

Adur District Council

**Employment Land Review
Update**

June 2011

PREPARED BY

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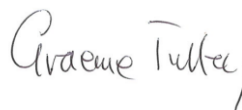
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EXECUTIVE SUMMARY

INTRODUCTION

Adur District Council commissioned GL Hearn in February 2011 to prepare an updated Employment Land Review for Adur District to inform and support planning policies within the Council's Local Development Framework (LDF). An Employment Land Review (ELR) considers demand for and supply of employment sites and premises.

The Employment Land Review has involved analysis of the district's economic performance and property market dynamics, an assessment of the main employment sites in the District and their capacity for future development, and demand forecasting taking account of expected future performance in different economic sectors and past rates of employment development. The supply of employment land and floorspace has been compared against forecast demand, taking account of qualitative and quantitative factors, to identify floorspace and land requirements over the plan period to 2028 and to consider potential employment land allocations.

UNDERSTANDING THE LOCAL ECONOMY

There were an estimated 19,500 jobs in Adur in 2009. The District's economy is closely inter-related to those of Worthing and Brighton and Hove. While just 44% of the Adur residents worked within the District in 2001, 82% of the District's residents worked in Adur, Brighton & Hove or Worthing. There are around 8,000 more residents in work than jobs in the District. Employment growth provides an opportunity over time to improve this balance.

Employment in Adur is greatest in the wholesale, retail and vehicle repair sector, health, manufacturing and professional, scientific and technical activities. Relative to the South East as a whole, the District has a concentration of employment in mining and quarrying (relating to activities at Shoreham Harbour), in the manufacturing sector, in utilities and waste management and in the wholesale, retail and vehicle repair sector. However the largest employment growth in the pre-recession decade, 1998-2008, was in other business activities (which are mainly office-based), construction, and computer and related activities.

There were 2,300 businesses in the District in 2008, and in the pre-recession decade the District's business base grew strongly increasing by 25%. The business base is biased towards smaller businesses. There are few large businesses with 200+ employees. In the decade to 2008 while employment grew in businesses of all sizes, the strongest growth was in companies with less than 10 employees. However a few large companies support a large number of employees.

Economic participation in Adur, like many other areas, has fallen in the recent economic recession. 80% of the working-age population were in employment in 2009-10. Unemployment stood at 6.5% in 2010 which was above the South East average, with the latest data indicating that 2.5% of the working-age population were claiming Job Seekers Allowance in June 2011. The skill levels of the District's population are lower than in surrounding areas. A higher proportion of residents have NVQ2 skills and trade apprenticeships. 28% are qualified to degree level or equivalent compared to 36% across the South East and while the skills profile has been improving, the level with degree level skills has not. There are high levels of young people not in education, employment or training. Average wages in the district reflect the skills levels of its population. Of those working within the District, earnings are 12% below the South East average and this differential has been increasing.

EXISTING EMPLOYMENT SITES

There is 351,000 sq.m of employment floorspace in Adur. The District contains 41% of the industrial floorspace, 25% of the warehouse floorspace but just 6% of the office floorspace in the Adur, Brighton and Hove and Worthing sub-region. The office market in particular is not well established. Over the decade to 2008, the total employment floorspace in the District increased marginally by 1.1%, with growth in office and warehouse floorspace. Industrial floorspace declined.

GL Hearn estimate annual office take-up of 1800 sq.m. Most demand is for small office suites. The industrial market is more strongly developed, although again focused on small and medium-sized property. Industrial take-up is estimated at 12,150 sq.m per annum.

The Employment Land Review has assessed 20 employment sites in the District. However just four were classified as having a good quality stock of employment premises. Twelve were considered to offer a reasonable quality of environment. In terms of access, 11 are close to and accessible from the A259 and three from the A27. However just 7 of the sites were classified as having good transport accessibility. Similarly access to amenities varies, with just two sites offering good access and six offering poor access. Overall there are limited high quality sites within the District which scored well against the range of factors assessed.

FUTURE DEMAND

Future demand for employment floorspace in B-class uses has been forecast taking account of expected future employment growth in key sectors, demand arising from existing businesses looking for new premises, and taking account of past rates of employment development in Adur.

Spring 2011 forecasts by Cambridge Econometrics indicate employment growth of 1,800 between 2011-2028. This has been treated as a 'baseline scenario.' It is anticipated a proactive strategy for economic growth could support additional job creation. An 'intervention scenario' has also been developed in which an additional 1,200 jobs are created over and above the baseline through delivery

of the Shoreham Harbour regeneration project and a proactive policy to create additional higher value-added jobs.

Over the period 2011-28 the Baseline Scenario results in a net requirement for 9100 sq.m of employment floorspace in B-class uses and a gross requirement for 55,225 sq.m. The Intervention Scenario resulting in a net requirement for 33,600 sq.m of employment floorspace in B-class uses and a gross requirement for 77,200 sq.m. In addition it is anticipated that provision of 20,000 sq.m of B2/B8 floorspace is required to support the relocations of businesses through redevelopment of land at Shoreham Harbour. For comparative purposes, projecting forward past rates of development would result in a requirement for 75,000 sq.m of employment floorspace. In broad terms, future demand under baseline conditions will be more moderate than in the last decade, reflecting the impact of the recent recession and a relatively weak economic outlook. The intervention scenario sees more similar rates of development.

