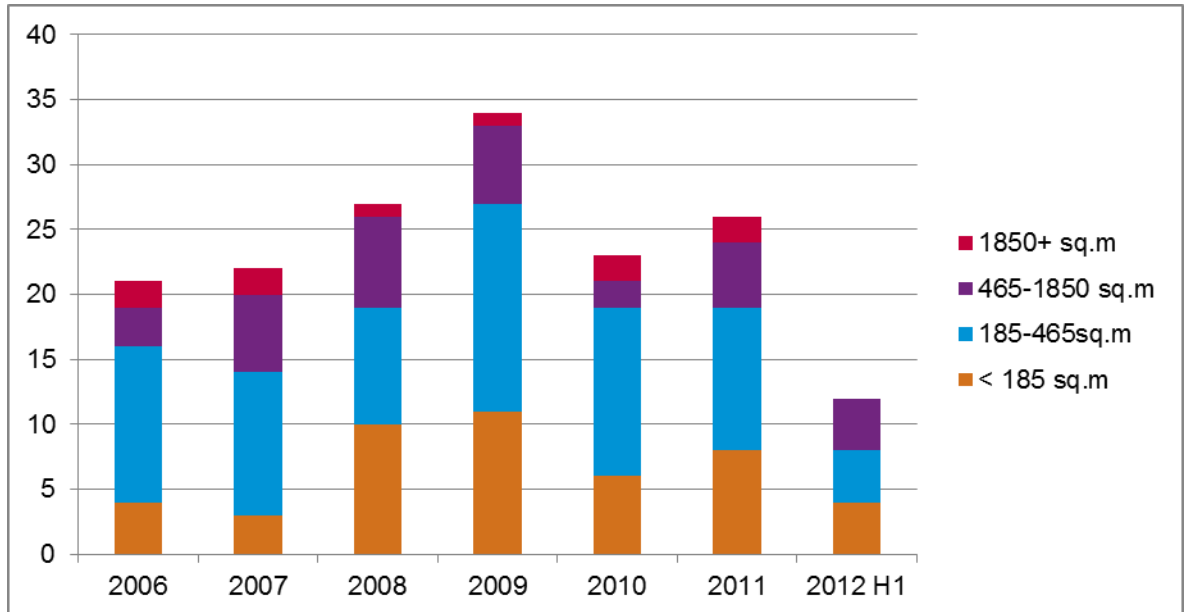
Source: EGi

- 4.46 Overall the office market is relatively subdued, with low levels of take-up of office space in recent years and a significant level of availability (as well as a notable level of floorspace in the development pipeline).
- 4.47 There are a number of schemes where there remains significant vacancy of good quality space, including Vinnetrow Business Park and City Fields, Tangmere. Take-up in these areas has been relatively slow. This may be partly influenced (particularly at City Fields) by the speed of broadband access. The City Centre market appears stronger and there has been some recent good quality development, particularly at Terminus Road with further schemes with planning consent which can be delivered over time subject to market demand.

Industrial Market

- 4.48 Figure 4.10 profiles the industrial market in the District. The industrial market has evidently held up more strongly through the recession. There have been an average of 24 deals a year, with the focus towards deals of medium-sized light industrial properties of between 185-465 sq.m.

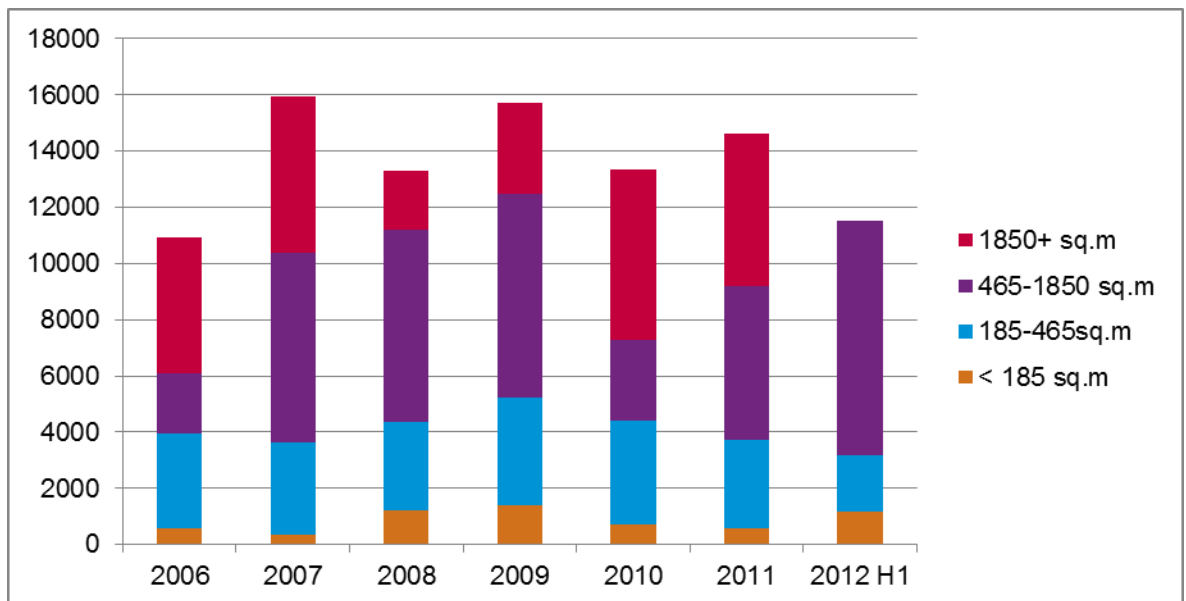
Figure 4.10: Industrial Deals, Chichester District 2006-2012



Source: Focus and EGi

4.49 Take-up of industrial floorspace has averaged 13,625 sq.m per annum over the last 6.5 years. Industrial take-up is significantly influenced by deals involving larger units of over 465 sq.m which make up more than half of total take-up. Take-up figures have held up more strongly through the recession than has been the case for the office market (in common with wider trends).

Figure 4.11: Industrial Take-Up, Chichester District 2006-2012



Source: Focus and EGi

4.50 An estimated 10% of industrial floorspace take-up has been within the South Downs National Park.

- 4.51 Recent industrial deals include:
- Letting of 34,840 sq.ft (3,237 sq.m) at Terminus Road, Chichester to Spa Components Ltd at £9.50 psf in Sept 2011;
 - Letting of 19,000 sq.ft (1,765 sq.m) at Terminus Road, Chichester to a private individual in October 2011;
 - Letting of 12,960 sq.ft (1,204 sq.m) in November 2011 at Rutland Way, Chichester at £6.50 psf to Best Log Ltd;
 - Letting of 12,090 sq.ft (1,123 sq.m) at Grave Lane in Quarry Lane Industrial Estate, Chichester in December 2011 £4 psf to Best Log Ltd;
 - Letting of 16,080 sq.ft (1,494) sq.m at Chichester Trade Centre in Quarry Lane, Chichester to an undisclosed tenant.
- 4.52 Industrial rents vary depending on the quality of space, with headline rents around £6.50 psf.
- 4.53 The level of vacant industrial floorspace advertised on EGi totals 19,800 sq.m. This includes industrial and warehouse/distribution space. 80% of the District total is in the South, 5% in the National Park and 15% in the North East.
- 4.54 The level of vacant space equates to a 1.5 years supply based on past take-up and an estimated 4.2% vacancy rate. This is slightly higher than the 3.7% vacancy identified in the 2009 Study.

Figure 4.12: Vacant Industrial Floorspace, August 2012

	Sq.m NIA
Second Hand ((South)	15,983
Second Hand (National Park)	911
Second Hand (North East)	2,909
Total: Current Vacant Stock	19,800
Current Supply	1.5 years
Estimated Vacancy	4.2%

Source: EGi

- 4.55 There is a 1.3 years supply of new build industrial floorspace which is currently being marketed. This is the consented Glenmore Business Park scheme located on the A27 Chichester Bypass.

Figure 4.13: Industrial Floorspace – New Build Pipeline, August 2012

Scheme	Floorspace (sq.m NIA)
Glenmore Business Park, Chichester	17,466

Source: EGi

- 4.56 Overall, the market review identifies stronger demand and a tighter current supply for industrial floorspace relative to office. However it is notable that there is very limited availability of new-build/ Grade A units currently with a relatively limited level of new-build space being marketed for development.

5 DEMAND FORECASTING

5.1 In this section we consider demand for employment land and floorspace over the plan period from 2011-29. It considers requirements for employment land in the B1, B2 and B8 use classes.

5.2 The analysis is of 'demand' for employment land and therefore does not take account of any supply-side factors such as existing employment land allocations or commitments. These are considered in the next section. Demand is considered in both 'net' and 'gross' terms.

5.3 The ODPM Guidance, *Employment Land Reviews: Guidance Note* (ODPM, 2004) encourages the use of a number of different techniques to estimate future employment land requirements, namely assessments based on :

- Labour demand (derived principally from econometric forecasts);
- Labour supply (taking account of planned housing provision and demographics); and
- Past rates of take-up/ development of employment land.

5.4 There are relative benefits of each. Econometric forecasts take account of differences in economic performance moving forward relative to the past, overall in regard to the sectoral composition of growth. However a detailed model is required to relate net forecasts to use classes and to estimate gross floorspace and land requirements.

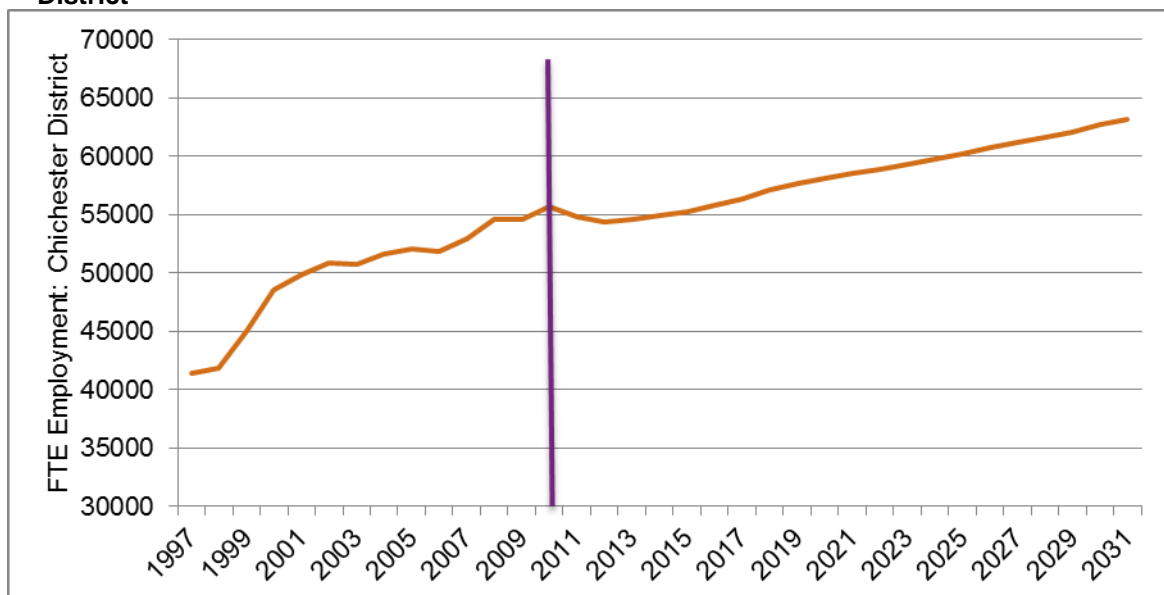
5.5 In contrast, past take-up is based on actual delivery of employment development; but does not take account of the implications of growth in labour supply associated with housing growth nor any differences in economic performance relative to the past.

Labour Demand Scenario

5.6 The first scenario is based on land demand, and derives from forecasts of employment growth prepared by Experian in Summer 2012.

5.7 The Experian forecasts indicate a net increase in Full-Time Equivalent (FTE) employment between 2011-29 of 7,300 (Figure 5.1) equivalent to around 400 FTE jobs per year over the plan period. This forecast employment growth compares to growth of just below 1,300 jobs a year in the 1998-2008 period (the pre-recession decade), and growth of 550 jobs per year between 2008-10. Lower forecast growth is a function of wider economic conditions.

Figure 5.1: Forecast Net Changes in Full-Time Equivalent Employment – Chichester District



5.8 Figure 5.2 indicates employment growth forecasts across key (broad) sectors. As we have identified, key growth sectors are professional and other private services, tourism (accommodation, food etc) and construction. Manufacturing employment is forecast to decline slightly.

