

Chichester District Council Local Plan Review

Background Paper Economic Development and Employment



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1. Introduction

This paper sets out the background to the employment policies and proposed allocation of land for employment as set out in the [Chichester Local Plan Review 2035](#) – Preferred Approach. More detail in terms of the evidence base is set out in the Housing and Employment Development Needs Assessment 2018 (HEDNA) prepared by consultants G L Hearn on behalf of the Council.

2. Policy Context

National Planning Policy sets out that planning policy should:

- a) Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;
- b) Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- c) Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and
- d) Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live/work accommodation), and to enable a rapid response to changes in economic circumstances.

Planning policy and decisions should also support a prosperous rural economy by enabling:

- a) The sustainable growth and expansion of all types of business in rural areas, both through conversion of existing buildings and well-designed new buildings;
- b) The development and diversification of agricultural and other land based rural businesses;
- c) Sustainable rural tourism and leisure development which respect the character of the countryside; and
- d) The retention and development of accessible local services and community facilities, such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship.

3. What is the Economic Vision?

The Local Plan Review seeks to develop a strong and thriving economy, improving employment opportunities for all skills and diversifying the economy. This reflects the Plan vision and the main priorities identified in the Economic Development Strategy for Chichester District 2013-2019. The approach is consistent with key priorities of the Coast to Capital Local Economic Partnership (LEP)'s Strategic Economic Plan 2018-2030, the West Sussex County Economic Growth Plan 2018-23 and the Coastal West Sussex Economic Plan 2016-20. A key element of the Economic Development Strategy for the district is a targeted approach supporting businesses with high growth potential that reflect local characteristics. The Spatial Planning Vision sets out that by 2035 the plan area will be a place where people can find a range of jobs that match different skills and pay levels and meet their aspirations for employment; and use their entrepreneurial flair to start and grow creative, innovative and competitive businesses.

The provision of suitable employment space is an important part in enabling this to happen.

4. How much employment space is needed?

A Housing and Economic Development Needs Assessment (HEDNA) was completed to inform the plan preparation process. The HEDNA examines several different scenarios for future employment growth in the plan area based on:

- Labour Demand (baseline) – based on a baseline forecast number of jobs (forecasts produced by Oxford Economics)
- Labour Demand (growth) – based on an adjusted growth forecast number of jobs
- Labour Supply – based on the forecast increase in the number of residents of working age
- Past completions (upper and lower net floorspace completion trends including and excluding the large development at Rolls Royce which is seen as atypical).

The labour demand and past completions scenarios are summarised in the tables below, for the period to 2036 covered by the study. The labour supply scenario resulted in a lower number of jobs which the study did not consider realistic for planning purposes and so was not further assessed.

Range of Employment Land and Need (Ha) 2016-36 – Chichester:

	Labour demand baseline	Labour demand growth	Completions trend (upper)	Completions trend (lower)
	District	District	Plan Area	Plan Area
B1a/b	5.8	8.2	0.3	0.3
B1c/B2	0.5	10.7	19.6	2.2
B8	9.6	15.3	9.1	9.1
Total	15.9	34.2	29.0	11.7
Adjustment for plan area (85%)	13.5	29.1		

Source: HEDNA Table 92. GL Hearn based on Oxford Economics and Chichester District Council Data

The table above shows that there are broad similarities between the upper and lower expected requirements for employment land whether looking at labour demand or at the completions trend. The HEDNA preferred scenario is based on the labour demand growth scenario and suggests the following floorspace and land requirements for the period 2016 to 2035.

Use Class	Floorspace requirement (sqm)	Land requirement (ha)
B1a/b	49,419	6.7
B1c/B2	34,561	8.6
B8	61,855	12.4
Total	145,835	27.7

Source: HEDNA Table 93, adjusted to reflect that the plan period runs to 2035 rather than 2036.