EMPLOYMENT LAND REQUIREMENTS

Taking account of the supply of vacant land and floorspace on existing sites, and schemes in the development pipeline, land floorspace requirements over the plan period to 2028 are as follows:

Figure A: Final Floorspace and Land Requirements, 2011-28

2011-28	Residual Floorspace Requirement		Plot Ratio	Additional Land Requirement (Hectares)	
	Baseline	Intervention		Baseline	Intervention
Office: B1a/b	-3,772	7,533	1.9	-0.8	0.4
Industrial: B1c/B2	-3,113	27,575	0.45	-0.7	6.1
Warehouse: B8					
Total B Class	-6855	35,108		- 1.4	6.5

Source: GL Hearn (including Shoreham Harbour Relocations)

The supply of land and premises for employment in Adur District is very tight. However the quality of the portfolio of sites has been assessed as sub-standard. There is a need to identify additional high quality sites to meet market demand.

There is an opportunity particularly through delivery of new office floorspace within the Shoreham Harbour Western Arm, and of high quality commercial floorspace at Shoreham Airport to attract higher value-added activities. At other locations, employment development is more likely to be similar to the existing business/ employment profile of District.

In addition to those sites with planning consent, the Employment Land Review identifies the following sites with potential for employment development:

- Rectory Farm Industrial Estate, Lancing: 0.2ha for B1 use; and
- Gardner Road, Fishersgate: 0.8ha for B1 use

It identifies the potential for mixed-use redevelopment of the following current employment sites:

- Riverbank Business Centre, Shoreham: 2.2ha for mixed-use redevelopment including employment generating uses (to include office floorspace); and
- Western Arm, Shoreham Harbour: 7.8ha for mixed-use redevelopment including employment generating uses (to include office floorspace).

In light of the tight supply of employment land within the District, we do not recommend the release of any other sites for alternative uses.

We estimate that the land at Rectory Farm and Gardner Road Fishersgate together with employment provision as part of mixed-use development at the Riverbank Business Centre have potential to deliver 5,650 sq.m of employment floorspace. There remains an outstanding requirement for delivery of 29,500 sq.m of employment space to deliver the Intervention Scenario over the period to 2028, taking account of Shoreham Harbour relocations. In light of the above, there is a need to identify additional land for employment uses. The Employment Land Review recommends that consideration of the following additional allocations:

- Shoreham Airport (Eastern Side): up to 30,000 sq.m for employment uses in classes B1, B2 and B8; and
- New Monks Farm, Lancing: up to 10,000 sq.m for employment uses in classes B1, B2 and B8.

1 INTRODUCTION

- 1.1 An Employment Land Review (ELR) considers demand for and supply of employment sites and premises. Adur District Council commissioned GL Hearn in February 2011 to prepare an updated Employment Land Review for Adur District to inform and support planning policies within the Council's Local Development Framework (LDF).
- 1.2 Two previous studies have been prepared which examine local economic dynamics and employment land requirements. The Adur Employment Land Study was prepared by Step Ahead Research and published in 2006. The Shoreham Harbour Economic Development Strategy was prepared by Shared Intelligence and published in 2009. This report builds on and updates these previous studies, taking account of the impacts of the economic recession and revised forecasts of future economic performance. It has also involved an updated assessment of employment sites across the District.
- 1.3 Adur District Council has commissioned GL Hearn to prepare an updated Employment Land Review which is compliant with current Government Guidance¹. The Council's specific objectives for the project are to provide an updated assessment of:
- The performance and potential of the district's economy and business base, including identification of potential growth sectors;
 - The current stock of sites and premises and extent to which these meet economic needs and market demand;
 - The potential for further development at existing employment locations either through development of vacant land or floorspace, or through redevelopment and intensification of use;
 - Potential future demand for different types of employment land and floorspace to 2031 based on an understanding of commercial dynamics and a number of realistic scenarios for future economic performance;
 - The balance between supply and demand for sites and premises, both in terms of the quantity and quality of provision;
 - Any employment sites which no longer meet business needs and could be released for other uses; as well as
 - Potential additional land allocations which are suitable and available and have potential for delivery of new employment development to support future economic growth potential in the District;

¹ ODPM (2004) *Employment Land Reviews: Guidance Note*

- The opportunity or otherwise to influence commuting patterns and particularly to provide more employment opportunities for local residents; and
- The realistic future economic role and function of the District within the wider sub-region taking account of its relationship with Brighton and Hove and Worthing.

1.4 To achieve the above objectives, the Employment Land Review has involved the following tasks:

- Developing an up-to-date analysis of the district's economic performance, considering its relative strengths and weaknesses, and profile its employment and business base and labour market performance;
- Undertaking an assessment of commercial property market dynamics, considering the level of employment floorspace by type and how this has changed, development trends, and demand indicators such as rents and vacancy levels;
- A detailed assessment of the main employment locations within the District, considering the quality of these locations and factors which will influence demand, as well as identifying potential for further development on these existing sites;
- Demand forecasting, taking account of economic growth forecasts and past levels of take-up of employment space within the District, together with an assessment of potential key growth sectors;
- Assessment of the potential for future employment growth and regeneration at a number of key locations within the District including Shoreham Harbour, Shoreham Airport and New Monks Farm; and
- Comparing projected demand for employment land and floorspace with the existing and potential supply, taking account of both quantitative and qualitative elements, to advise on the portfolio of future employment land and premises needed to support the local economy.

1.5 The remainder of this report is structured as follows:

- Section 2: Current Policy Context;
- Section 3: Economic Performance;
- Section 4: Commercial Market Performance;
- Section 5: Demand Forecasting;
- Section 6: Employment Land Supply;
- Section 7: Employment Supply/Demand Balance;
- Section 8: Conclusions & Recommendations.

2 CURRENT POLICY CONTEXT

- 2.1 In this section we review the policy context to setting out policies for employment land provision at national, sub-regional and local levels.

