

Retail & Employment Topic Paper

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Contents

1. Introduction	3
2. National Planning Policy	3
3. Local Planning Policy	4
JAAP Policy Approach	4
Latest situation - what's been delivered or is in the pipeline?	6
Evidence underpinning JAAP	8
4. Changes since the adoption of the JAAP	8
Covid-19	9
Brexit	9
Changes to Use Class Order	9
5. Implications of higher densities coming forward at WHA	10
6. Conclusions	11

1. Introduction

- 1.1 This paper provides an overview of how the policies for the Shoreham Harbour Regeneration Area as set out in the Joint Area Action Plan (JAAP) and more specifically that area defined as the Western Harbour Arm, are supporting aspirations to help stimulate the local economy. A key element is to understand the implications of recent development coming forward at the Western Harbour Arm at higher densities than predicted and what this means for retail and employment uses going forward.
- 1.2 This paper also sets out what has been delivered thus far and how far this is meeting the aspirations and expectations of both the JAAP and Adur Local Plan. It also considers the significant events of the Covid 19 pandemic and the impacts of Brexit that have taken place since the adoption of both the JAAP and the ALP 2017. In addition, consideration has also been given to changes in national planning policy and the Use Classes Order and the implications this has on meeting the identified aspirations set out in both documents.

2. National Planning Policy

- 2.1 The JAAP was prepared in conformity with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) current at that time. The NPPF applies a presumption in favour of sustainable development. It requires local planning authorities (LPA) to assess their housing and employment space needs, and to plan positively to meet those needs. The NPPF promotes the role of ports. This includes the importance of safeguarding capacity for landing minerals and aggregates. It also promotes the shift towards a green economy and encourages policies that promote district level renewable energy generation and green infrastructure as set out in the plan.
- 2.2 The JAAP reflects a clear understanding of the role of Shoreham Harbour to the economies of Brighton & Hove, Adur and the wider subregion. The Plan is based on clear economic strategies [Brighton & Hove Economic Strategy 2008-2016 (LPD02/21); West Sussex Economic Strategy (LPD03/09); Coast to Capital Strategic Economic Plan which positively encourage sustainable economic growth in accordance with the paragraph 21 of the NPPF 2012.
- 2.3 Since the adoption of the JAAP in October 2019 there have been a number of updates to national planning policy and planning guidance. The expectations in relation to employment and retail issues essentially remain the same and that is to support growth and create the right environment for business to thrive. However, there have been changes in the Use Class order and changes to the national economy primarily due to the impact of the Covid pandemic that are discussed later in this paper.

3. Local Planning Policy

JAAP Policy Approach

3.1 The JAAP builds on and complements the Adur Local Plan (ALP) (2017) and the Brighton & Hove City Plan Part One (B&HCP) (2016). There are a number of sub regional strategies and plans that have influenced the JAAP and which will help deliver the aspirations contained within it, these include; Greater Brighton City Deal, Coast to Capital Strategic Economic Plan and the Coastal West Sussex and Greater Brighton Local Strategic Statement (LSS).

3.2 The JAAP policies specifically seek to encourage the provision of high quality floorspace, improve the business environment to support the needs of local business and equip local communities with the identified skills. The following key JAAP objectives specifically relate to the local economy:

Objective 2: Shoreham Port: To support a growing, thriving port. To facilitate the delivery of the adopted Shoreham Port Masterplan, the provision of a modernised, consolidated and sustainable port and to promote the important role of the port in the local and wider economy.

Objective 3: Economy and employment: To stimulate the local economy and provide new jobs. To provide new, high quality employment floor-space and improve the business environment to support the needs of local employers. To equip local communities with the training and skills required to access existing and future employment opportunities

3.3 The approach taken is considered to be positive, and in accordance with the NPPF, but is also realistic in reflecting the limited capacity to accommodate new development without significant environmental impacts. Given that much of the proposed development at Shoreham Harbour will be residential, compatible employment (at that point defined as BI and appropriate AI uses) will constitute the majority of new employment generating uses delivered at the Harbour. At the time it was seen as an opportunity to expand Adur's underdeveloped office market through the provision of new office accommodation and thus supporting growth in higher value-added sectors in the regeneration area. This location also provides the potential to support growth in key sector strengths including the digital technologies, IT and communications, creative/ cultural and professional services sectors.