Figure 5.2: Forecast Employment Growth, 2011-31

	2011-16	2016-21	2021-26	2026-29	2011-29 Total
Agriculture, Forestry & Fishing	430	-40	-70	-40	280
Accommodation, Food Services & Recreation	650	520	450	300	1,900
Construction	380	290	210	130	1,000
Wholesale & Retail	270	130	10	20	420
Mining and Quarrying	60	10	-10	-10	50
Finance & Insurance	10	130	90	60	290
Information & communication	190	140	150	90	570
Manufacturing	-100	-220	-340	-240	-900
Professional & Other Private Services	880	910	840	520	3,150
Public Services	-1,960	740	760	210	60
Transport & storage	130	70	40	20	260
Utilities	40	60	70	50	210
Total	980	2,740	2,190	1,400	7,300

Source: Experian 2012

5.9 The Experian forecasts are for 38 sectors. GLH has considered the proportion of employment in each of these sectors which is likely to take place in office or R&D floorspace (Use Classes B1a

and B1b), industrial floorspace (Use Classes B1c or B2) and warehouse/ distribution floorspace (Use Class B8). We have calibrated our standard model which relates sectors and use classes for the Chichester District economy through interrogation of the composition of employment in key sectors at 4-digit SIC level. This is used to derive the following forecasts of net growth in employment by use class over the plan period:

Figure 5.3: Forecast Net Employment Growth by Use Class, Chichester District 2011-29

	2011-16	2016-21	2021-26	2026-29	2011-29 Total
Office: B1a/b	-567	807	746	466	1452
Industrial: B1c/B2	71	-48	-209	-154	-341
Warehouse/Distribution: B8	209	184	107	61	561
Total B Class	-287	942	643	373	1,672
Total FTE Job Growth	976	2,741	2,189	1,397	7,304

5.10 To these figures we have applied standard employment densities taking account of the *HCA Employment Densities Guide: 2nd Edition* (Drivers Jonas Deloitte, 2010). We have converted figures to provide employment densities for gross external floor areas on the following basis:

- Office (B1a): an average of 14 sq.m GEA per employee based on a blend between business park, serviced office and general office floorspace and assuming that the gross external area of buildings is on average 20% higher than the net internal area;
- Industrial (B1c, B2): an average of 40 sq.m GEA per employee based on a mix of B1c and B2 floorspace including both smaller light industrial units and larger food manufacturing;
- Warehouse/ Distribution (B8): an average of 50 sq.m GEA per employee. This is towards the lower end of the range of B8 activities reflecting local market demand where there is limited market for large scale or high bay warehousing in the District.

5.11 Applying these employment densities to the forecasts of net growth in jobs in B-class activities, we can derive forecasts for net changes in employment floorspace. This forecasts a net requirement for around 35,000 sq.m of employment floorspace in B-class uses over the 2011-29 plan period.

Figure 5.4: Forecasts of Net Changes in Floorspace, Chichester District – Labour Demand Scenario

sq.m GEA	2011-16	2016-21	2021-26	2026-29	2011-29
Office: B1a/b	-7,934	11,296	10,438	6,523	20,323
Industrial: B1c/B2	2,826	-1,918	-8,374	-6,166	-13,632
Warehouse/Distribution: B8	10,468	9,178	5,350	3,045	28,040
Total B-Class Floorspace	5,360	18,555	7,414	3,402	34,731

5.12 A net requirement for additional office and warehouse floorspace is forecast; whilst a net reduction for industrial floorspace is forecast. Floorspace demand for office based activities is expected to be more moderate than forecast in the 2009 ELR. A more substantial reduction in industrial floorspace is forecast, but this is offset by forecast stronger demand for warehouse floorspace.

Gross Forecasts (Labour Demand)

- 5.13 The above forecasts are for net changes in floorspace. Net changes in land and floorspace should be monitored against this.
- 5.14 As a basis for considering what level of land should be allocated for B class uses, it is more useful to consider what level of land might be required in gross terms, allowing for the potential loss of some existing employment sites. Our gross floorspace forecasts are based on:
- Net floorspace forecasts;
 - Plus allowance for replacement of expected losses of employment floorspace;
 - Plus a margin to allow for forecasting error and any delays in sites coming forward.
- 5.15 To calculate this, we have first sought to consider the trends in losses of employment land based on the Council's monitoring data.
- 5.16 It is considered that changes of use of employment land between B-class uses is not of a significant impact in regard to the overall quantities of employment land required over the plan period. We have therefore used the WSCC Commercial & Industrial Development Survey data to estimate expected losses of employment land and floorspace based on the difference between net and gross completions recorded.

Figure 5.5: Trends in Losses of Employment Floorspace

2001-11	Gross Completions	Net Completions	Difference	Average Losses per annum
B1a	19,128	17,282	1,846	185
B1b	130	130	0	0
B1c	28,617	16,180	12,437	1,244
B1	9,583	9,374	209	21
B2	93,817	67,326	26,491	2,649
B8	50,471	26,576	23,895	2,390
Total	201,746	138,868	64,878	6,488

Source: WSCC CILLA

- 5.17 On average over the past 10 years there has been a loss of almost 6,500 sq.m of employment floorspace per annum. We assume that the rate of loss of employment land moving forward is likely to be relatively similar, based on the understanding of the employment base developed as part of the Study. To forecast gross floorspace requirements we have projected forward average losses recorded over the 18 year plan period. This is shown in Figure 6.6 below.

Figure 5.6: Forecast Losses of Employment Floorspace

	2011-16	2016-21	2021-26	2026-29	2011-29
Office: B1a/b	1,028	1,028	1,028	617	3,699
Industrial: B1c/B2	19,464	19,464	19,464	11,678	70,070
Warehouse: B8	11,948	11,948	11,948	7,169	43,011
Total	32,439	32,439	32,439	19,463	116,780

5.18 In terms of the monitoring data on which these figures are based, a particular issue that losses of employment floorspace and land to non-commercial uses (such as residential) are not recorded in the CILLA data. On this basis the allowance for losses of employment floorspace should be regarded as conservative.

5.19 Many employment land assessments additionally include a 'frictional margin' to support choice and competition between sites for investment, to take account of potential delays in sites coming forward and to allow for a degree of variance from the forecasts over a 20 year timeframe. This is a sensible approach. We have assumed a frictional margin equivalent to two years of gross take-up to be consistent with the previous (2009) Employment Land Review. This is calculated using annual take-up figures for the 2005-11 period¹⁰.

Figure 5.7: Frictional Margin

	Average Annual Take-Up 2005-11	Frictional Margin (2 Years)
Office: B1a/b	4,647	9,294
Industrial: B1c/B2	4,628	9,256
Warehouse/ Distribution: B8	6,276	12,552
Total	15,551	31,103

5.20 Forecasts of gross floorspace requirements are calculated by adding the forecast losses and frictional margin to the net floorspace forecasts. These are shown below:

Figure 5.8: Gross Floorspace Forecasts, Chichester District 2011-29 – Labour Demand Scenario

	2011-16	2016-21	2021-26	2026-29	2011-29
Office: B1a/b	-4,325	14,905	14,047	8,689	33,316
Industrial: B1c/B2	24,861	20,117	13,661	7,055	65,695
Warehouse/ Distribution: B8	25,902	24,612	20,784	12,306	83,603
Total	46,438	59,634	48,492	28,049	182,614

¹⁰ This period excludes the delivery of 55,500 sq.m of B2 floorspace at Rolls Royce in 2004 which is considered abnormal set against longer-term trends

5.21 By comparing Figures 5.4 and 5.8, it is clear that the majority of the forecast floorspace requirement in Figure 5.8 arises through ‘replacement demand’ and the need to compensate for losses of existing, typically older, property within the District. This is however an important component of demand and will help ensure that businesses in the District have access to suitable, good quality accommodation to enable them to stay and grow within the area.

Employment Land Requirements

5.22 To estimate employment land requirements to deliver this level of floorspace we have applied assumptions on plot ratios as set out below:

- An average plot ratio of 30% for office floorspace (B1a and b) on the basis that most office floorspace is likely to be delivered in business park settings or through mixed use development, at least in the short-term;
- An average plot ratio of 45% for development industrial and warehouse/ distribution floorspace.

5.23 These assumptions are broadly consistent with national guidance and other similar studies. On this basis, the following projections of net additional land requirements are derived:

Figure 5.9: Gross Employment Land Requirements, Chichester District 2011-29

	Employment Land Requirement Hectares, 2011-29
Office: B1a/b	11.1
Industrial: B1c/B2	14.6
Warehouse/ Distribution: B8	18.6
Total	44.3

5.24 A total requirement for 44 hectares of employment land is estimated for the 2011-29 plan period in the labour demand scenario. This comprises 11 hectares suitable for office floorspace, and 33 hectares suitable for industrial and warehouse/distribution floorspace.

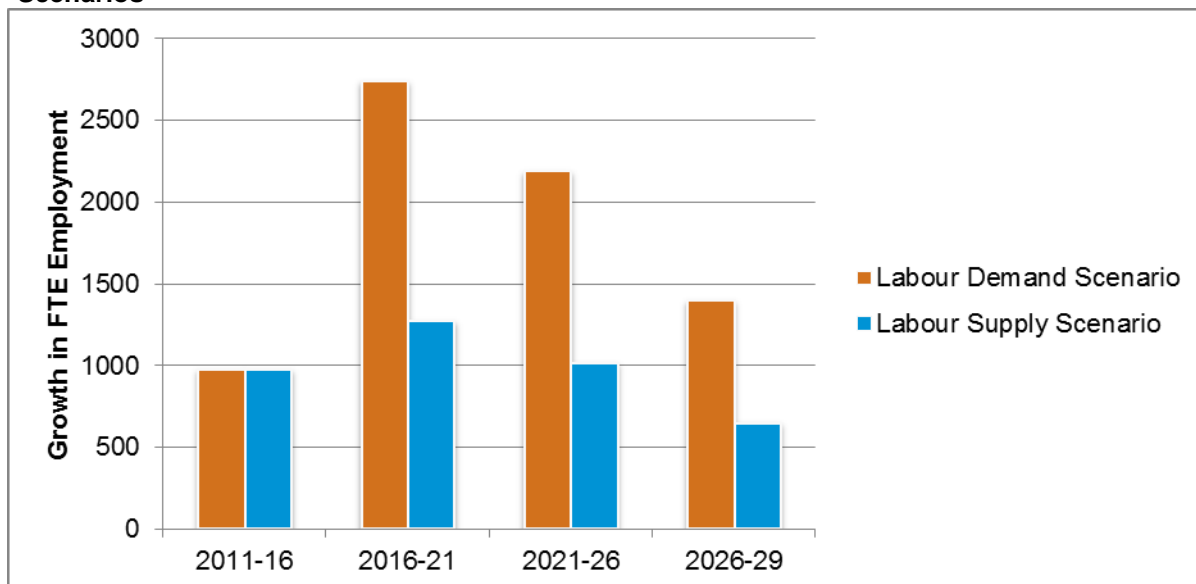
Labour Supply-based Forecasts

5.25 The capacity of the District to accommodate new housing development is a potential constraint on future economic performance. To consider the impact which this may have on economic growth and employment land requirements we have developed a second forecast scenario based on expected labour supply.

5.26 The Coastal West Sussex SHMA Update included development of demographic forecasts based on potential policies regarding future housing requirements, taking account of land availability and infrastructure constraints.

- 5.27 The Labour Supply Forecasts herein are based on delivery of 7,000 homes in the south of the District over the 2011-29 plan period together with expected growth in other areas based on past completions.
- 5.28 The demographic modelling undertaken as part of the SHMA Update indicates that this will support growth in the resident labour force in employment of 3,500 persons over the 2011-31 period (3,260 over the period to 2029). It is considered that there is little scope for improvements to economic participation rates given the high employment rate of 79.6% in 2010-11; however we have assumed that there is some potential for reductions in unemployment. We have assumed that unemployment reduces from 5.1% to its pre-recession level of around 4.0% over the 2011-21 decade. The demographic modelling additionally takes account of changes to pensionable ages over the period to 2029.
- 5.29 Taking these factors together, the labour supply forecasts assume that labour supply increases by just over 3,900 persons over the 2011-29 plan period. These forecasts seek to tie employment growth to this level, so as not to result in any increase in in-commuting to the District to work.
- 5.30 GLH has estimated the impact of this on economic performance across sectors. We have assumed that for sectors where a decline in employment was forecast, this will occur. Where employment growth is forecast in a sector post 2016, we assume that 55% of employment growth occurs (based on constraining growth in employment to growth in labour supply). In the period before 2016 labour supply is not expected to constrain economic growth potential.
- 5.31 The chart below compares forecast growth in employment, expressed in terms of full-time equivalent jobs, in the labour demand and labour supply scenarios over the 2011-29 plan period.

Figure 5.10: Forecast FTE Employment Growth – Labour Demand & Labour Supply Scenarios



Source: Experian & GLH

- 5.32 Figure 5.11 sets out the assumed changes in employment in B-class sectors over the plan period for the Labour Supply Scenario.