NATIONAL POLICY FRAMEWORK

- 2.2 The most recent national policy statement on economic development is **The Plan for Growth** 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.
- 2.3 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, making 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.
- 2.4 These are supported by action on a number of fronts including in 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).

- 2.5 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.
- 2.6 The Plan confirms the Government's expectation that local planning authorities in granting development consents should prioritise growth and jobs (as announced by Ministerial Statement on 23rd March 2011). It intends to introduce a presumption in favour of sustainable development. Government also intends to legislate through the Localism Bill to enable businesses to bring forward neighbourhood plans and neighbourhood development orders. The Plan for Growth also sets out that Government may extend permitted development rights to make it easier to convert commercial premises to residential.
- 2.7 Government intends in due course to consolidate national planning policy into a 'more focused and inherently pro-growth' National Planning Policy Framework (NPPF). Its current aim is that the NPPF will be finalised by the end of 2011. However in the meantime, specific national policies for economic development are set out in Planning Policy Statement 4: Planning for Sustainable Economic Growth.
- 2.8 **Planning Policy Statement 4** defines economic development as including B-class uses, public and community uses and main town centre uses as well as other uses which provide employment or generate wealth (excluding housing development). It confirms the Government's commitment to sustainable economic growth.
- 2.9 Policy EC1 sets out that evidence should be used to plan positively. At the local level this should include assessments of need for land or floorspace for economic development, including for all main town centre uses over the plan period; and of the existing and future supply of land for economic development. It sets out that such assessments should include existing site allocations particularly if they are for single or restrictive uses.
- 2.10 Policy EC2 sets out national policies relating to preparation of development plans. It outlines that these should set out a clear economic vision and strategy for the area which positively and proactively encourages sustainable economic growth. They should take account of expansion or contraction of existing business sectors, and identify and plan where possible for new or emerging sectors likely to locate in the area. However policies should be flexible enough to accommodate sectors not anticipated in the plan. Positive planning for the location, promotion and expansion of clusters or networks of knowledge-driven or high-technology industries is encouraged.

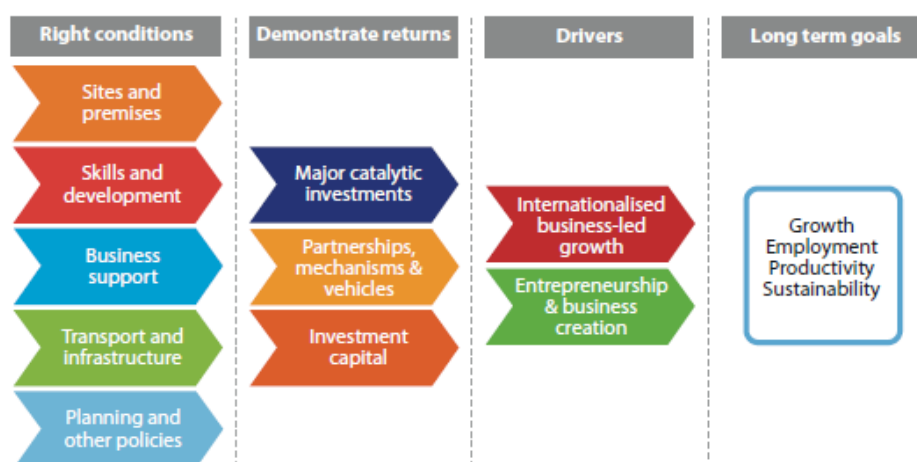
- 2.11 The policy sets out that plans should seek to make the most efficient and effective use of land, prioritising previously-developed land and vacant/ derelict buildings which are suitable for re-use. It also outlines that plans should address the delivery of sustainable transport and other infrastructure needed to support their planned economic development. It encourages the allocation or safeguarding of a range of sites to facilitate a broad range of economic development activities, including mixed use sites. Allocated sites however should have a reasonable prospect of their take-up during the plan period.
- 2.12 Office development is regarded within the PPS as a main town centre use. Policy EC5 sets out that sites for these uses should be considered using a sequential approach to site selection (prioritising locations within centres followed by edge-of-centre locations), and taking account of the impact of development sites on existing centres. Sites which best serve the needs of deprived areas are given preference.
- 2.13 National policy recognises that functional economies transcend local authority administrative boundaries. Responsibilities for coordinating economic development activities now rest with the newly-established **Local Enterprise Partnerships**.

COAST TO CAPITAL LOCAL ENTERPRISE PARTNERSHIP

- 2.14 Adur falls within the **Coast to Capital LEP** which covers West Sussex, Brighton & Hove, the Surrey authorities within the Gatwick Diamond and Croydon in South London. The LEP is focused on achieving private sector-led growth through a twin focus on enhancing enterprise and international growth.
- 2.15 The LEP's vision is to release the true private sector economic potential of the area by driving and spreading the benefits of an international trade-led growth strategy across the whole economy and through targeted business sectors. Backed by strong new business formation, especially those trading internationally, and relentless entrepreneurship, this strategy will transform business and economic performance.
- 2.16 Over the next 25 years this will require the investment of £5bn of private sector funds and the commitment and alignment of public sector resources and policies in a way that has not been seen before. This investment and the associated changes aim to:
- Increase GVA in the sub region by £1.3bn or by an average of 4% pa
 - Increase exports by £910m or by an average of 10% each year
 - Increase the number of private sector jobs by 100,000 over the 25 year period
 - Reduce dependence on public sector employment from 27% to 21% by end of the period

- Increase tax take by £162m each year throughout the period
- 2.17 The LEP has a 5-year target to create 900 businesses, 20,000 jobs and 4,000 additional export businesses.
- 2.18 The LEP intends to function by creating the right environment needed for businesses to flourish; bringing together private sector partners and investors and addressing barriers to stimulate private sector investment; setting a framework for delivery of public sector services (including business support); and directing investment in and strategic commissioning of services, studies and projects where appropriate. This framework has been scoped out as indicated below:

Figure 2.1: Activities of the Coast 2 Capital LEP



Source: LEP Bid to Government

LOCAL PLANNING POLICY FRAMEWORK

- 2.19 Existing policies for employment development are set out within the Adur District Local Plan. The Plan was adopted in 1996 and covers the period 1996-2006. A number of the policies have been 'saved' and these are considered herein.
- 2.20 The Local Plan defines the following employment sites within the District: Churchill and Commerce Way Industrial Estates (Lancing Business Park); Shoreham Airport; Dolphin Way, Shoreham-by-Sea; Fishersgate area; Ricardo; and Shoreham Harbour.