Policy SH2 -: Shoreham Port has its focus on the development of the harbour area. In the short to medium term (5-10 years) the JAAP seeks to ensure that the initial phases of development do not compromise the operations of businesses on sites which are unlikely to come forward until later in the process.

3.4 Whilst the proposals set out in the policy would result in overall losses of employment land footprint as land

is redeveloped for other uses, the profile of the new employment space that is created and retained will support the objectives identified in the Brighton & Hove and Adur Employment Land Studies, particularly by:

- Renewing older and poor quality industrial stock and delivering quality workshop and industrial space to meet the needs of key creative/digital industries as well as emerging high-tech manufacturing and environmental technologies sectors.
- Expanding Adur’s under-developed office market through the provision of new office accommodation and thus supporting growth in higher value-added sectors.
- Providing an opportunity to deliver small, affordable, start-up office space for which there is a continuing need in Brighton.

Policy SH3;- Economy and employment sets out the overarching policy approach to the local economy. It seeks to deliver:

- a minimum of 16,000m² of new employment generating floor-space in Adur and 7,500m² in Brighton & Hove.
- prevent the loss of employment floor-space and associated jobs in the local area;
- seek agreement with developers to secure appropriate training and job opportunities for local residents;
- improvements to the local highways network and public realm to improve the street environment for local businesses;

Retail uses

- as part of mixed-use redevelopments, small-scale, ancillary retail uses are acceptable provided that such activity will assist in enlivening key frontages and supporting existing retailing areas;
- only those proposals for new town centre uses that have been robustly assessed to ensure they do not undermine existing provision.

3.5 The table below (Table I) sets out the requirements for the delivery of employment generating floorspace within the identified character areas as set out in the plan.

Table I Policy requirements

JAAP Policy	Proposed Uses
Policy CA1: South Quayside	South Quayside is safeguarded for future commercial port activity and for the relocation of existing port operators from elsewhere in the harbour

Policy CA2 Aldrington Basin	Deliver a minimum of 4,500m2 employment floor-space (use classes B1, B2 and B8) and ancillary leisure, retail and food and drink floor-space
Policy CA3: South Portslade and North Quayside	North Quayside is safeguarded for future commercial port operations and related activities. South Portslade is designated as a strategic employment/mixed use area. a minimum of 3,000m2 employment floor-space (use classes B1, B2 and B8). c. ancillary leisure uses.
Policy CA5: Fishersgate and Southwick	Southwick Waterfront is designated as a strategic employment area (Allocation Southwick Waterfront). Deliver a minimum of 4,000m2 new employment floor-space.
Policy CA7: Western Harbour Arm	Deliver a minimum of 12,000m2 new employment generating floor-space (predominantly use class B1a) on the southern side of Brighton Road (A259) within the plan period. Smaller scale retail outlets, food and drink, and marine-related leisure facilities are also encouraged.

Latest situation - what's been delivered or is in the pipeline?

Table 2 - Planning applications

Site	Planning applications	Proposed Employment/Retail uses	Current position
79 - 81 Brighton Road Shoreham-By-Sea West Sussex BN43 6RE	ADC/009/13 and AWDM/0089/14	1,348sqm foodstore to ensure viability. 121sqm ancillary commercial	The floorspace remains vacant (as of Nov 22). Permission has been granted for the use of part of the ground floor as a dental practice (AWDM/0801/21) as yet unoccupied.

63 To 67 Brighton Road (Humphreys Gap)	AWDM/1625/16	37sqm of A3 (restaurant/cafe)/A4 (drinking establishment)/B1 (business) use on ground floor	Built but not occupied
Free Wharf Brighton Road	AWDM/1497/17 09 August 2018 AWDM/2037/20 Planning Committee March 2021 resolution to grant subject to s106 AWDM/1307/22 09 September 2022	Original applications approved the following floorspace: 2,707 sqm commercial floorspace at ground floor level comprising: 1,340 sqm office (B1) 533 sqm retail (A1) 105 sqm retail/cafe (A1/A3) 641 sqm restaurant (A3) 88 sqm yacht facility.	New application amends this to : AWDM/1307/22 (permitted) seeks Class E across all the commercial floorspace and limits development to 540 dwellings, 2,707 sqm flexible class E floorspace, 88 sqm yacht facility. The Class E element includes restaurant, office and retail uses.
Kingston Wharf	AWDM/0204/20 - permitted 29/01/2021	2276 sqm B1 1927 sqm flexible space(B1 or B8) 99 sqm A3 cafe space 4188 sqm self-storage B8	The residential component (222 flats) is under construction but the commercial building has now been moved back to the final phase of development, with no specific date set for its occupation. The applicant (Easistore) had previously intended to complete this building first in 2023.
69 - 75 Brighton Road (Frosts)	AWDM/1473/21 Refused 28-09-2022	8 new commercial units, with a total floor area of around 500m ² , in use class E.	