Figure 5.11: Forecast Net Employment Growth by Use Class, Chichester District 2011-29 – Labour Supply Scenario

Sq.m GEA	2011-16	2016-21	2021-26	2026-29	2011-29 Total
Office: B1a/b	-567	429	398	254	515
Industrial: B1c/B2	71	-127	-269	-190	-516
Warehouse: B8	209	101	59	33	403
Total B-Class	-287	403	188	97	402

Source: GLH

- 5.33 Applying consistent employment density assumptions to those in the Labour Demand Scenario (described above), the following forecasts of net changes in floorspace are derived:

Figure 5.12: Forecasts of Net Changes in Floorspace, Chichester District – Labour Supply Scenario

Sq.m GEA	2011-16	2016-21	2021-26	2026-29	2011-29
Office: B1a/b	-7,934	6,010	5,578	3,553	7,206
Industrial: B1c/B2	2,826	-5,092	-10,751	-7,612	-20,630
Warehouse: B8	10,468	5,048	2,942	1,675	20,132
Total B Class	5,360	5,965	-2,231	-2,385	6,709

5.34 Gross forecasts can be derived on the same basis as the labour demand scenario, taking into account expected losses of employment floorspace and including a frictional margin.

Figure 5.13: Gross Floorspace Forecasts, Chichester District 2011-29 – Labour Supply Scenario

Sq.m GEA	2011-16	2016-21	2021-26	2026-29	2011-29
Office: B1a/b	-4,325	9,619	9,187	5,718	20,199
Industrial: B1c/B2	24,861	16,943	11,284	5,609	58,697
Warehouse: B8	25,902	20,482	18,377	10,935	75,695
Total B Class	46,438	47,044	38,848	22,262	154,592

5.35 Applying standard plot ratio assumptions to these forecasts (as described in the Labour Demand Scenario analysis above), the following projections of net additional land are derived:

Figure 5.14: Gross Employment Land Requirements, Chichester District 2011-29 - Labour Supply Scenario

	Employment Land Requirement (Hectares), 2011-29
Office: B1a/b	6.7
Industrial: B1c/B2	13.0
Warehouse: B8	16.8
Total B Class	36.6

5.36 A total requirement for 37 hectares of employment land is forecast in this scenario. This is around 17% lower than the demand forecast in the Labour Demand Scenario.

Policy-ON Scenario

5.37 A further demand scenario has been developed to align with a strategic policy-led approach seeking to enhance productivity and value-added, develop enterprise and capture and retain investment in higher-value private sector industries. This scenario would see a reduced dependency on public sector employment and employment in lower value-added/ wage sectors. It is aligned to the Council's 'agenda for growth.'

5.38 This scenario maintains a consistent level of employment to that in the labour supply scenario, with employment growth of just over 3,900 persons over the 2011-29 plan period. However it adjusts the sectoral distribution of growth to focus more strongly on:

- Professional services (with stronger employment growth in media, computing and IT, finance, and insurance and pensions relative to the labour supply scenario);
- Advanced manufacturing, including the food manufacturing, automotive and marine sectors (with stronger performance of the transport equipment, food, drink and tobacco and computer and electronics manufacturing sectors);
- Horticulture (through stronger performance of the agriculture, forestry and fishing sector); and

- Creative design (which forms part of the media activities sector which in this scenario is expected to perform more strongly).

5.39 In order to accommodate enhanced performance of these sectors, we assume more moderate employment growth in accommodation and food (which includes tourism-related employment), health, and residential care and social work.

5.40 Figure 5.15 indicates the forecast net changes in employment by use class over the 2011-29 plan period.

Figure 5.15: Forecast Net Employment Growth by Use Class, Chichester District 2011-29 – Policy-ON Scenario

	2011-16	2016-21	2021-26	2026-29	2011-29
Office: B1a/b	-519	483	456	299	719
Industrial: B1c/B2	135	-63	-189	-151	-269
Warehouse: B8	209	101	59	33	403
Total B Class	-175	521	326	181	853

5.41 Applying consistent employment density assumptions to those in the labour demand and labour supply scenarios (described above), the following forecasts of net changes in floorspace are derived:

Figure 5.16: Forecasts of Net Changes in Floorspace, Chichester District – Policy-ON Scenario

	2011-16	2016-21	2021-26	2026-29	2011-29 Total
Office: B1a/b	-7,264	6,761	6,388	4,183	10,068
Industrial: B1c/B2	5,386	-2,520	-7,567	-6,052	-10,754
Warehouse: B8	10,468	5,048	2,942	1,675	20,132
Total B Class	8,590	9,288	1,763	-194	19,447

5.42 Gross forecasts again can be derived on the same basis as the labour demand and labour supply scenario, taking into account expected losses of employment floorspace and including a frictional margin.

Figure 5.17: Gross Floorspace Forecasts, Chichester District 2011-29 – Policy-ON Scenario

	2011-16	2016-21	2021-26	2026-29	2011-29
Office: B1a/b	-3,655	10,370	9,997	6,349	23,061
Industrial: B1c/B2	27,421	19,515	14,468	7,169	68,573
Warehouse: B8	25,902	20,482	18,377	10,935	75,695
Total B Class	49,668	50,367	42,842	24,453	167,330

- 5.43 Applying standard plot ratio assumptions to these forecasts (as described in the Labour Demand Scenario analysis above), the following projections of net additional land are derived:

Figure 5.18: Gross Employment Land Requirements, Chichester District 2011-29 - Policy-ON Scenario

	Employment Land Requirement (Hectares), 2011-29
Office: B1a/b	7.7
Industrial: B1c/B2	15.2
Warehouse: B8	16.8
Total B Class	39.7

- 5.44 A total requirement for 40 hectares of employment land is forecast in this scenario. This is marginally higher than in the Labour Supply Scenario reflecting a stronger focus on higher value-added sectors which are more likely to locate on employment land, but remains notably below the level of land required to support the labour demand scenario (reflecting the potential impact of labour supply constraints on employment growth).

Past Take-Up of Employment Land

- 5.45 The third approach to demand forecasting is based on commercial data on changes to employment floorspace (net) (based on data published nationally by CLG) and employment land take-up (based on completions trends recorded by the WSCC Commercial and Industrial Land Availability (CILLA) data.

Net Floorspace Forecasts

- 5.46 To provide a cross-check on the net floorspace forecasts we have compared these with the net change in floorspace recorded by the CLG Commercial & Industrial Floorspace and Rateable Value Statistics over the 2000-2008 period¹¹. We have calculated average floorspace changes over this period per annum and then projected this forward over the 2011-29 plan period for comparative purposes:

Figure 5.19: Forecast Net Changes in Floorspace based on Net Floorspace Changes 1998-2008

Average Floorspace Change per annum (sq.m GEA)	1998-04 Per Annum	2005-8 per Annum	1998-08 per Annum	2011-29 Forecast
Offices	500	2,667	1,222	22,000
Factories	10,333	-7,667	4,333	78,000
Warehouses	3,500	10,667	5,889	106,000
Total	14,333	5,667	11,444	206,000

¹¹ We have used data for 1998-2004 and 2005-2008 taking account of the 2005 Revaluation

- 5.47 Figure 5.19 indicates that the average per annum increase in office floorspace the pre-recession decade (1998-2008) is marginally higher than the forecast office requirements for 2011-29 based on econometric forecasts (as set out in Figure 5.4). This seems reasonable set against the economic outlook and particularly increases in employment densities.
- 5.48 Figure 5.19 however indicates that there has been quite significant growth in both industrial and warehouse floorspace over the 1998-2008 period in net terms (albeit that industrial floorspace fell between 2005-08 both in Chichester District and across the South East). The resultant industrial floorspace forecasts projected forward on the basis of past net changes in floorspace are notably higher than those based on the econometric forecasts in Fig 5.4. This is particularly the case for industrial floorspace where past trends in Chichester District indicate a net increase in floorspace – particularly as a result of the delivery of 55,000 sq.m of B2 floorspace at the Rolls Royce manufacturing facility at Goodwood.
- 5.49 If plot ratios were applied to these forecasts the land requirement over the 2011-29 plan period would be for 48 hectares of land. This is based on assuming an average plot ratio of 30% for office floorspace (B1a and B1b) and 45% for industrial and warehouse / distribution floorspace (consistent with the assumptions in the other scenarios).
- 5.50 The 1998-2008 period however saw delivery of significant new industrial floorspace at Rolls Royce which influences the overall trends. It contrasts to a decline in industrial floorspace across Coastal West Sussex and the South East. Furthermore the growth in warehouse floorspace in Chichester District over this period was notably above average (as described in Section 4). The trends for industrial floorspace shown are thus notably different to those expected across wider geographies.
- 5.51 We would attach limited weight to the floorspace forecast (particularly for industrial and warehouse floorspace) on this basis, given the unique nature of this development which influences the trend; and contrast to wider recorded trends at the regional and national level which show a declining net requirement for industrial floorspace.

Gross Floorspace Forecasts

- 5.52 A second way of forecasting demand for employment land is to project forward past completions of employment land or floorspace. Given that a significant volume of development of employment floorspace takes place on existing employment sites we have used net forecasts of changes in employment floorspace (excluding losses to non-commercial uses) based on the Commercial & Industrial Development Survey data from West Sussex County Council.

5.53 Figure 5.20 indicates net completions over the 2001-11 period¹². In total there has been average delivery of 12,870 sq.m of employment floorspace per annum over this period.

Figure 5.20: Net Completions by Use, Chichester District

	2001	2002	2004	2005	2006	2007	2008	2009	2010	2011
B1a	1,774	2,751	3,802	800	1,086	9,266	4,933	1,102	583	522
B1b	0	0	0	130	0	0	0	0	0	0
B1c	1,790	7,843	5,342	4,377	2,258	5,338	-283	395	1,088	156
B1	898	976	2,923	1,681	1,828	4,847	490	578	0	0
B2	348	-2,681	55,547	3,432	-1,744	-6,111	-7,044	711	260	52
B8	-4,078	2,643	5,525	4,645	3,050	10,699	2,726	1,322	2,464	500
Total	732	11,532	73,139	15,065	6,478	24,039	822	4,108	4,395	1,230

Source: WSCC CILLA

5.54 If we project this forward on a linear basis over the plan period we can derive forecasts for land and floorspace requirements. The forecast indicates demand for 231,600 sq.m of floorspace requiring 57 hectares of land (on the basis of consistent assumption on plot ratios to the scenarios above).

Figure 5.21: Linear Forecast of Net Completions

	Annual Average Net Completions 2001-11	Linear Forecast of Net Completions 2011-29	Land Requirement (Hectares)
B1a: Office	2,420	43,558	14.5
B1b: R&D	12	213	0.1
B1c: Light Industrial	2,573	46,316	10.3
B1: Mixed	1,293	23,271	5.8
B2: Industrial	3,888	69,987	15.6
B8: Warehouse	2,681	48,266	10.7
Total B Class	12,867	231,611	57.0

5.55 As we set out above, the 1998-2008 period saw delivery of significant new industrial floorspace at Rolls Royce which influences the overall trends. It contrasts to a decline in industrial floorspace across Coastal West Sussex and the South East. Furthermore the growth in warehouse floorspace in Chichester District over this period was notably above average (as described in Section 4). The trends for industrial floorspace shown are thus significantly different to those expected across wider geographies. We would attach limited weight to the floorspace forecast based on linear projection of completions (particularly for industrial and warehouse floorspace) on this basis.

¹² Data from 2008 onwards relates to financial years

Summary of Demand Forecasts

5.56 The tables below, Figures 5.22 and 5.23, draw together the four forecast scenarios to set out the forecast requirements for employment floorspace and land over the 2011-29 plan period.

5.57 For the completions forecasts we have made some broad assumptions regarding the potential distribution of floorspace with a mixed B1 consent between use classes to provide a consistent read-across to the other forecasts, assuming that 60% of this is B1c space and 40% B1a and B1b. This is based on the assumed and indicative mix of floorspace within hybrid B1 units.

Figure 5.22: Summary of Forecasts, Gross Floorspace in B-Class Uses, Chichester District 2011-29

Scenario	Labour Demand	Labour Supply	Policy-ON	Past Completions
Office: B1a/b	33,316	20,199	23,061	53,079
Industrial: B1c/B2	65,695	58,697	68,573	130,265
Warehouse: B8	83,603	75,695	75,695	48,266
Total B-Class	182,614	154,592	167,330	231,611

5.58 The level of employment land required over the plan period from 2011-29 varies between 37 hectares in the Labour Supply Scenario and 40 hectares in the Policy-ON Scenario to 44 hectares in the Labour Demand Scenario and 57 hectares in the Past Completions Scenario.