- 2.21 Policies within the Local Plan were geared around protecting and diversifying the local economy and promoting the District as a location for employers. The following objectives were set out:

Adur Local Plan: Key Objectives

- A. To promote adequate employment opportunities for the District's residents;
- B. To encourage retention of existing businesses and allow for their expansion;
- C. To encourage and promote new investment and the creation of new business;
- D. To encourage the diversification of employment opportunities;
- E. To encourage the redevelopment of outworn or unused sites within existing business areas;
- F. To provide business floorspace to meet Structure Plan requirements;
- G. To meet the needs of existing businesses;
- H. To encourage the relocation to business areas, of inappropriately located businesses within residential areas;
- I. To maintain and improve the viability and vitality of the town centres and shopping and commercial centres;
- J. To maintain the role of Shoreham Harbour as a commercial Port;
- K. To maintain the role of Shoreham Airport as a general aviation and historic airfield, and to recognise the needs of businesses requiring an Airport location.

- 2.22 In quantitative terms, employment land requirements for provision of 110,000 sq.m of floorspace for the period 1990-2006 (equivalent to 6,875 sq.m per annum) were derived from the West Sussex Structure Plan. However Policy AE1 which set out a quantitative requirement has not been saved.
- 2.23 Policy AE2 supports B1 and B2 uses on existing employment sites within the district, subject to suitable access, design and landscaping, but includes a provision limiting B2 development where this may impact on residential amenity. Policy AE4 supports redevelopment of existing employment sites for a mix of employment uses in use classes B1, B2 and B8.
- 2.24 Policy AE3 deals with office floorspace in the main town centres. It permits improvement or extension of premises in A2 or B1 use so long as there is no loss of residential accommodation or impact on residential amenity, there is sufficient on-site car parking and the scale and design are appropriate.
- 2.25 Policy AE7 recognises the primary function of Shoreham Harbour as a commercial Port, and restricts development within the Port boundary which might affect its operation as such or its economic viability. It identifies key issues relating to HGV traffic movements which impact on development potential. Policy AE8 in this context permits permanent development in some parts of the port which are unrelated to the commercial port where port-related uses are impracticable without unacceptable wider impact, or where wider benefits could be secured.

2.26 Policies AE10 – AE14 relate to Shoreham Airport. These support activities related to aviation and employment within the existing development area and land to the east of this. AE10 gives priority to aviation-related uses. AE11 supports development of hangars. AE13 supports development of Northbrook College. AE14 seeks to control noise and fumes emissions.

2.27 A number of allocations of land for employment use are made within the plan. Those which are saved comprise:

At Shoreham Harbour:

- Land on the South Side of the Canal (9.43 ha) for Port-related Uses (DP.AE6);
- Land on the North Side of the Canal (0.52 ha) for Port-related Uses (DP.AE7);
- Land on the North Side of the Canal (2.98 ha) for Port-related Uses (DP.AE8);

At Shoreham Airport:

- Land at Shoreham Airport (2.90 ha) for B1, B2 or B8 use or similar (DP.AE9);

Elsewhere in the District:

- Land at Dolphin Road, Shoreham-by-Sea (0.54 ha) for B2 use (DP.AE2);
- Land at Ropetackle, Shoreham-by-Sea (0.56 ha) for A2/ B1 use (DP.AE4);

2.28 Outside of existing industrial areas, Policy AE15 supports development of small buildings of 300 sq.m or less for B1 use within the built-up area where there is no loss of residential amenity, design and scale is appropriate and there is adequate parking. Policy AE16 supports alterations or improvements to existing business premises. Policy AE17 states that intensification of employment uses at Shoreham Beach will not be permitted where this is of detriment to the amenities and environment of residential properties, or leads to an increase in HGV traffic or pollution.

2.29 Outside of the built-up area, Policy AE18 deals specifically with the Ricardo site near Shoreham Airport. It supports expansion of provision so long as a number of conditions are met related to parking, landscape impact and the impact on the runway flight path.

3 ECONOMIC PERFORMANCE

ECONOMIC GEOGRAPHY

- 3.1 Adur District covers an area of 4,181 hectares between the urban areas of Brighton & Hove and Worthing on the South Coast. It is situated primarily on the coastal plain, with the South Downs National Park located to the north. It is a relatively small district, and contains the urban areas of Sompting, Lancing, Shoreham-by-Sea, Southwick and Fishersgate.
- 3.2 The district's geographical proximity to Worthing to the West and Brighton and Hove to the East means that its economy is closely inter-linked with those of its neighbours. This is borne out in travel to work patterns.
- 3.3 Figure 3.1 below indicates travel-to-work patterns to and from Adur District as recorded by the 2001 Census. 44% of working residents actually work within the District. There is a net out-flow of 5,900 people daily to work from the District. This largely reflects its proximity to larger towns/employment centres.