5 Brighton Road (Howard Kent)	AWDM/1481/21 Refused 15 September 2022	66.3 sqm Class E commercial floor space which is expected to be a cafe.	
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Evidence underpinning JAAP

- 3.6 The JAAP proposals were prepared in line with consideration of their impacts on the local economy. A preliminary Economic Impact Assessment (GL Hearn, 2013) was undertaken which indicated that the proposals could generate a significant net increase in employment and additional economic output. The Adur Employment Land Review – Update Report December 2014 was also commissioned to guide the approach to the Adur local economy on the ALP 2017.
- 3.7 In terms of the **Adur Economy** the evidence identified the importance of providing a range of employment land and premises to help strengthen the local economy. The economic development policy objectives of Adur & Worthing Councils are aimed at encouraging higher quality jobs in the area within the creative, digital and IT sectors; advanced engineering; environmental technologies and low carbon and environmental goods and services; Finance and business services; and Healthcare, medical technologies and life sciences. The growth of these sectors of the economy would require provision of high quality BI office and light industrial accommodation in attractive, accessible locations, close to facilities. Shoreham Town Centre, Western Harbour Arm and Shoreham Airport were seen as opportunity areas that can deliver development of this type of accommodation to meet these needs.
- 3.8 This evidence would benefit from being updated, particularly due to the significant shifts of the national economy as explained below.

4. Changes since the adoption of the JAAP

- 4.1 Since the adoption of the JAAP there have been some significant events at national level that have impacted the landscape of the national economy. The impact of these events are now being played out at the local level. A key issue to consider is how these changes have impacted on the delivery of the economic vision and aspirations for the local economy set out in the Plan and as such whether vision and aspirations need to be reassessed.

Covid - 19

- 4.2 The outbreak of Covid-19 and resulting pandemic developed rapidly with far reaching impacts on the economy and business across the country. Lockdown measures led to unprecedented shut downs of large parts of the economy simultaneously, with effects being transmitted rapidly across all sectors.
- 4.3 Whilst there is evidence of an economic resurgence there still remains a difficulty in anticipating the longer term impacts resulting from the pandemic and the full extent of the economic shock. With regards to planning for economic growth and employment space, it is still too early to understand how the pandemic and resulting structural changes may affect how businesses operate and the resultant demand for employment land.
- 4.4 In terms of the impact on the retail sector the picture is mixed. Retail prior to the start of the pandemic had already been subject to significant structural changes with the move away from the 'physical' store to the online platform. Town centre were already moving towards becoming places for activity with a stronger focus on leisure , eating and drinking and moving away from a predominantly retail experience. At the local level the pandemic had led to a resurgence and demand for self-sufficiency which must be seen as an opportunity for local independent shops and businesses. The impacts are still unfolding but it is clear that our town centres still play a continuing and valuable role in our local communities.

Brexit

- 4.5 The implications of Brexit are still being played out at both national and local levels. Structural changes have and continue to take place and whilst there may be opportunities in terms of new markets there are also negative impacts. It is more difficult for small businesses, especially, to trade with Europe, and the UK, by design, now has more limited access to pools of European workers. In order to assess the impact locally a new up to date study is required.

Changes to Use Class Order

- 4.6 In terms of the changes to the Use Class Order there have been some quite significant changes as outlined Below.
- 4.7 **Class E** - From 1 September 2020, the former A1, A3, B1, D1 and D2 use classes were merged into a new Class E "Commercial, Business and Services" Use Class in England. B2 and B8 Use Classes remain unaffected, but changes affecting other classes have been also introduced.
- 4.8 The Government's stated rationale for the change is to better reflect the diversity of uses found on high streets and town centres, and to provide the flexibility for businesses to adapt and diversify. Notwithstanding this, the effect of the changes is not limited to town centre locations. This means that Class E will affect any

buildings within the relevant uses, including those within the former B1 Use Class in designated employment areas.