Figure 5.23: Summary of Forecasts, Gross B-Class Land Requirements, Chichester District 2011-29

Scenario	Labour Demand	Labour Supply	Policy-ON	Past Completions
Office: B1a/b	11.1	6.7	7.7	9
Industrial: B1c/B2	14.6	13.0	15.2	29.3
Warehouse: B8	18.6	16.8	16.8	10.7
Total B-Class	44.3	36.6	39.7	57.0

5.59 As we have identified, we regard the Past Completions Scenario as overly optimistic in that the figures are significantly affected by substantial development at Rolls Royce over the last 10 years. The Labour Demand Scenario provides a realistic demand-based assessment. However, based on likely levels of housing provision and the acknowledged constraints affecting these, it appears likely that growth in labour supply in the District will fall significantly short of forecast employment growth in the Labour Demand Scenario. Reflecting the strategic policy approach in surrounding areas (particularly Arun District where the Council is promoting strategic employment allocations at Bognor Regis) and the potential impacts of enhanced in-commuting on the road network, it may be appropriate to plan for a lower level of employment provision linked to projected Labour Supply or

the Labour Supply Policy-ON Scenario rather than the levels forecast in the Labour Demand Scenario. However, this will be a policy decision for the Council.

Planned Supply of Employment Floorspace

5.60 The County Council's Commercial & Industrial Development Survey (CILLA) records information regarding land with planning permission for commercial development as well as extant Local Plan land allocations. We have used data from the 2012 CILLA Survey.

5.61 Figure 5.24 indicates employment completions in 2011-12. A total of 1.44 hectares of employment land was developed, of which 0.44 hectares comprised sites outside of the National Park.

Figure 5.24: Employment Completions, Chichester District 2011-12

Site	Street	Settlement	Floorspace Gain (sq.m GEA)					Floorspace Loss (sq.m GEA)					Ha Gain	
			B1a/b	B1c	B1	B2	B8	B1a/b	B1c	B1	B2	B8		
GWA Cars & Finance	Birdham Road	Appledram			65									0.01
10 St James Industrial Estate	Westhampnett Road	Chichester					51						51	
Ex Linpac Site (Halfords)	Quarry Lane	Chichester				538							538	
Russett Place	Village Road	Kirdford					174		102					0.05
Chichester Food Park	Bognor Road	Chichester					300							0.03
Chichester Food Park	Bognor Road	Chichester					912							0.09
Units A-D	Jury Lane	Sidlesham Common		127										0.01
Selsey Gate	Chichester Road	Selsey	153											0.02
Ferry Yard	Chichester Road	Selsey				130								0.01
New Bury Park	Marsh Lane	Easthampnett		154										0.02
Rolls Royce	The Drive	Westhampnett				240								0.2
The Old Piggyery, Church Farm	Church Lane	South Harting		314										1
Total			153	595	65	908	1437	0	102	0	0	0	589	1.44

Source: WSCC CILLA

5.62 Figure 5.25 summarises information regarding expected employment development on sites with planning permission, as well as on extant Local Plan allocations.

5.25: Employment Development Pipeline & Extant Allocations, April 2012

	Floorspace Gain (sq.m GEA)					Floorspace Loss (sq.m GEA)					Hectares Gain
	B1a/b	B1c	B1	B2	B8	B1a/b	B1c	B1	B2	B8	
South - Pipeline	7,955	3,005	2,723	643	20,130	1,115	300	240	1,615	151	12.82
South - Allocations	0	0	0	0	0	0	0	0	0	0	1.72
North East – Pipeline	585	0	0	0	0	0	0	0	0	0	0.07
North East – Allocations	0	0	0	0	0	0	0	0	0	0	0
National Park - Pipeline	4,872	1,914	5,201	0	2,231	0	4,631	0	1,800	0	2.66
National Park - Allocations	0	0	0	0	0	0	0	0	0	0	4.39
District	13,412	4,919	7,924	643	22,361	1,115	4,931	240	3,415	151	21.66

Source: WSCC CILLA

5.63 There is a total of 15.6 hectares of land with planning permission for employment development (as at April 2012). This is expected to deliver 49,259 sq.m of new employment floorspace, but will result in a loss of 9,852 sq.m. It will thus result in a net gain of around 39,400 sq.m of employment floorspace.

5.64 The pipeline in the South of the District (including Chichester City) comprises a total of 34,456 sq.m in gross terms (70% of the District-wide total) on 12.8 hectares of land. In net terms the pipeline comprises 31,055 sq.m in this area. In the north-east of the District there is 585 sq.m of B1 space in the pipeline on a 0.07 hectare site.

5.65 In addition to sites with planning permission, there are 6.11 hectares of land available on extant Local Plan allocations. Of this, 1.72 hectares falls within the South of the District (including Chichester City). 4.39 hectares falls within the National Park.

5.66 Figure 5.26 summarises floorspace in the development pipeline in net terms:

Figure 5.26: Employment Development Pipeline (Net), April 2012

	B1a/b	B1c	B1	B2	B8	Total
District	12,297	-12	7,684	-2,772	22,210	39,407
South - Pipeline	6,840	2,705	2,483	-972	19,979	31,035
South - Allocations	0	0	0	0	0	0
North East	585	0	0	0	0	585
National Park - Pipeline	4,872	-2,717	5,201	-1,800	2,231	7,787
National Park - Allocations	0	0	0	0	0	0

5.67 It is important to ensure that a robust understanding of schemes in the development pipeline is achieved, including the likelihood of these schemes being delivered. Figure 5.21 summarises data on schemes in the development pipeline. The development pipeline includes:

- Delivery of a substantial 17,468 sq.m of B8 floorspace through development of the Glenmore Business Park on the Portfield Quarry site;
- Delivery of a 5 storey office building of 2,714 sq.m at 41 Terminus Road, Chichester;
- Delivery of a total of 3,635 sq.m of employment floorspace across a number of sites within the Quarry Lane Industrial Estate, Chichester.

5.68 In addition to the sites with planning consent, the following extant allocations exist in the South of the District. These provide a total of 1.72 hectares of floorspace.

Figure 5.27: Extant Local Plan Allocations

Site	Location	Town	Size, HA
Southern Sidings	Stockbridge Road	Chichester	0.17
Donnington Park	Birdham Road	Donnington	0.23
Shopwhyke Road	Westhampnett Bypass	Portfield	0.46
City Fields Phase 3	Meadow Road	Tangmere	0.86

5.69 Figure 5.28 sets out all of the development schemes with planning permission for B-class employment development in April 2012.

Figure 5.28: Employment Schemes with Planning Consent, April 2012

Site	Street	Settlement	Floorspace Gain (sq.m GEA)					Floorspace Loss (sq.m GEA)					Ha Gain	Ha Lost
			B1a/b	B1c	B1	B2	B8	B1a/b	B1c	B1	B2	B8		
South of the District														
The Granary	Oak Lane	Apuldram	140										0.01	
E Allman & Co	Birdham Road	Birdham		156									0.02	
Birdham Business Park	Birdham Road	Birdham		975									0	
Premier Business Park	Birdham Road	Appledram			223						240			
Landsdale Marine	Birdham Road	Appledram					64						0.63	
Cricket Pavillion	Delling Lane	Bosham	75										0.09	
Broadbridge Business Centre	Delling Lane	Bosham	204										0.02	
Thesis Technology	Brooks Green Farm	Bosham		220									0.02	
The Estate Office	Church Lane	Barlavington	444										0.31	
Earnes Motor & Repairs	Westhampnett Road	Chichester		51								51		
Ex Lincac Site	Quarry Lane	Chichester					898				1,233			
Ex Lincac Site	Quarry Lane	Chichester	576											
Ex Lincac Site	Quarry Lane	Chichester					466						0.14	
41	Terminus Road	Chichester	2,714							300			0.2	
Plots 1, 24, 27 & Covers Site	Quarry Lane	Chichester	325										0	
Covers Vehicle Workshop	Quarry Lane	Chichester		300									5.36	
Covers	Quarry Lane	Chichester					1,070							
R/O 51	South Street	Chichester	100									100		
45 South Street	South Street	Chichester	156										0.01	
Fernleigh Centre	North Street	Chichester	231										0.09	
Fernleigh Centre	North Street	Chichester							447					
Northgate House School	North Street	Chichester	292											
R/O 40	North Street	Chichester	231										0.02	

Graylingwell Hospital	College Lane	Chichester	528											0.06	
Regnum Press	St Johns Street	Chichester	583								382				
145-156	St Pancras	Chichester	137											0.05	
8 (Unicorn House)	Eastgate Square	Chichester						668							-0.08
15 (Westgate Surgery)	Westgate	Chichester	575											0.05	
Downlands Farm	Drayton Lane	Oving	198											0.02	
Portfield Quarry	Chichester Bypass	Portfield					17,468							4.4	
Loveders Barns	Priors Leaze Lane	Nutborne		72										0.07	
Marshalls Mono Ltd	Broad Road	Hambrook			2,500									0.54	
Selsey Gate	Chichester Road	Selsey		491										0.21	
Selsey Gate	Chichester Road	Selsey		740										0.24	
Selsey Gate	Chichester Road	Selsey	446											0.24	
Rolls Royce	The Drive	Westhampnett					643								
Blue Gates	Shipton Green Lane	Itchenor					164							0.02	
North-East of the District															
Hartsfold Manor	Hartsfold Lane	Wisborough Gr	585											0.07	
National Park															
Ashpark Brickyard	Shillinglee Road	Plaistow					713				1,800				
Littleton Farm	A285	Upwaltham	118											0.02	
Cowdray Ruins	North Street	Midhurst	161											0.02	
Easebourne Village Institute	Easebourne Road	Easebourne					224							0.06	
King Edward VII Hospital	King Edwards Drive	Easebourne					680								
The Workshop	Thicket Lane	Eartham			1,080				1,080						
Hurstfold Farm IE	Surney Hatch Lane	Fernhurst			3,952				3,350						
The Crossways	Vann Road	Fernhurst	55											0.01	
Poppets Office	West Harting Lane	South Harting	308											0.04	

Beech Barn	Putnams Lane	West Harting			169								0.08	
Bex Mill Barn	Bex Lane	Heyshott	140										0.08	
New Barn House	Rake Road	Millard					614						0.4	
Millard House	Millard Lane	Millard	201					201						
Great Trippets Estate	Rake Road	Millard	55										0.01	
Chilgrove Farm	Old West Dean Road	Chilgrove	992										0.05	
Chilgrove Farm	Old West Dean Road	Chilgrove	925										0.42	
Stedham Business Park	Stedham Sawmills	Stedham		1914									0.43	
Stedham Business Park	Stedham Sawmills	Stedham											0.57	
Chilgrove Farm	Old West Dean Road	Chilgrove	992										0.05	
Chilgrove Farm	Old West Dean Road	Chilgrove	925										0.42	
			Floorspace Gain (sq.m GEA)					Floorspace Loss (sq.m GEA)					Ha Gain	Ha Lost
Totals			B1a/b	B1c	B1	B2	B8	B1a/b	B1c	B1	B2	B8		
Total: District			7,955	3,005	2,723	643	20,130	1115	300	240	1,615	151	12.82	-0.08
Total: City & South			585	0	0	0	0	0	0	0	0	0	0.07	0
Total: NE			4872	1914	5201	0	2231	0	4631	0	1,800	0	2.66	0
Total: National Park			13,412	4,919	7,924	643	22,361	1,115	4,931	240	3,415	151	15.55	-0.08

Supply-Demand Balance

5.70 In this final sub-section we draw together the forecasts with information on sites with planning consent in the development pipeline to identify what additional land is required to meet demand in each scenario over the plan period.

5.71 Figure 5.29 sets out forecast demand for employment floorspace over the 2011-29 plan period:

Figure 5.29: Floorspace Demand by Scenario, Chichester District 2011-29

Scenario	Labour Demand	Labour Supply	Policy-ON	Past Completions
Office: B1a/b	33,316	20,199	23,061	50,007
Industrial: B1c/B2	65,695	58,697	68,573	130,265
Warehouse: B8	83,603	75,695	75,695	48,266
Total B-Class	182,614	154,592	167,330	231,611

5.72 We have subtracted information on gross completions between 2011-12 and employment floorspace in the development pipeline (i.e. sites with extant planning consent for employment development at April 2012) from this. Figure 5.30 summarises this by B-class use.

Figure 5.30: 2011-12 Completions & April 2012 Development Pipeline

	Completions 2011-12	Pipeline, Apr 2012	Total
Office: B1a/b	153	7,955	8,108
B1 Open	65	2,723	2,788
Industrial: B1c/B2	1,503	3,648	5,151
Warehouse: B8	1,437	20,130	21,567
Total	3,158	34,456	37,614

5.73 Subtracting the floorspace completed in 2011-12 and in the development pipeline (shown in Figure 5.28) from the floorspace requirements in each scenario (shown in Figure 5.29), we calculate the residual requirements for employment floorspace over the plan period. These are shown in Figure 5.31. To do so we have made some high level assumptions regarding the proportion of floorspace with an open B1 consent which is delivered as office as against light industrial floorspace, assuming that 60% of this is B1c space and 40% B1a and B1b.