Figure 3.1: Travel to work patterns to and from Adur (2001)			
	Live in Adur work in...	Work in Adur, Live in .	Net flow out of Adur
Adur	11,843	11,843	0
Arun	497	807	-310
Brighton and Hove	6,144	3,417	2,727
Crawley	777	64	713
Horsham	950	791	159
Mid Sussex	609	287	322
Worthing	4,186	2,830	1,356
Rest of South East	1,280	875	405
London	619	56	563
All other regions	171	197	-26
Total	27,076	21,167	5,909
Total in/out migration for work	15,233	9,324	-
% self-containment	43.7%	56.0%	-

Source: 2001 Census (NB Figures exclude people working abroad or off-shore)

- 3.4 Commuting flows are however relatively short distance, with 82% of residents working within either Adur, Worthing or Brighton and Hove. 9% of residents commuted to the Northern West Sussex Districts (Horsham, Crawley and Mid Sussex) with 2% of residents commuting to London.

3.5 The Office for National Statistics has used commuting information at a national level to define functional travel to work areas. As Figure 3.2 (adjacent) indicates, Adur spans two travel to work areas, with the west of the District (Lancing

Figure 3.2: 2001 Travel to Work Areas



and Sompting) relating more to Worthing; and the east (Shoreham and Fishersgate) to Brighton.

3.6 We have therefore sought to analyse herein, where possible, economic performance and drivers across this wider area including Worthing and Brighton & Hove. Comparisons are also provided where relevant to West Sussex, the South East region and national performance.

ECONOMIC OUTPUT & PRODUCTIVITY

3.7 The South East's economy is the second largest following London with total gross value added (GVA) of £175 billion in 2009 representing 14.3% of the UK economy. Productivity, measured as GVA per head, was 5% above the UK average. West Sussex is a £15.7 billion economy representing 8.7% of the wider South East economy in 2008. The relative size of West Sussex's economy is however shrinking: it has declined from 9.1% in 2000.

3.8 The indication is that the performance of West Sussex's economy is slipping relative to other parts of the South East. This is also borne out in evidence of productivity: GVA per head in West Sussex has declined from 8% above the national average in 2002 to 3% below it in 2008: a drop of 11 percentage points. It indicates that other parts of the region have been performing more strongly, in relative terms.

3.9 Statistics on GVA are not published at a district level, however we can use workplace earnings as a proxy to provide information on relative productivity across the County. Average

workplace earnings in Adur in 2010 were 12% below the West Sussex average compared to 9% below in 2008 and 4% above in 2000. They stood in 2010 at 16% below the national average and 20% below the South East average; and against each, the District's relative performance has slipped. Workplace earnings point to productivity 12% below levels in Brighton and Hove and 7% below those in Worthing.

EMPLOYMENT TRENDS

- 3.10 There are an estimated 19,500 jobs in Adur in 2009 representing 10% of jobs in the Adur-Brighton-Worthing area and 6% of jobs in West Sussex.

Figure 3.3: Total Employment, 2009

	Total Employment
Adur	19500
Adur-Brighton-Worthing	187200
West Sussex	354400
South East	3913500
England & Wales	25442100

Source: Business Register and Employment Survey

- 3.11 ONS estimates that total jobs in Adur District increased from 21,000 in 2000 to a peak of 24,000 in 2005 before falling to 22,000 in 2008. The district has a jobs density in 2008 of 0.58. This represents a ratio of 0.58 jobs to population of working-age. Employment within Adur would need to increase by 8,000 to achieve a jobs density equivalent to the national average (0.80).

Figure 3.4: Jobs Density, 2008

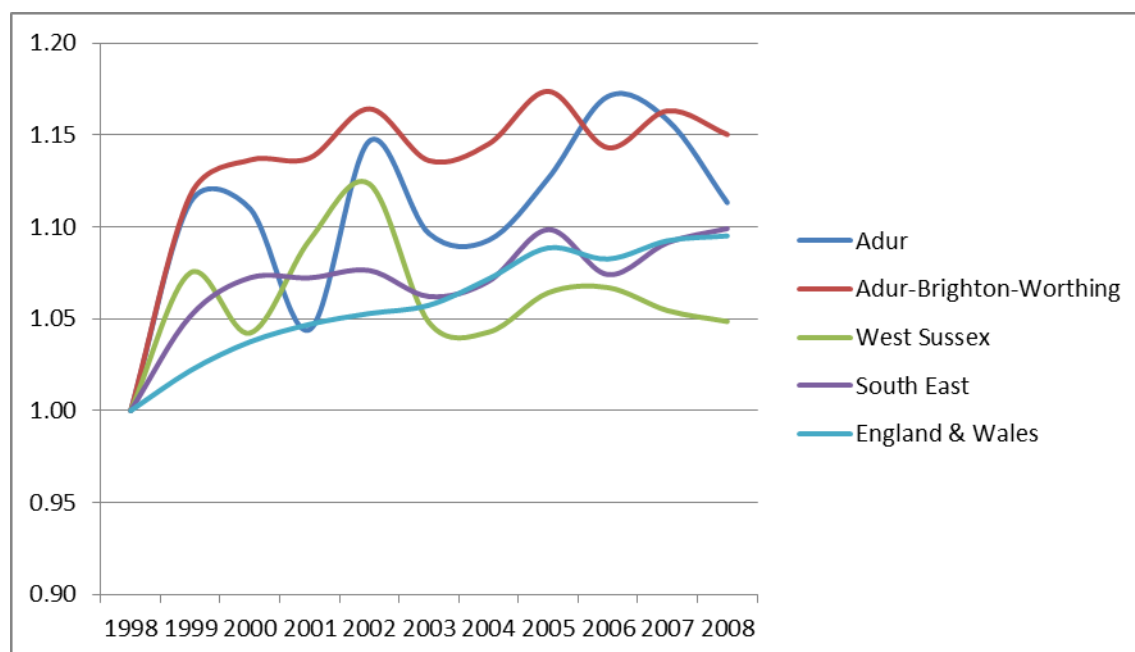
2008	Total Jobs	Jobs Density
Adur	22,000	0.58
West Sussex	389,000	0.80
South East	4,396,000	0.82
England & Wales	27,966,000	0.79