Monitoring shows that gross losses of employment land in the plan area over the last 6 years averaged around 8,600sqm per year. Despite policies seeking to protect employment land, some degree of losses is likely to continue, particularly given the continuing extension of permitted development rights. It is therefore considered prudent to make an additional

allowance in terms of employment land supply so that future losses can be replaced. Making an allowance of 8,600 sqm per year for the first 10 years of the plan would mean an additional 86,000 sqm. This increases the total amount of floorspace to be planned for to 231,835 sqm.

5. Where will the employment space be provided?

As at 1st April 2017 15,313sqm of employment floorspace already had permission. A further 1,989 sqm is allocated in the Site Allocations DPD which is due to be adopted by Council in January 2019. Taking into account a net loss of 1,819 sqm of employment floorspace to other uses in the first year of the plan period means that this plan needs to provide for a further 216,352 sqm of employment space to meet the total of 231,835. The plan allocations proposed in Strategic Policy S8 will slightly exceed this providing for 219,700 sqm of floorspace.

Requirement compared to identified supply:

Employment Land Requirement (sqm):	Identified Need from HEDNA	145,835
	Allowance for losses	86,000
	Total (a)	231,835
Commitments:	Completions (April 2016 to March 2017)	-1,819
	Permissions as at 1 April 2017	15,313
	Allocations in Site Allocations DPD	1,989
	Total (b)	15,483
Amount still to plan for:	a-b	216,352

The proposed allocations are made up of the sites below, some of which are brought forward from the adopted local plan. The significant new allocation is that for land South West of Chichester which, subject to further testing before plan submission, could accommodate 33ha of employment land. The assessment of this site is discussed below.

No specific allocation is proposed for the expansion of Rolls Royce as there is currently no indication that this will be required within the plan period. Any expansion proposal would therefore need to be considered through the development management process.

Proposed Allocation	Floorspace (sqm)	Area
Land South West of Chichester (AL6)	132,000	33ha
Land at Shopwyke (AL2)	24,000	4ha
Southern Gateway	9,300	(Total site 12ha)
Land at Chichester Business Park, Tangmere (AL15)	18,400	2.4ha
Land West of Chichester (AL1)	36,000	6ha
Total:	219,700	45.4 ha (excluding S Gateway)

6. Sustainability Appraisal and reasonable alternatives

The Sustainability Appraisal considered a range of strategic development locations and distributions for development at the Issues and Options Stage. Land South West of Chichester was initially included as a non-strategic development location (in terms of potential housing numbers). The location performed well in economic terms, but less well in terms of protecting the natural and historic environment, pollution and resources and housing and infrastructure. In term of overall distribution of development the plan focusses the majority of planned sustainable growth at Chichester and within the East West Corridor – this location fits in with the overall strategy and so was assessed for a more strategic level of development as a new policy as part of the Sustainability Appraisal for the Preferred Options. The assessment shows potential negative impacts on the objectives relating to protecting and enhancing wildlife and to reducing pollution and improving air quality. The impact on all other objectives is found to be either positive or neutral. Policy S8 Meeting Employment Need is also assessed – the approach is likely to bring considerable economic benefits including improved access to jobs, improved competitiveness, a diverse local economy and maintaining a skilled local workforce. However due to land take there may be a loss of wildlife habitats and connectivity, demand on water resources and impacts on the landscape and built heritage which will need mitigation.

7. Conclusion

The Housing and Employment Development Needs Assessment recommends that we plan to provide just over 29 ha or around 146,000 sqm of employment floorspace to meet the needs of the plan area to 2035. This is based on labour demand under a growth scenario.

It is prudent to make an additional allowance to ensure that future losses of employment land through permitted development rights or other approved schemes can be replaced. An additional 86,000 sqm of floorspace is therefore planned for in order to help achieve a net addition of approx. 146,000sqm over the plan period.