Figure 5.31: Residual Requirements for Employment Floorspace, Chichester District 2011-29

Scenario	Labour Demand	Labour Supply	Policy-ON	Past Completions
Office: B1a/b	24,093	10,976	13,838	40,856
Industrial: B1c/B2	58,871	51,873	61,749	123,441
Warehouse: B8	62,036	54,128	54,128	26,699
Total B-Class	145,000	116,977	129,715	190,996

5.74 If we apply standard plot ratios to this (30% for office and 45% for industrial/ warehouse, as above), we can derive the residual requirements for employment land over the remainder of the plan period to 2029.

Figure 5.32: Residual Requirements for Employment Land, Chichester District 2011-29

	Labour Demand	Labour Supply	Policy-ON	Past Completions
Office: B1a/b	8.0	3.7	4.6	13.6
Industrial: B1c/B2	13.1	11.5	13.7	27.4
Warehouse: B8	13.8	12.0	12.0	5.9
Total B-Class	34.9	27.2	30.4	47.0

Employment Land Provision in Surrounding Areas

5.75 Policies for employment land within Chichester District need to take account of employment land provision and policies in surrounding areas. Given the focus of employment provision in the District in and around Chichester and the A27 Corridor, the greatest impact of policies in surrounding areas is likely to be from Arun District (to the east) and Havant (to the west).

5.76 Arun District published a Consultation Draft Local Plan 2013-28 in July 2012. A key objective of the plan is to strengthen Arun's economic base and particularly to increase the District's jobs density and reduce out-commuting from the District (including to Chichester). Within the District there is a significant focus of employment land provision at Bognor Regis where a total of 69.4 hectares of employment land provision is focused – with four strategic employment land allocations collectively forming the 'Enterprise@Bognor' proposals which are supported by the Coast to Capital LEP.

5.77 There is clearly an important relationship – not least in labour market terms – between Bognor Regis and Chichester. In this context the recommendations regarding employment land provision in Chichester District (as considered below) are based on meeting the District's own needs, and seek

to avoid potential over-provision of land in the District which could influence the focus at Bognor Regis on capturing inward investment to the Coastal West Sussex Sub-Region.

- 5.78 In our view there are some differences in the relative market appeal of employment land at Chichester and Bognor Regis. The Enterprise@Bognor proposals are focused to some degree of research and development and high-tech activities. The scale is also different to proposed provision at Chichester. This is balanced against Chichester's attributes in regard to better access to the A27 and national motorway/trunk road network (particularly to the west of the City), a stronger critical mass and population catchment, the socio-economic composition of this and the profile and image of the City.
- 5.79 There is also a notable relationship with Havant. Havant Borough's Core Strategy was adopted in March 2011. It sets an aspirational target of 2.5% GVA growth per annum to 2026 and targets provision of 162,000 sq.m of B class floorspace – 75,000 sq.m B1 floorspace, 45,500 sq.m of B2 floorspace and 41,500 sq.m of B8 floorspace based on the PUSH Employment Floorspace Framework.
- 5.80 The key strategic employment site proposed within the Havant Core Strategy is at Dunsbury Hill Farm, on the edge of Leigh Park and adjacent to the A3(M). A prestigious high-quality business and technology park is proposed on this 13.4 hectare site. The nature and scale of the proposals are considered complimentary rather than competitive to those at Chichester, which relates more to the A27 Corridor in West Sussex, than the A3. However this site may prove more attractive to larger occupiers and inward investment relative to new employment sites at Chichester.

Appropriate Level of Employment Land Provision

- 5.81 The scenarios above indicate that, in addition to sites with extant planning consent for employment development, there is a need for between 27–35 hectares across Chichester District of employment land based on the economic scenarios, and for up to 47 hectares based on past completions trends.
- 5.82 As we have set out earlier in this section, we consider the Past Completions Scenario overly optimistic. The level of employment floorspace demand forecast is influenced by significant development and investment by Rolls Royce which is atypical of the local market. Furthermore this level of provision could influence the potential for development in surrounding areas, most notably Bognor Regis.
- 5.83 Chichester District Council's new Local Plan needs however to specifically consider the needs of those parts of the District which fall outside of the South Downs National Park. Policies for

employment provision within the National Park are within the jurisdiction of the South Downs National Park Authority.

5.84 We have sought to consider what level of employment land is needed to meet future needs within the National Park taking account of the following:

- The National Park includes around 20% of jobs in the District, however a higher level of employment is likely to take place outside of specific employment sites, such as through farm conversions/ diversification and home working; and
- Historically an estimated 7% of recorded office take-up and 9-10% of industrial take-up has been within the National Park.

5.85 Drawing these factors together we consider that it would be appropriate to assume that around 10-15% of future employment land will be provided within the National Park. This would equate to between 3–6 hectares of employment land provision in this area depending on which of the forecasts is taken forward. It will be for the National Park Authority to make provision for this through its Local Plan.

5.86 There are current extant Local Plan allocations for 4.4 hectares of land in the part of the District which falls within the South Downs National Park. We have not specifically assessed the suitability of these sites.

5.87 Based on this assumption, in the remainder of the District – Chichester City, the South and North-East of the District – it would thus be appropriate to consider provision of between 24–29 hectares of employment land provision in addition to sites with planning consent.

5.88 There is a notable development pipeline for office floorspace which will contribute to meeting demand in the short-to-medium term. However we consider that there is some case to allocate some additional land to support and attract higher value office-based activities over the longer-term. There is an opportunity to consolidate the presence of business and professional services in Chichester, and capitalise on local growth sectors such as creative media/ digital. We consider that a modest allocation of between 5 - 8 hectares of land would be appropriate for B1a and B1b activities in the south of the District (including Chichester City). The upper level of provision aligns to the Labour Demand Scenario and reflects current commercial evidence suggesting that the local market for office floorspace is limited in scale, whilst providing some potential to support higher value-added jobs over the longer-term. A justification for a lower level of provision would be influenced more by constraints on labour supply. It reflects the Policy-ON Scenario.

5.89 The industrial market continues to perform strongly in the area and there is limited level of industrial floorspace availability in the Chichester Area. The vacancy rate is relatively low and there is limited new-build development being advertised, with this primarily focused at Glenmore Business Park.

We consider that further land should be allocated to meet to provide a choice of sites in the short-term. We consider that up to 21 hectares of land should be allocated for industrial development in use classes B1c, B2, and B8. This is moderately below the level of provision proposed in the Policy-ON Scenario (for the District as a whole). It takes account of the potential constraints of labour supply on potential employment growth and wider sub-regional context including economic and demographic dynamics and policy ambitions in surrounding areas.

6 ASSESSMENT OF POTENTIAL EMPLOYMENT SITES

- 6.1 This section considers a number of existing allocated employment sites in the south of the District, together with potential sites which the Council might consider allocating to meet future employment uses.
- 6.2 The analysis includes reassessment of the employment development potential of existing allocated employment sites where there is land which has not been built-out; and assesses potential locations for new employment sites, including the 'broad locations' that are being considered for strategic development around Chichester City and Tangmere.
- 6.3 The analysis is intended to inform decision-making regarding which sites should be retained for employment uses, where currently employment allocations should be de-allocated or considered for alternative uses, as well as what additional sites the Council might consider allocating to meet employment needs over the plan period to 2029.
- 6.4 A separate appendix documents provides location and boundary plans for the sites considered in this section and should be referred to alongside the text herein.

2009 Study Conclusions regarding Existing Employment Sites

- 6.5 The analysis in the Employment Land Review Update has focused on allocated employment land and potential employment sites. Most existing employment areas are not addressed in this report, but an assessment of the quality of these was included within the 2009 Employment Land Study.
- 6.6 The 2009 Employment Land Review identified a number of potential sites where the future use of the site should be kept 'under review' and which could be considered for release for alternative use should active employment use come to an end. Those sites in the City and South of the District were:
- Landberry Industrial Estate, Selsey
 - St James' Works, Chichester (1.2 ha)
- 6.7 The Study also identified that investment would be required to attract occupiers at Clovelley Road, Southbourne (a 2.6 ha site), with the implication that otherwise there could be a need to rationalise employment provision at this location. We note that there is evidence of some recent new-build employment development at this site.
- 6.8 The 2009 Employment Land Review identified that all other employment sites assessed were of a good quality and should be retained in employment use.

Assessment of Extant Local Plan Allocations, Potential Sites & Broad Locations

Methodology

6.9 We have used a consistent approach to assess the quality and development potential of extant allocations and potential sites/ locations for future employment development. The approach follows that recommended in the 2004 ODPM Guidance on *Employment Land Reviews* and is similar to that used in the 2009 ELR. It has involved assessment of sites / locations against the following criteria:

- Location & Road Access – the location of the site in regard to its distance and accessibility by road from the A27, adequacy of access for HGVs, impact on congested A27 junctions and distance from Chichester City Centre/ Rail Station. This addresses the general location of the site, and its strategic and local accessibility;
- Profile and Visibility of Location – considering the commercial attractiveness of the location taking account of its strategic road access (principally from the A27) and the visibility of the site from key transport networks (road and rail);
- Sustainable Transport Access – considering the degree to which sites/ locations benefit from existing public transport accessibility, in regard to proximity to stations or to existing bus routes; or the extent in the context of new employment sites that the site could be served by public transport. Co-location with residential development within strategic development sites is considered advantageous in providing potential to support viable new bus services;
- Access to Local Services – addressing proximity to existing local services such as local shops or a foodstore, principally within walking distance; as well as the proximity of the site to Chichester Town Centre (for Chichester sites);
- Land Use – considering the current land use of the site, and any potential issues associated with site remediation and clean-up or contamination the potential uses which it could accommodate/ could be attracted or development viability;
- Environmental Characteristics – considering key issues which may affect development potential or the amenity, including noise, topography, flooding or ground conditions and surrounding uses which could potentially influence the suitability for different uses;
- Infrastructure Requirements – addressing potential infrastructure requirements necessary to support development including potential issues associated with achieving suitable access as well as wider infrastructure such as utilities or broadband access where relevant;
- Availability & Delivery Timescales – addressing evidence of market demand/ take-up where appropriate (in regard principally to allocated sites), evidence of marketing and developer interest/ promotion and any known issues associated with ownership or infrastructure which could affect the deliverability of the site and/or delivery timescales.

Site Assessments

- 6.10 The quality of the following sites for future employment development has been considered as part of this Study:

Figure 6.1: Employment Sites Assessed

	Employment Development Potential (Ha)	Part Existing Employment Allocation	Potential Strategic Housing Location	Other Potential Employment Allocation
Sites within Chichester City Urban Area				
Linpac Site	0.8	✓		
Graylingwell Hospital	0.1	✓		
Plot 12, Terminus Road	2.45			
Southern Gate, off Terminus Road	0.13	✓		
Barnfield Drive Allocation	3.0	✓		
Locations around Chichester City				
West of Chichester	TBC		✓	
North East Chichester	3.0+		✓	
Portfield (Glenmore)	4.2	✓		
Shopwyke Lakes	0.44	✓	✓	
Former MOD Fuel Depot, Bognor Road	4.8			✓
Land South of A259 Bognor Road	14			✓
Land South of Terminus Road/A27	34			✓
Sites/ Locations at Tangmere				
Chichester Business Park, Tangmere	4.5	✓		✓
Tangmere Village Development	TBC			✓
Sites to the South of Chichester City				
Donnington Park, Stockbridge	1	✓		
Easton Farm, Almodington	36			✓
Ellis Square, Selsey	2.2	✓		

Sites within the Chichester City Urban Area

Linpac Site, Quarry Lane Industrial Estate, Chichester (Site No 15)

- 6.11 The Linpac Site is located within Quarry Lane Industrial Estate, adjacent to the A27/A259 Bognor Road Roundabout. It has largely been built out and comprises Halfords and Pam Purred Pets retail units on the Bognor Road frontage, with a terrace of 8 B1c/ trade counter units fronting onto Quarry Lane one of which is vacant. There is a small development plot of 0.8 hectares within the site

which is currently used (presumably on a temporary basis) by a hand car wash firm. We consider that this 0.8 hectare site provides potential for B1 development.

Graylingwell Hospital, Chichester (Site No 9)

- 6.12 The former Graylingwell Hospital is allocated for employment in the Local Plan. However the Council granted outline planning consent in 2008 for residential-led regeneration comprising conversion of a number of listed buildings on the former mental hospital site (34 ha) with some new-build development (08/03533/OUT). Detailed consent was also granted for the first phase of development which is currently under construction. The site is being developed by Linden Homes and Affinity Sutton.
- 6.13 The development proposals included limited employment floorspace, comprising 528 sq.m office space as well as 545 sq.m artist studios and delivery of a range of community facilities. The application referred to the earlier 2005 Employment Land Review which identified that there were better located alternative employment sites in the Chichester area.
- 6.14 The site provides attractive historic Victorian buildings in a landscaped, parkland setting. It is located close to the University's Bishop Otter Campus. Access will potentially be improved to the site through opening of Barnfield Drive providing a link to the A27 Portfield Junction.
- 6.15 Given the outline consent, the prospects of significant employment development at this site are considered limited. The attractive setting would however provide potential for some high quality B1 floorspace to be delivered focused towards small businesses.