Source: NOMIS

- 3.12 Over the decade to 2008, employee jobs increased by 11% in Adur compared to 10% at the regional and national levels. This was stronger than the 5% growth recorded across West Sussex and 10% at national and regional levels. Brighton and Hove however witnessed particularly strong growth in this period, with employee jobs increasing by 21%. Total employment in Adur increased by 12% over this period².

² Cambridge Econometrics

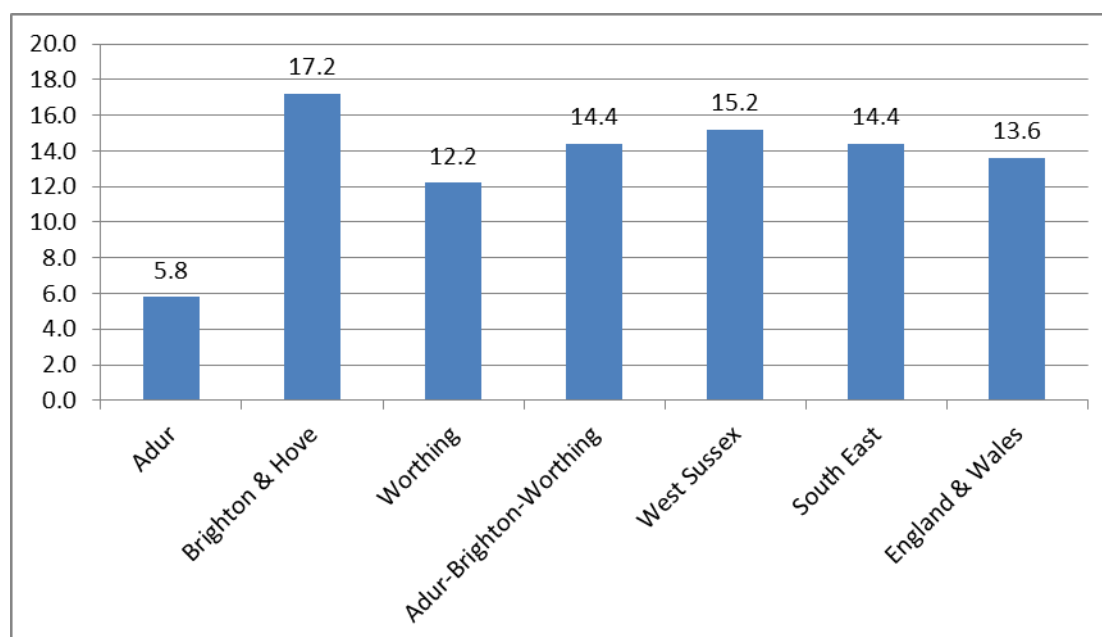
Figure 3.5: Change in Employee Jobs, 1998 – 2008



Source: Annual Business Inquiry

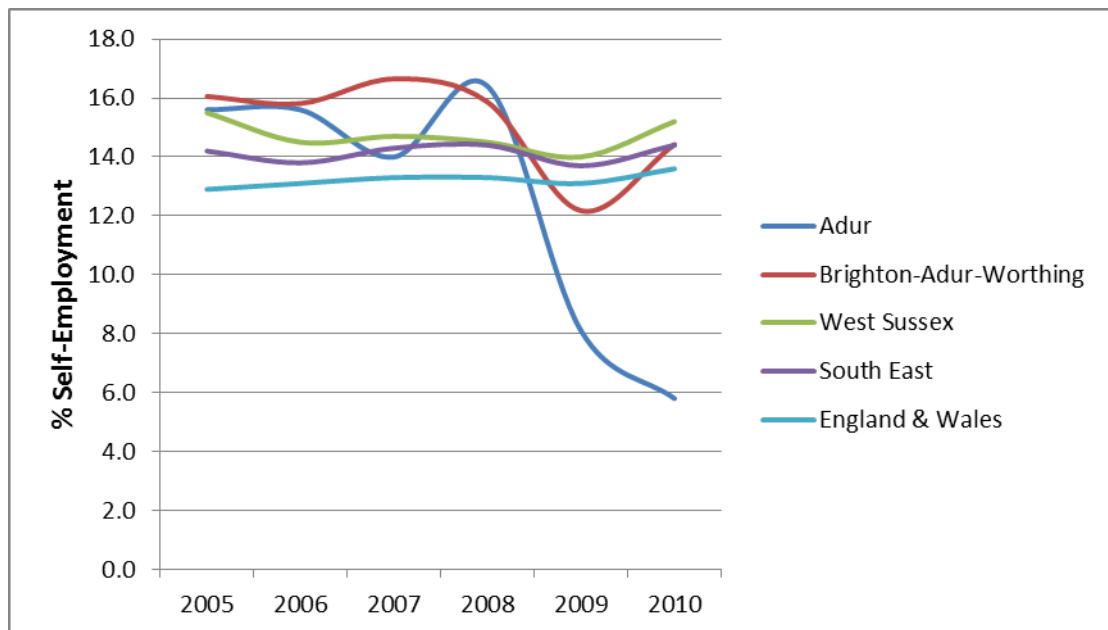
- 3.13 Levels of self-employment in Adur are comparatively low at 1600 persons or 5.8% of total persons in employment. They also appear to have been hit hard by the recent economic recession, as Figure 3.7 indicates.