- 4.9 **Class MA** - From the 1st of August 2021 the new use authorises a change in the permitted use of a property or land from a use falling with Use Class E to Use Class C3 residential use where the property has:
- been in Class E use for 2 years (including time in former uses ie A1, A2, A3, B1, D1 or D2 now within that Class); and
 - has been vacant for at least 3 continuous months.
- 4.10 Other stipulations do apply such as the impacts relating to flooding, transport contamination, noise amenity, natural light, fire safety and agent of change issues (The impact on the intended occupiers from the introduction of residential use in an area the authority considers is important for heavy industry and waste management). There are also some floorspace restrictions that apply.
- 4.11 The impact of these changes on both new developments emerging from the WHA and the existing uses in the closest town centre, Shoreham Town Centre (and perhaps to a lesser extent Southwick centre), are likely to differ. In new development there is a greater opportunity to control the mix of uses and to restrict permitted uses to allow greater control to allow for a more managed change of uses over time. However, with existing uses the level of control is more limited. Therefore, trying to create the balance between the new developments at WHA and the existing Shoreham Town Centre will be more challenging. A current key objective is to ensure that WHA developments complement rather than compete with uses in the Town Centre and also that the Town Centre remains viable and vital and continues to meet the needs of the local community.

5. Implications of higher densities coming forward at WHA

- 5.1 The review of the Western Harbour Arm has been set up to review and analyse developments granted permission within the Western Harbour Arm so far (with the proviso that only Kingston Wharf has been granted consent since the JAAP was adopted) and to consider the impacts of potential future levels of development.
- 5.2 It is clear from Table 2 above that those developments that have received planning permission and have been completed are yet to have occupiers for the employment /commercial elements of the schemes. In some instances there have been changes (downwards) in the quantum of floorspace given over to employment generating uses and in other instances the type of employment generating use has changed. For example planning permission was sought on the Kingston Wharf development to change from existing permitted uses to a flexible Class E use which was considered through the application process and accepted. In other instances employment generating floorspace has been lost to residential uses.
- 5.3 In terms of the implications of more housing or higher density housing the impact on the employment generating uses is less clear. On the face of it increases in housing numbers could lead to less land/space available for other uses including employment generating uses especially where part of the additional

residential uplift results directly from the loss of proposed new employment floorspace as part of approved schemes.

6. Conclusions

- 6.1 Whilst there have been changes at national planning policy level the NPPF still requires local plans to plan positively for growth in their areas. However, there have been some significant events at both national and international levels that are having impacts that are still unfolding at the local level.
- 6.2 The impact of these changes on delivering the vision and aspirations of JAAP needs to be reassessed to . The review provides the opportunity to consider whether the current vision for commercial uses is still appropriate given the issues set out above or whether a new direction should be considered. In particular the relationship between commercial/retail development at the Western Harbour Arm and the town centres of Shoreham and Southwick is worthy of exploration, taking into the account the flexibilities in changes of use as set out above.
- 6.3 There have been some good news stories in the JAAP area such as commercial development undertaken by Shoreham Port. This is a particular success story but what are the key ingredients that have led to this level of success and are there any lessons that can be learnt by the Council and its partners to help facilitate growth elsewhere?
- 6.4 The WHA is creating a 'new place' and as such a greater understanding is needed as to what will help make this a successful 'place' and one that complements rather than detracts from existing town centres. An up to date understanding of the changes to and future requirements of the local economy is required and that will help feed into the part 2 of this review.
- 6.5 It is clear that the evidence that underpins the current approach to employment and retail in both the Adur Local Plan (ALP) and the JAAP would benefit from being updated to gain an understanding of how these significant events and changes are playing out in the local economy. A better understanding is required as to what the needs are of local business in terms of type and quantum of floorspace, what the growth sectors are and those newly emerging sectors that will need to be supported. The evidence needs to cover the whole Local Plan area, and to acknowledge economic relationships with neighbouring areas, including Brighton and Worthing.