Plot 12, Terminus Road (Site 26)

- 6.16 This site comprises three plots of land at the western end of Terminus Road Industrial Estate, adjacent to the A27 Fishbourne Roundabout. The site comprises approximately 2.45 hectares in total and is currently in low quality industrial use. All the land is controlled by the District Council either through freehold or on a long (999 year) lease from the County Council. This site was allocated in the 1999 Local Plan as a potential Park and Ride site. However the Council has since resolved to release the land for other uses. This is supported by the County Council.
- 6.17 The Council is currently working with Basepoint Business Centres to develop an 'Enterprise Gateway' scheme on part of the land on the north side of Terminus Road. . The proposed scheme will provide workspace and support facilities for small business start-ups. It comprises approximately 2,500 sq.m business floorspace, supported by a range of central facilities such as conference/meeting rooms.

- 6.18 The Council is now looking to market the remainder of the land, which includes sites on the north and south side of Terminus Road adjacent to the A27 Fishbourne roundabout. The land on the north side of Terminus Road could be suitable for a future expansion of the Enterprise Gateway scheme. The land on the south side of Terminus Road is also prominently located adjacent to the A27 Bypass, but is more constrained due to the site shape, adjacent gas holders and access issues (a new access would be required).

Southern Gate, off Terminus Road, Chichester (Site 10)

- 6.19 The site is located within the Terminus Road Industrial Estate, bounded to the north by the rail line and close to Chichester Rail Station. The site includes modern office development, including a three storey 2000s headquarters office development (The Atrium) fronting Stockbridge Road which is occupied by Wiley, an American-based publishing company. The firm occupy a further three-storey office block (Bicentennial Buildings) to the rear of this on Southern Gate (and have a distribution centre in Bognor Regis).
- 6.20 To the western end of Southern Gate there are two office blocks, one occupied by Hyde Martlet (housing association) fronting onto Terminus Road. There is a smaller office block, again constructed over three storeys, to the rear of this occupied by Nicola Jane. All of the office blocks date from the 2000s.
- 6.21 The remaining vacant development plot is located to the east of the Nicola Jane offices and is 0.13 hectares in size. It is suitable for a small B1 development. Overall the site provides good quality modern office floorspace. It benefits from a good quality environment, road access via Terminus Road to the A27 and proximity to Chichester Station and the Town Centre. At the time of the site visits there was no evidence of active marketing on-site.

Land at Barnfield Drive, Chichester (Site 8)

Barnfield Drive Employment Allocation (Site 8)

- 6.22 The Local Plan provided for the extension of Barnfield Drive to Westhamptnett Road. This has been completed. It allocated 3 hectares of employment land on the south side of Barnfield Drive, to the north of the crematorium, as well as land to west of this (4 hectares) for delivery of a park & ride site. The majority of the employment allocation has been developed to provide a Homebase superstore, which is closely associated with the retail park at Portfield Way. Around 1 hectare of the employment allocation remains undeveloped however this may reflect ground conditions (subject to detailed investigation), with the River Lavant running through the centre of this area. Effectively

there is therefore little existing potential for further employment development on allocated land in this area.

- 6.23 The Sites at Chichester City North Development Brief identifies a total of 8.6 hectares of land in this area for retail and employment purposes (Use Classes A1, B1, B2 and B8). The land is a former municipal landfill site in the Council's ownership. It is contaminated land and subject to flood risk.
- 6.24 The existing employment allocation (excluding the Homebase Unit) together with an additional 2.7 hectares of land on the eastern side of Barnfield Drive is currently subject of outline planning applications for development (total 5.1 hectares). Delivery of retail warehousing, non-food retail, restaurant development and a garden centre is proposed, together with a landscaped riverside park. The applications are yet to be determined. Given the allocation for retail and employment uses, it however seems likely that regardless of the outcome of the current application that the site is likely to be developed for higher-value retail rather than employment use. Transport improvements are likely to be required including provision of a roundabout.

Potential Employment Sites around Chichester City

West of Chichester

- 6.25 Land West of Chichester City at Whitehouse Farm is currently being promoted by Linden Homes Strategic Land and Miller Strategic Land as a residential led strategic development location, comprising either a development of 1,600 homes (Site 4) or a smaller development of 500 homes (Site 23) which could form the first phase of the larger site. In addition we consider the potential of Site 20, comprising land to the South of Hunters Race and north of Brandyhole Lane.
- 6.26 We address these sites together. Sites 4 and 20 total 140 hectares of land.
- 6.27 The land at Whitehouse Farm is a generally flat, greenfield site on the edge of the existing urban area. It is well screened from the A27 to the south-west. A foot and cycle link, Centurion Way, runs along its eastern perimeter forming the boundary of the existing built-up area. The northern part of the site (the area proposed for the Phase 1 development) extends to the north and south of the B2178 Broyle Road leading out of Chichester City to the north-west.
- 6.28 We consider that a key issue for this area is how access to the site would be achieved. The promoters' masterplan shows access to the north of the site from the B2178 and construction of a new access from the western end of Westgate to the south. The latter would need to be carefully considered to ensure no conflict with bus parking and safety associated with the Bishop Luffa School on Westgate. An alternative access solution might be a new link over the rail line to connect

with Fishbourne Road East opposite the Tesco Superstore (subject to detailed feasibility analysis and viability).

- 6.29 We consider that site might provide an attractive location for employment development as part of a wider residential-led development scheme. The most appropriate and commercially attractive location for employment would be towards the south of the site, close to the A27 and the Town Centre. The feasibility of employment development would be affected by the provision of suitable access. Strategic development would provide the potential to improve access and infrastructure including public transport access to the Town Centre. Given the road access and surrounding uses in this location, the site would be most suitable for B1 development.
- 6.30 We consider that the northern end of the site would be less suitable for a substantial employment land allocation (over 0.5 ha). Strategic road access via the B2178 is less strong than other potential locations for employment development in and around Chichester with the site location at a greater distance from the A27, Town Centre and Rail Station.
- 6.31 Similar comments apply to land south of Hunters Race which comprises open farmland accessed from narrow local roads which would require significant upgrading to support significant employment development (including widening of the Hunters Road Bridge over Centurion Way).

North East of Chichester

- 6.32 Land north-east of Chichester City is currently being promoted as a residential led strategic development location (also known as Old Place Farm). The proposed strategic site (Site 3) includes land north of Madgwick Lane stretching from the Chichester City built-up area to the Goodwood Aerodrome/Motor Racing Circuit, together with land between Madgwick Lane and Stane Street. The latter is also considered here as a separate site (Site 18). We address these two sites together.
- 6.33 Strategic development of land north-east of Chichester was one of the strategic development options identified in the Council's *Housing Numbers and Locations* consultation. The consortium's proposals for northeast Chichester provide for a total of 36.5 ha of land for residential development within the indicative masterplan, with capacity for 1,460 dwellings, together with 3.0 hectares of employment land. The proposed employment land is located on land to the south/east of Madgwick Lane and north of Stane Street.
- 6.34 Employment development in this area benefits from proximity and good road access to the A27 at Portfield Junction (particularly towards the south). Land is generally greenfield, and there is potential to fund and deliver new infrastructure in association with residential development. Existing

bulky retail provision and foodstores provides some access to local services. Existing bus services along Westhampnett Road also provide access from this area to the Town Centre and Rail Station.

- 6.35 We understand however that the development potential of land towards the north of the potential strategic housing location (Site 3) is affected by noise associated with the Goodwood Aerodrome/Motor Circuit. This together with the River Lavant floodplain could potentially reduce the developable area of the strategic site. While employment development could potentially be taken forward within the northern part of the site, closer to the Goodwood Circuit, not least as the noise impact is often greatest at weekends; we consider that land to the north would be less commercially attractive for employment development as it would be located at a greater distance from the A27 and the Town Centre and achieving good public transport accessibility would be more difficult.
- 6.36 We consider that the most appropriate location for employment development from a commercial perspective within land north-east of Chichester would be close to the Chichester Bypass. The identified 3.0 hectares of land to the south east of Madgwick Lane and north of Stane Street is a potentially attractive location for employment development, albeit that development might need to be supported by improvements to surrounding junctions.

East of Chichester (Portfield / Shopwyke Lakes)

- 6.37 Land at Portfield/Shopwyke (Site 2) is identified as a potential strategic housing location in the Council's *Housing Numbers and Locations* consultation. The land lies on the opposite side of the A27 to the Chichester Retail Park.
- 6.38 This area includes two sites which are allocated for employment land in the Local Plan (titled Land at Portfield, Sites 11 and 12). They provide a combined total of around 4.7 hectares of land.
- 6.39 This area is located adjacent to the A27, accessed from a southbound sliproad to the south of the Portfield Roundabout. Overall it is occupied by existing low intensity, low grade manufacturing uses with significant areas of hardstanding and land used in open storage. It is brownfield land. The location on the eastern side of the A27 provides some restriction on access by walking/cycling from the town.
- 6.40 The northern site (Site 11) is occupied by Tarmac and used in the manufacturing, storage and recycling of building materials (concrete crushing and minerals recycling). It is allocated for B2 uses. The allocated area includes significant areas of hardstanding and is under-utilised. This area is now being marketed as the Glenmore Business Park (see below).

- 6.41 The second site (Site 12), to the south comprises a vacant and derelict former works site (the Elliot Site). The land is also allocated for B2 uses. This land forms part of the proposed Shopwyke Lakes development scheme (see below).
- 6.42 There could potentially be some issues with contamination affecting parts of this site (subject to detailed analysis).

Glenmore Business Park

- 6.43 The Council granted outline planning consent in 2009 for redevelopment of the Tarmac Site (Site 11) for B8 uses. We understand that the site has subsequently been purchased by Glenmore Commercial Estates, a London developer/investor. The marketing website (www.gbpchichester.com) indicates that the 4.2 hectare site has consent for 188,000 sq.ft of B8 floorspace, but that the developer would consider a range of other uses including hotel, self-storage, trade counter, B1 and B2 uses subject to planning. Investment in infrastructure to support new development will be required.
- 6.44 The site is being actively marketed for employment development. It benefits from a strong location adjacent to the A27. We consider that there is realistic potential of employment development on this site over the medium-term.

Shopwyke Lakes

- 6.45 The Council received a planning application in December 2011 for an urban extension on land on the north side of Shopwyke Road (Shopwyke Lakes, 11/05283/OUT, Site 2). The application has yet to be determined. It proposes residential-led development of 500 homes within a parkland setting together with supporting amenities. Within the proposed development scheme, 0.44 hectares are proposed for employment development on the existing allocated Elliot Site (Site 12). This is separated in the masterplan from residential uses by open space. We consider that this area could be suitable for B1 and B2 uses. The Tarmac/Glenmore site (Site 11) is excluded from the application site.

Land South of Shopwhyke Road & West of Sherwood Nursery, Chichester (Site No 17)

- 6.46 This site is a flat, largely wooded area lying to the west of Sherwood Nursery. It is bounded by the B2144 Shopwyke Road/ Drayton Road. The site is 16 hectares in size. It is located to the south of the proposed Shopwyke Lakes development, on the southern side of the B2144.
- 6.47 The site is separated from the existing urban area. It would thus represent development within a green gap. Substantial employment development at this location could also create pressures on the B2144/A27 junction which is unsuitable for substantial traffic movements.

6.48 Overall we consider that this is a less attractive location for employment development relative to a number of the other sites considered around the A27 Chichester Bypass.

Former MOD Fuel Depot Site, Bognor Road, Chichester (Site No 14)

- 6.49 This site lies on the northern side of the A259 Bognor Road and the rail line, to the west of the A27 Chichester Bypass. It was formerly an MOD Fuel Depot but we understand is surplus to requirements. The site is currently vacant but includes various buildings, structures and earthworks relating to its former use. The site includes four 720,500 litre storage tanks and a fifth semi-buried storage tank. Future development potential could be affected by the costs associated with removal of storage tanks and decontamination. We understand that the site was decommissioned in the early 1990s. High site preparation, remediation costs (and infrastructure requirements) could influence development viability.
- 6.50 The site, 4.8 hectares in size, has been identified by West Sussex County Council in its draft Waste Plan as a proposed allocation to deliver a single built waste facility (up to 250,000 tonnes per annum) or for delivery of a smaller facility (up to 50,000 tpa) on 2 hectares of land as part of a comprehensive mixed-use redevelopment scheme. Informal discussions with the landowner has indicated that they would prefer employment rather than waste development of the site.
- 6.51 The site benefits from a rail spur onto the Sussex Coast line providing the potential to support rail freight movements, although we understand that the spur is currently disconnected. It is located close to the Quarry Lane Industrial Estate, an established employment location in the City.
- 6.52 As at August 2012 the site is being marketed for development for various uses (subject to planning), for freehold sale or lease; and for short-term use.
- 6.53 A key potential development constraint is road access. The site is currently accessed from eastbound A259 only. Pedestrian and cycle accessibility from the City is inhibited by the A27; although there is a regular bus service (No 700) serving Bognor Road. Significant development could also contribute to congestion at the A27/A259 Bognor Road Junction (in conjunction with development at other locations including Bognor Regis).
- 6.54 Given its location between the railway line and A259 Bognor Road and the likelihood of contamination, this site is clearly more suited to commercial/ waste than residential uses. The Council should seek to confirm waste land requirements in liaison with the County Council.
- 6.55 We consider that the site would be attractive for employment development, particularly industrial floorspace (B2/B8). B1 users will be less likely to want to locate here should the waste depot be progressed. The deliverability of the site could however potentially be influenced by costs of decontamination, site preparation and infrastructure requirements to support development.