Figure 3.6: Self-Employment, 2009



Source: Annual Population Survey

Figure 3.7: Trends in Self-Employment



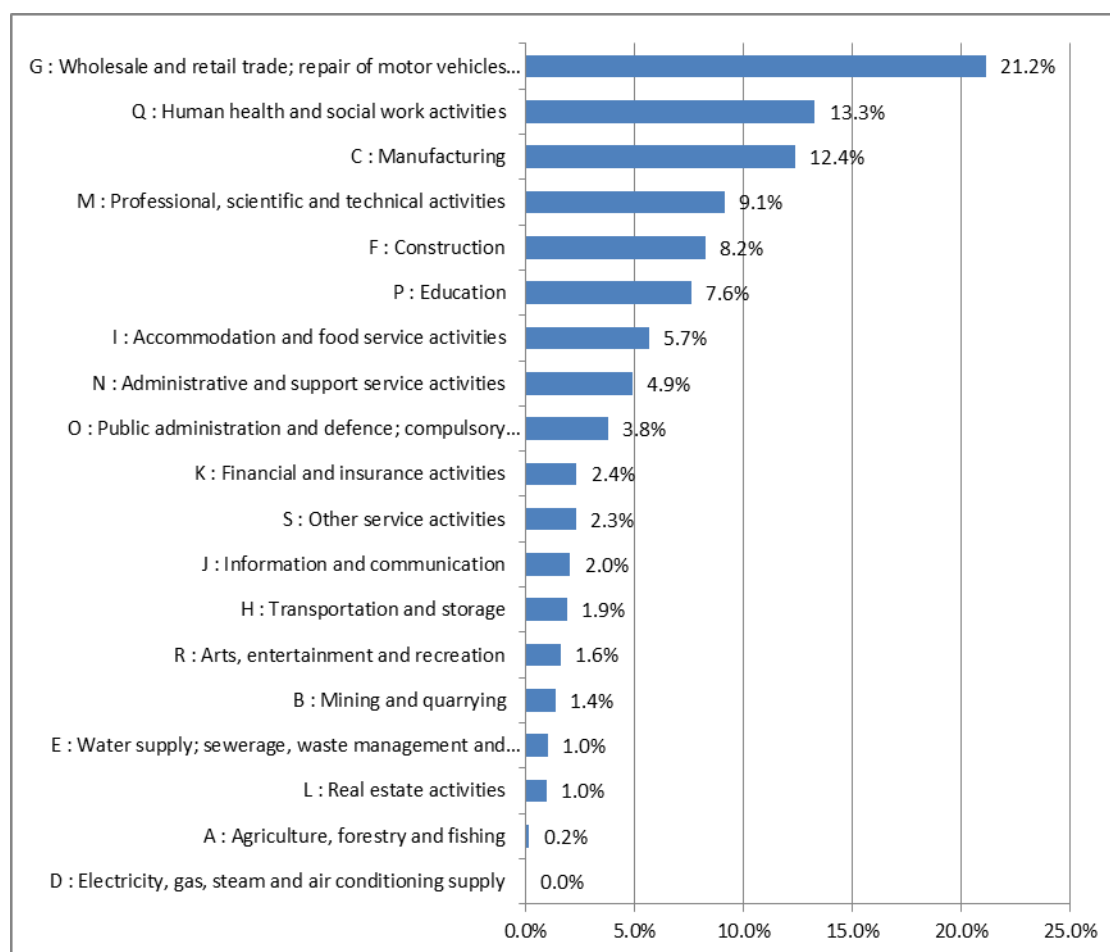
Source: Annual Population Survey

- 3.14 It is unclear why self-employment has dropped to this extent. A split of self-employment by sector from the Annual Population Survey is not available due to sample sizes and indeed because of the small sample size we would attach limited weight to the statistics.
- 3.15 The 2001 Census indicated that those sectors with the largest numbers of self-employed persons were construction, retail/car repair, real estate and business activities and manufacturing. However in proportional terms, self-employment is highest in fishing, construction and agriculture.

SECTORAL STRUCTURE

- 3.16 Figure 3.8 indicates the structure of employment in Adur. The largest sectors in terms of total employment are 'wholesale, retail and vehicle repair' which accounts for 21% of total employment, health (13%), manufacturing (12%) and professional, scientific and technical activities (9%).

Figure 3.8: Employment Structure, 2009



Source: Business Register & Employment Survey, 2009

3.17 Relative to the South East as a whole, Adur has a concentration of employment in mining and quarrying (relating to activities at Shoreham Harbour), in the manufacturing sector, in utilities and waste management, and in wholesale/retail and car repair. Employment is also marginally above average in professional, scientific and technical occupations; and in healthcare.

3.18 Drilling down to analyse the economic structure at a sub-sector level (based on 2-digit Standard Industrial Classification (SIC) codes) we find that the District has a concentration of employment in the following sectors which contain more than 100 employees:

- Other mining and quarrying (reflecting aggregates activities at Shoreham Harbour);
- Manufacture of machinery and equipment;
- Manufacture of furniture;
- Printing and reproduction of recorded media;

- Architecture and engineering activities;
- Manufacture of food products;
- Civil engineering;
- Manufacture of rubber and plastic products;
- Other manufacturing;
- Waste collection, treatment & disposal.

3.19 In each of the above sectors, the District has a location quotient of 1.5 or more relative to the South East region, indicating that it has a 50% higher proportion of employment in the sector or more than is the case at the regional level.