This is set out in Policy S8 below:

Policy S8: Meeting Employment Land Needs

To contribute towards sustainable economic growth, provision will be made for a net additional 145,835 sq.m of new floorspace for uses in the B Use Classes (B1, B2 and B8), in addition to other employment-generating uses, through the following sources of supply:

Category	Floorspace (m2)
Employment floorspace requirement for the full Plan period (1 April 2016 to 31 March 2035)	
<i>Identified need from HEDNA</i>	145,835
<i>Allowance for potential future losses</i>	86,000
Floorspace to make provision for (1 April 2016 to 31 March 2035)	231,835

Identified sources of supply	
Employment floorspace completions (1 April 2016 to 31 March 2017)	-1,819
Floorspace supply (1 April 2017 to 31 March 2035)	
Permissions	15,313
Allocations in Site Allocations DPD	1,989
Proposed allocations in this Plan (see Strategic Site Allocations Chapter)	219,700
Total supply for the full Plan period (1 April 2016 to 31 March 2035)	235,182

Proposals for employment related development on unallocated sites will be supported in accordance with Policy DM10 of this Plan. Proposals for significant new office development will be encouraged in Chichester City centre in accordance with Policy S13. Smaller-scale office developments will be supported in other settlements in accordance with Policy DM10.

As well as the strategic site allocations, Policy DM9 seeks to safeguard existing employment sites from unjustified loss to other uses where they remain suitable for business and related employment uses, whilst providing some flexibility to allow leisure and community uses, and to encourage the refurbishment and intensification of existing employment sites. Policy DM10 provides for new employment sites within settlement boundaries and as part of residential led allocations. Some flexible working space is expected to be provided within local centres/community hub buildings in some of the strategic site allocations. Combined with the strategic allocations this approach should provide a flexible supply of employment land and premises to support a thriving and adaptable local economy. Office uses will be focussed in Chichester city centre and the settlement hubs in line with the sequential test set out in national policy.

Policy DM9: Existing Employment Sites

At existing employment sites, planning permission will be granted for development within Use Class B1, B2 and B8 of new floorspace, refurbishment, upgrading or modernisation of existing premises where it can be demonstrated that:

- 1. There is no material increase in noise levels resulting from machinery usage, vehicle movement, or other activity on the site, which would be likely to unacceptably disturb occupants of nearby residential properties or be of a scale that is likely to cause unacceptable harm to the enjoyment of the countryside; and**
- 2. The proposal does not generate unacceptable levels of traffic movement, soil, water, odour or air pollution and there is no adverse impact resulting from artificial lighting on the occupants of nearby residential properties or on the appearance of the site in the landscape; and**

3. Where development would result in an expansion of the existing employment site into countryside, that the development is required to meet local needs, proportionate to its location and would not harm the character of the rural area

Employment uses other than those in use classes B1, B2 or B8 will be permitted on these sites provided they are of a similar character to use classes B1, B2 and B8 in terms of providing jobs, the skills they require and their contribution to long term economic growth. They may include sui generis uses.

Existing employment sites will be retained to safeguard their contribution to the local economy. Planning permission will be granted for alternative uses on land or floorspace currently or previously in employment generating uses where the following criteria are met:

1. It has been demonstrated (in terms of the evidence requirements accompanying this policy) that the site is no longer required and is unlikely to be re-used or redeveloped for employment uses to meet future demand; or
2. There is an overriding community or leisure benefit from the proposed alternative use which cannot be met elsewhere and that the use does not prejudice the operation of and market attractiveness of the wider employment area; or
3. For B1(a) uses that the sequential test set out in national policy has been met.

Policy DM10: New Employment Sites

Development proposals for employment uses within Use Classes B1 (b) B1 (c), B2 and B8 will be permitted within the settlement boundaries, as defined on the policies map. Proposals for new office development will be permitted where they are focussed in Chichester city centre and the settlement hubs in accordance with the sequential test set out in national policy. Small scale office uses will be permitted in other service villages to meet local needs and as part of the residential-led allocations provided for in Policies AL1-AL14.

The Council will require new employment development, where feasible, to provide for a mixture of unit types and sizes to accommodate the needs of start-up and move-on businesses within the plan area.

Development proposals will also need to be compatible with other policies in the Plan to ensure that the development is otherwise acceptable.

8. Next Steps

Given the economic uncertainties, with issues such as Brexit, it will be prudent to carefully monitor the rate of employment delivery and losses in future. Building up a clear picture of losses in particular over time should assist in determining the proportion of those losses which need to be replaced.