Land to the South of A259 Bognor Road (Site No 21)

- 6.56 This site is located to the South of Bognor Road bordered by Bognor Road to the north, Vinnetrow Road to the west and Brick Kiln Farm. It is a flat greenfield site, 14 hectares in size. It is located close to the Quarry Lane Industrial Estate, an established employment location in the town.
- 6.57 As with other sites located close to the A27, this site benefits from good access to the strategic road network, albeit that vehicles access from the A259 Bognor Road is currently westbound only. Pedestrian and cycle access is enhanced by a foot/cycle bridge just to the south of the Bognor Road roundabout.

Land South of Terminus Road Industrial Estate / Fishbourne Roundabout, Chichester (Site No 19)

- 6.58 This site immediately south of the Chichester Bypass opposite the Terminus Road Industrial Estate comprises 34 hectares of land. It is generally flat but is traversed by the River Lavant. A significant proportion of the land to the south of the River falls within the flood plain. The site is currently relatively well screened by trees from the A27.
- 6.59 The site forms part of a larger area South West of Chichester City which has been promoted to the Council by Berkeley Strategic as a location for strategic housing development. We understand that part of the land may be owned by West Sussex County Council.
- 6.60 This is potentially a more attractive location for employment development relative to some other sites around the Chichester Bypass given that it is the closest to the rail station, and in closer proximity to the City Centre than a number of other employment sites. There is existing urban development to the south of the A27 Chichester Bypass at Stockbridge. In commercial terms, the site also relates well to the existing employment area at Terminus Road to the north of the A27.
- 6.61 This could be a suitable location with potential for future employment development subject to provision of adequate access arrangements. Employment development could potentially require improvements to access and indeed access could be a key consideration in regard to the deliverability and commercial attractiveness of this location for future employment development. The western side of the site lies adjacent to the Fishbourne Roundabout, and there could be potential to access the site from either the roundabout or A259 Fishbourne Road West (subject to detailed feasibility testing). We understand that a link road providing a relief road to Stockbridge has previously been considered but is now unlikely to be delivered. The constraints affecting access could influence the commercial attractiveness of the site for employment development.

Potential Employment Sites at Tangmere

Employment Development at Tangmere

- 6.62 Existing employment development at Tangmere is located on the eastern side of the village, accessed from City Fields Way. It comprises office development at City Fields, a development of four two storey office blocks; together with the Chichester Business Park. The Business Park includes an existing Local Plan allocation of 1.6 hectares.

City Fields

- 6.63 City Fields is a 2000s development of four two storey office blocks providing 24,000 sq.ft of floorspace. The key existing occupier is Epsicom. The scheme appears to be performing relatively badly, with a high vacancy level at the time of the site assessments. At the time of writing there are four office suites which are vacant and being marketed within York House and Exeter House which together provide 6,825 sq.m of office floorspace (Net Internal Area (NIA)). In addition, it appeared at the time of the site visits that floorspace at Salisbury House is also vacant following the liquidation of Vie Cosmetics/ Vie at Home in 2011. This provides three office suites. There is no further development potential at City Fields.

Chichester Business Park (Site No 7, Part Site No 25)

- 6.64 Chichester Business Park is located off City Fields Way. The site accommodates Phillips Respiroics 86,305 sq.ft headquarters building which was developed on a design and build basis. This includes office floorspace (B1a use), clean rooms and laboratories (B1b use) and production and distribution floorspace (B2/B8) to support the production of specialist medical products. Two further buildings have been constructed and are occupied by Carte Blanche Greeting Cards. The firm originally took 44,819 sq.ft to provide a headquarters building, and has since occupied a further 20,568 sq.ft building on the western side of the road.
- 6.65 There is further development land being marketed. Road infrastructure is in place and these could be delivered in the short-term. Land adjacent to City Fields Way (1.7 hectares) is allocated for B1 business development in the Local Plan. The northern part of this land (Plot 1, 0.5 ha) has detailed planning consent for a 25,652 sq.ft (NIA) two-storey office building (Hunter Court). There are three further development plots to the south of this (1.2 ha). Land to the east of the Local Plan allocation (0.6 ha) has detailed planning consent for 30,850 sq.ft of office floorspace over five buildings. In addition the developer Seaward Properties, is marketing three further plots totalling 1.9 hectares for development. In total these sites provides 4.5 hectares of land.

- 6.66 All of the land at Chichester Business Park is being marketed for development, with opportunities promoted on a design and build basis. We consider that the employment land allocation should be extended to include the wider land area within the Business Park (4.5 hectares in total) which benefits from planning consent. The land is suitable for B1, B2 or B8 uses.

Land to the North of City Fields Road (Site No 22)

Tangmere Village Development (Site Nos 1 & 24)

- 6.67 Land to the west, south and east of Tangmere is being promoted to the Council for residential-led development by Church Commissioners, Heaver Family and Seaward Properties. The land totals 220 hectares, with potential for at least 1,500 homes being promoted. This includes a number of land parcels which have been considered as part of this Employment Land Review Update.
- 6.68 To the south of the Business Park is land occupied by Tangmere Airfield Nurseries. This site includes part of the land within Site 24 and part within Site 25. The site is accessed through the Business Park and includes glasshouses, significant areas of hardstanding and land in agricultural use.
- 6.69 Land to the north of City Fields Road (Site 22) comprises primarily land in agricultural use. This is a flat site adjacent to the A27 which could be accessed from City Fields Way and the Chichester Business Park. It is the eastern portion of this area is promoted for employment development (c 2.9 hectares) is promoted for employment development by the Consortium.
- 6.70 Land to the west and south of Tangmere (Sites 1 and 24) forms part of the land being promoted by the Tangmere Consortium for residential led development. Access to these sites would potentially be provided by a new road link from the A27/A285 junction west of Tangmere village.
- 6.71 We understand that a key issue at Tangmere currently is relatively poor broadband access given its distance from the Chichester exchange. This is potentially a factor which has influenced the vacancy level at City Fields and is likely to continue to influence development potential, particularly for B1, unless addressed. The Council should lobby for improvements to broadband access.
- 6.72 Tangmere is quite a strong location in a sub-regional context for employment development, given its location on the A27. However we would regard it as less preferable than further development at Chichester City. In relative terms, Chichester City has a stronger immediate and sub-regional workforce catchment (with better accessibility for instance from South Hampshire); it has better access West and via the A3 to the north; and its commercial appeal is supported by a strongly performing City Centre and the presence of the rail station. These factors are particularly pertinent

to the office market, and we would expect stronger demand for B2 and B8 development at Tangmere.

- 6.73 We consider that the Council should seek to focus future employment land provision in Tangmere consolidating around existing employment development to deliver a greater critical mass of provision. We consider that there is sufficient land to accommodate employment development over the plan period within the existing Chichester Business Park site. Policy should promote development of this land to provide a greater critical mass of employment floorspace in advance of release of further land either within the Nurseries site or to the north of City Fields Road.
- 6.74 We consider that the remaining 4.5 hectares of land at Chichester Business Park should be sufficient to meet demand over the plan period. In the context of this overall strategy, we would recommend that should the Council seek to release further land for employment development over and above this in the longer-term, the greatest potential would be as part of development of land to the north of this existing cluster of employment use, between this and the A27 (Site 22, 5.8ha). Part of this site (c.2.9 hectares) is promoted for employment development by the Consortium. Employment development in this area would be more appropriate than that of land to the south or west of Tangmere which is being promoted for development (Sites 1 and 24) given its proximity to the A27 Junction and would not result in commercial traffic movements through residential areas. Improvements to the access to the land from Meadow Way might be necessary to support further development.

Sites to the South of Chichester City

Donnington Park, Stockbridge (Site No 6)

- 6.75 This is a 1.0 hectare employment site located in a rural location fronting the A286 on the western side of Stockbridge. The A286 connects Chichester to the Witterings. The site was allocated for development in the Local Plan and has been developed in part to provide a successful rural business park providing B1 floorspace.
- 6.76 The site provides a number of units in 'barn conversions' particularly fronting the A286. Key occupiers include Donnington Laboratories Ltd, the Autotechnics garage, Harbour Cars showroom, and the Force 4 Chandlery. To the rear of this are a number of two-storey modern office blocks accommodation small and medium-sized, including Spofforths Solicitors, Napier Partnership and Cawley Financial Services. At the western end of the site is a new-build office block of 8 small business units which was vacant but being marketed at the time of the site assessments.

- 6.77 There are two further plots available for development on the southern side of the site. One site (0.12 ha) is marketed with planning permission for a 657 sq.m (7,070 sq.ft) development of offices. The joint agents are Henry Adams and Flude Commercial. The plot opposite is smaller (0.9 ha) with no current evidence of active marketing.
- 6.78 Overall we regard this as a successful small rural employment development. It provides good quality floorspace and has attracted a good range of occupiers. It is located 0.9 miles from the A27 and 1.2 miles from the centre of Chichester, and is served by a regular local bus route. Infrastructure is in place to support development of remaining plots. We consider that the allocation of the remaining plots of land (totalling 0.22 ha) within the existing Local Plan allocation should be retained for B1 use as there is a reasonable prospect of these being built out over the next 10 years.

Easton Farm, Almodington (Site No 13)

- 6.79 Easton Farm, Almodington was identified as a potential employment site in the Coastal West Sussex Employment & Infrastructure Strategy. At the time of preparation of this document the 36 hectare site was subject to a planning appeal for a glasshouse development including 21 ha of glass.
- 6.80 The appeal was dismissed in August 2012. The Inspector found that the site was contrary to the development plan in a number of respects. The site falls outside of the Horticulture Development Areas allocated in the Local Plan, although the Plan does support horticulture development outside of these areas in certain circumstances. The tests set out are not however met in regard to development in this location.
- 6.81 The Inspector particularly identifies conflict with the development plan in relation to the impact of development at this location on highway safety and on the character and appearance of the surrounding area. She found that the industrialised scale of development would result in a noticeable change in character of the area, and would fundamentally change the existing open characteristics and far reaching views from around the site. In addition she considered that use of Almodington Lane, a narrow rural lane, by large articulated vehicles would adversely affect highway safety.
- 6.82 The site currently accommodates a number of light industrial uses, occupiers including MCSR Vehicle Servicing, BMS Cars and use of land for open storage of boats and cars.
- 6.83 We concur with the Inspector's overarching findings. In our view the access to this site, 7.5 miles from Chichester with local access via a narrow rural lane, is inadequate to support the allocation of the site as employment land.

Land between Manor Road & Manor Lane, Selsey (Site No 5)

- 6.84 This site is located at Ellis Square, off Manor Road on the northern side of Selsey close to the junction with the B2145. Within Selsey this is a relatively well-located site for employment from a commercial perspective, however it is located approximately 6.7 miles from the A27 and 8.0 miles from the centre of Chichester. We consider that the market for employment space in Selsey is relatively localised to the Manhood Peninsula.
- 6.85 An area of 5.2 hectares was allocated in the Local Plan. A number of plots have been developed to provide industrial units (use classes B1c, B2 and B8). Larger occupiers include Oceanair (interiors and furnishings for boats and dwellings), File Express (document storage) and Trust Morley. The Pulsar Business Park on the southern side of the site provides four B1c units of which 2 are vacant.
- 6.86 Part of the employment land allocation, fronting Manor Road, has been development for residential use (Sherrington Mews).
- 6.87 Site infrastructure is in place and some plots of land have been developed, but a total of 2.2 hectares remains vacant unoccupied land, and a further 0.5 hectares is currently for open storage by a firm, Additional Self Storage. We understand that land to the north of the employment land is being promoted for residential development (Selsey Gate Phase II).
- 6.88 Internal road access and environmental quality is generally good, however take-up at this location at some distance from Chichester appears to have been slow. While we consider that while there is a role for some employment land allocation on the Manhood Peninsula, the Council may wish to consider permitting a greater mix of uses on plots to the east of Ellis Square.

Conclusions of the Site Assessments

- 6.89 We have sought to draw the site assessments undertaken together to provide a comparative assessment of the relative attributes of the different sites/ locations. This is a largely subjective exercise based on professional judgement.
- 6.90 Of the 17 sites/ locations considered seven are brownfield. Of these Plot 12, Terminus Road (Site 26), the remaining land at Southern Gate (Site 10) and the Linpac site (Site 15) are considered to be available, well located and have a strong prospect of delivery. The remaining plots at Donnington Park in Stockbridge (Site 6), a successful small employment scheme, can also expect to be developed as the market improved over time. These sites comprise remaining undeveloped plots within existing employment developments which are now largely built out and successful.

6.91 It is anticipated that the existing employment land allocation at Barnfield Drive (Site 8) is now very unlikely to be brought forward for employment development, given its proposed joint designation for employment and (higher value) retail use.

Figure 6.2: Relative Assessment of Potential Employment Sites

Site No		Employment Development Potential (Ha)	Suitable Employment Uses	Brown/ Greenfield	Availability	Strength of Location	Deliverability
15	Linpac Site	0.8	B1				
9	Graylingwell Hospital	0.1	B1				
26	Plot 12, Terminus Road	2.45	B1				
10	Southern Gate, off Terminus Road	0.13	B1				
4 & 23	West of Chichester	TBC	B1				
8	Barnfield Drive Allocation	3.0	B1, B2, B8				
3 & 18	North East Chichester	3.0+	B1, B2, B8				
11	Portfield (Glenmore)	4.2	B2				
12 & 17	Shopwyke Lakes	0.44	B1, B2				
14	Former MOD Fuel Depot, Bognor Road	4.8	B2, B8, Sui				
21	Land South of A259 Bognor Road	14	B1, B2, B8				
19	Land South of Terminus Road/A27	34	B1, B2, B8				
7 & 25	Chichester Business Park, Tangmere	4.5	B1, B2, B8				
1 & 24	Tangmere Village Development	TBC	TBC				
6	Donnington Park, Stockbridge	1	B1				
13	Easton Farm, Almodington	36	Sui				
5	Ellis Square, Selsey	2.2	B1, B2				

Key

Brownfield
Greenfield

Strong
Reasonable
Low

- 6.92 The 4.2 hectares of brownfield land at Portfield, the Glenmore Business Park (Site 11), has planning consent and is being marketed for employment development. This site is well located adjacent to the A27 and there is a reasonable prospect that employment development will be delivered over the plan period to 2029.
- 6.93 Development of the Former MOD Fuel Depot (Site 14) for employment use is potentially more challenging, given site preparation and remediation costs, including potential removal of storage tanks, as well as access issues and potential impacts on the A27 Bognor Road Junction. However this is a brownfield site, and the Council may wish to see this site developed in preference to greenfield land. If this is the case we would recommend that further feasibility testing is progressed to address the costs of site decontamination and infrastructure investment and implications on development viability.
- 6.94 Of the larger potential greenfield sites considered in and around Chichester, we consider that sites on the western side of town would be potentially more attractive as they provide quicker access to larger urban areas/ markets in South Hampshire and to the A3 providing connections northwards towards London. This includes Land South of Terminus Road/ A27 (Site 19) as well as land West of Chichester (Site 4) if brought forward in conjunction with strategic residential development. In each case this would be subject to provision of suitable access from the A27.
- 6.95 We consider that that these sites would be more attractive to the market than those on the eastern side of Chichester and at Tangmere.
- 6.96 Should strategic development east of Chichester progress, we consider however that employment land provision between Madgwick Lane and Stane Street (Site 18) would be appropriate. This would relate well both to strategic development in this area and the A27 and compensate for loss of employment land already allocated at Barnfield Drive (Site 8).
- 6.97 Should strategic development be brought forward at Tangmere, we consider that it would be appropriate to extend the employment land allocation at Chichester Business Park to cover the full 4.5 hectares of development land which is being marketed. We would expect this land to be built out in advance of release of further employment land in order to seek to develop a critical mass of employment provision in this location. Further employment development would need to be supported by improvements in broadband infrastructure.

Other Potential Locations for Employment Land Provision

- 6.98 In addition to the potential locations for future employment provision considered above, the Council is also considering whether it should make provision for additional opportunities for employment development at East Wittering/Bracklesham and Southbourne. The nature and scale of provision for employment in these areas may be influenced by policies regarding housing provision in the emerging Local Plan. In this report we comment on the potential for employment development at a high-level drawing on the preceding analysis. We have not assessed the potential for specific new employment allocations.
- 6.99 We would expect commercial demand for further employment space at East Wittering/Bracklesham to be relative modest. This area is located at some distance from the A27 and provision for new employment would largely serve a very local market. There is existing provision of industrial premises at Hilton Park on Church Farm Lane. However it might be reasonable to consider modest provision of small office and workshop units on flexible terms, focused on locally-based SMEs, as part of any major residential development scheme subject to market demand at the time of development.
- 6.100 At Southbourne, existing employment land provision is focused at Clovelley Road. This is an intensely developed employment area which accommodates a number of lower grade employment uses. Local access to the site is relatively poor, with on-street parking further limiting internal circulation within the employment site. The site is also located close to residential areas and generates commercial traffic along nearby residential streets. Given the quality of existing employment provision within the Clovelley Road area and limited potential for further employment development in this location, it would be appropriate to include a modest allocation (potentially of up to 2 hectares) of employment land as part of a new strategic residential development scheme subject to detailed consideration of locational and access issues and market demand at the time of development.

7 CONCLUSIONS AND RECOMMENDATIONS

7.1 We set out in this section the conclusions and recommendations of the Employment Land Review Update. These have been tested including through consultation with Council Officers and Members and businesses and property agents through the Stakeholder Workshop.

7.2 The overarching strategy for employment land provision needs to respond to national policy which emphasises providing a supply of good quality employment sites to meet the needs of the business community. It sets out that long-term protection of sites where there is no realistic prospect of delivery should be avoided.

Provision for Employment Land in the Local Plan

7.3 Taking account of completions between 2011-12 and supply from sites in the development pipeline, we recommend that provision should be made for the following levels of employment land provision:

- Up to 29 hectares of land in Chichester City and the South of the District, comprising:
 - Up to 8 hectares of land suitable for B1a and B1b activities;
 - Up to 21 hectares of land suitable for B1c, B2 and B8 activities and associated employment generating uses.

7.4 The analysis undertaken would support provision of up to 6 hectares of land for employment within the National Park. Policies for employment land provision within this area are however within the jurisdiction of the South Downs National Park Authority.

Strategy for Employment Land Provision

7.5 On the basis of the site assessments undertaken, we would recommend that following strategy for employment land provision (subject to detailed engagement with landowners and feasibility of infrastructure provision):

- Provision of 4.5 hectares of employment land at Chichester Business Park, Tangmere. This incorporates the existing local plan allocation and other land currently being marketed for development. The Council should work proactively with the developer to improve broadband access at this location;
- Consideration of the feasibility of mixed-use development on the former MOD Fuel Depot Site, Bognor Road, Chichester comprises waste/recycling uses together with up to 2.8 hectares of employment land within the B2 and B8 uses classes (assuming delivery of waste facilities on this 4.8 hectare site). This should be considered subject to detailed feasibility testing addressing scheme viability and provision of suitable access arrangements to support development;
- Consolidation of employment land provision at Selsey based on evident market demand, with the outstanding (non-developed) land allocation at Ellis Square, Selsey reduced from the current 2.2 hectares to around 1.0 hectares of land;
- Delivery of up to 18 hectares of employment land through further strategic development sites in and around Chichester. Sites should be located to provide good access to the A27 Chichester Bypass;

- Appropriate employment land provision associated with major residential development schemes in other areas in the South of the District, with the potential for up to 2 hectares of employment land provision at Southbourne. Small-scale B1 provision associated with residential development at East Wittering/ Bracklesham might be appropriate subject to market demand at the time of development.
- 7.6 The most appropriate strategy for strategic development at Chichester will depend on the strategy for residential provision in the City, the phasing of this and the potential for delivery of infrastructure to support development.
- 7.7 From an economic and commercial perspective, we consider that there are a number of potential strategic options which are attractive.
- 7.8 Land to the South of the Terminus Road Industrial Estate would be a potentially attractive location for future employment land provision subject to provision of suitable access to the A27 and flooding issues. The site is located towards the western side of the town, providing stronger access to the A3 and South Hampshire. It also has a strong potential relationship with the existing Terminus Road employment area, and is one of the closest potential sites to the City Centre and Rail Station. We would encourage the Council to engage with the landowner to consider the prospects of delivery further.
- 7.9 Alternatively an employment land allocation could be brought forward as part of strategic development either to the north-east or west of Chichester. The most appropriate location north-east of Chichester would be east of Madgwick Lane/ north of Stane Street given proximity to the A27; albeit that alternative locations might be appropriate subject to detailed masterplanning and access considerations.
- 7.10 The western side of Chichester is potentially more attractive from a commercial perspective, however achieving suitable access to create an attractive employment site is critical. A strategic allocation of employment land as part of mixed-use development would need to be supported by improvements to accessibility from the A27, and provision of access suitable for commercial traffic.

Planning Policies Relating to Existing Employment Sites

- 7.11 The Council will need to set out clear policies relating to existing employment sites within the Local Plan.
- 7.12 The Council's 2009 Employment Land Review assessed all of the main employment areas in the District. It concluded that the majority of employment areas within the Chichester Local Plan area were fit for purpose and should be protected for employment use.

- 7.13 Policies in the new Local Plan should support the investment in existing sites, including the redevelopment, refurbishment and upgrading of dated employment floorspace and environmental improvements. We consider that policies should encourage more efficient use of land and premises in line with sustainable development principles, so long as employment uses do not result in additional and unacceptable noise, traffic or pollution impacts or harm to surrounding activities or enjoyment of the countryside.
- 7.14 The Council might wish to consider identifying primary employment sites in which there is a general presumption for the protection of existing employment use.
- 7.15 On non-allocated employment sites we would expect policy to protect the existing employment use unless the site or premises can be demonstrated to be redundant and incapable of meeting the needs of modern employment uses (B1-B8).
- 7.16 There may be limited circumstances where a reduction in employment floorspace provision is justified on the basis that existing employment floorspace is redundant and incapable of meeting the needs of modern businesses. This might include circumstances where proposals:
- Make more efficient and effective use of the site/premises delivery new employment floorspace but potential some wider uses to 'enable' delivery of employment uses where viability is challenging;
 - Deliver significant environmental improvements in terms of the public realm and landscaping of existing employment sites;
 - Improve the quality of the employment offer in terms of the type of employment (such as higher value-added activities) and number or density of jobs.
- 7.17 Where a loss of employment is envisaged the Council should consider requiring applicants to demonstrate redundancy of existing floorspace and that redevelopment for employment uses is not feasible, with regard to: the location and accessibility of the site; site layout; quality of buildings; and adjacent uses. Applications should demonstrate that the site has been vacant or existing floorspace for some time, and that it has been actively marketed for employment use as a realistic cost, in most circumstances for a minimum of two years.
- 7.18 Where significant loss of employment floorspace (2,000 sq.m+) is proposed, applications should be accompanied by evidence that the loss of employment floorspace will not result in an undersupply of employment floorspace in the local area.
- 7.19 We consider that the Council should also consider its policies for *sui generis* employment-generating activities, such as car showrooms and waste management uses, on employment sites. It should set out clear policies regarding these uses within the Local Plan.

Wider Actions to Support Economic Growth

- 7.20 The analysis suggests that a number of wider actions to support economic growth could be progressed. These include:
- Enhancement of telecommunications and broadband infrastructure – particularly roll-out of 3G broadband and enhancement of broadband accessibility, particularly in rural areas;
 - Enterprise infrastructure – working to ensure adequate provision of both physical premises and business support to facilitate small business start-ups and growth. This may include delivery of enterprise centres and managed workspace subject to detailed feasibility testing. As noted earlier, the Council is progressing one such scheme at Plot 12, Terminus Road as an ‘Enterprise Gateway’;
 - Infrastructure Delivery – investment in infrastructure delivery can be a key role in supporting economic growth and particularly the delivery of major new employment sites. It will be important that the Council works with WSCC, surrounding authorities (particularly Arun) and developers to consider in detail how infrastructure will be delivered and funded.
- 7.21 The Council should work with other authorities in the sub-region through the Coastal West Sussex Partnership to take forward and support delivery of some of these actions, particularly in regard to addressing strategic infrastructure provision.

Monitoring & Review

- 7.22 In accordance with good practice in planning, it will be important that both demand and the supply pipeline of employment floorspace are kept under review. On-going monitoring should address trends in take-up and availability of employment floorspace and rental levels as well as key indicators related to overall growth in employment, sector performance and skills.
- 7.23 Should there be a material change in the long-term economic outlook then it may be appropriate to revise demand forecasts for employment floorspace and land. On the supply-side the Council to seek to ensure that a 5-year supply of deliverable land is maintained, taking account of the phased forecasts for employment floorspace requirements set out in this Report.
- 7.24 On-going monitoring and review should inform decision making in line with a ‘plan-monitor-manage’ approach.