3.20 The size of the district however means that many of the above sectors are considered significant due to the presence of a single or limited number of larger businesses or activities. We have therefore expanded the analysis to consider in which sectors there is a concentration of employment across the wider Adur-Brighton-Worthing area. This indicates the following sectors in which the area has a specialism in terms of the relative concentration of employment:

- Manufacture of pharmaceutical products (LQ 5.38);
- Other mining and quarrying (LQ 2.92);
- Manufacture of wearing apparel (LQ 3.12);
- Travel Agency & Tour Operators (LQ 2.54);
- Electricity, gas, steam & air conditioning supply (LQ 2.52);
- Financial services activities (LQ 2.32);
- Creative, arts and entertainment activities (LQ 2.29);
- Gambling & Betting Activities (LQ 2.27);
- Waste collection, treatment and disposal (LQ 1.86); and
- Motion picture, video and television programme production (LQ 1.63).

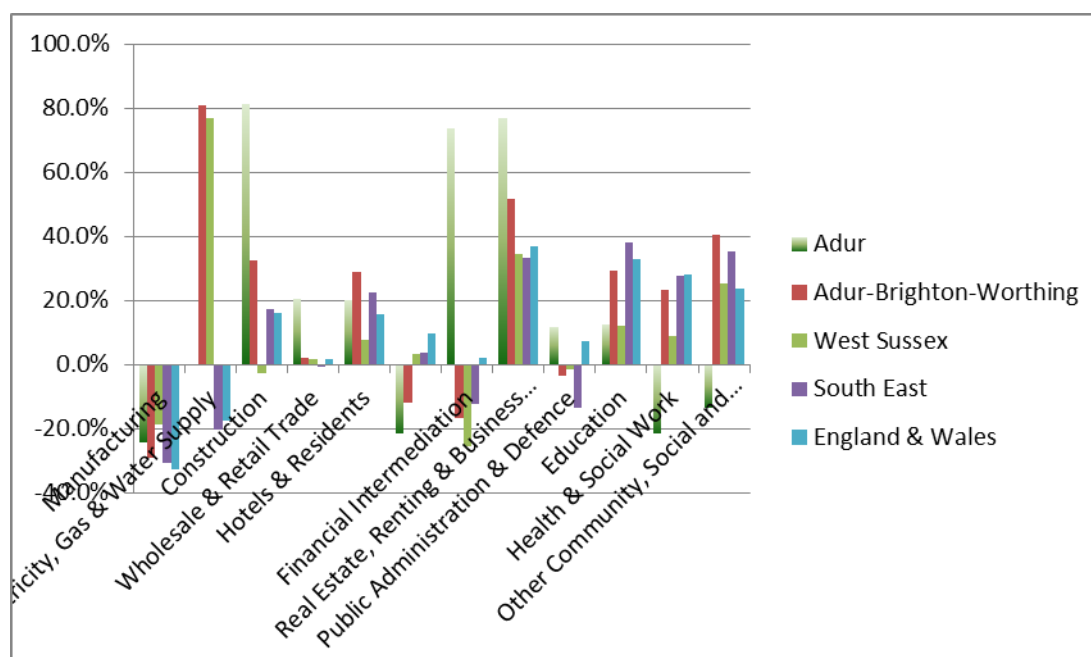
3.21 The analysis highlights the continuing importance of the tourism industry to the economy of the area, and the strength of Brighton as a hub for the creative industries³. The profile is however again influenced by the presence of a number of larger employers, such as GSK (pharmaceuticals) and Lloyds TSB (financial services) in Worthing and American Express in Brighton. In addition to these predominantly service-based activities there is however a number of specialist economic activities related to the import of aggregates, waste management and energy generation (influenced in part by activities on employment sites in Adur).

³ Motion picture, video and television production, and creative, arts and entertainment activities both fall within the wider definition of 'creative industries'

- 3.22 A number of previous studies have sought to examine sectors/ clusters with growth potential. Brighton & Hove's Business Retention and Inward Investment Strategy (GVA Grimley, 2009) identifies key sectors to be protected and nurtured as: food and drink manufacture; high-tech manufacturing; financial services; computer and related activities (particularly gaming); creative industries and retail. The Shoreham Harbour Economic Development Strategy (Shared Intelligence, May 2009) identified growth potential in other sectors, comprising: culture and creative industries; tourism; retail; business services; and environmental technologies.
- 3.23 Drawing together our own economic analysis with other research, including the Shoreham Harbour Economic Regeneration Strategy and Brighton & Hove Business Retention and Investment Strategy, we consider that the following represent potential economic opportunities:
- Port-related Activities: potential for growth in port throughput as identified in the Shoreham Port Masterplan. Creation of up to 200 net additional jobs;
 - Food and drink manufacture – there are a number of businesses across sub-region, including within Adur; however we would expect additional job creation to be moderate given the location with respect to markets and 180° local catchment;
 - Lifesciences – there are a number of major employers in this area, including Novartis in Horsham and GSK in Worthing. This is a key growth sector identified in Government's Plan for Growth. However there are limited opportunities for significant inward-investment in Adur, given the scale and prestige of sites available in the District, and impacts are likely to be limited smaller scale spin-offs;
 - High-tech manufacturing – opportunities building on skills that exist, and spin-offs from existing firms such as Ricardo who are involved in design, development and research of internal combustion engines and systems at Shoreham;
 - Construction – A sector which is expected to pick-up post-recession and see growth in jobs. Shoreham Harbour provides a key service for import of aggregates for use in the construction industry. Adur can play a role in the supply chain for the construction industry across West Sussex;
 - Environmental Technologies – the sustainability agenda is likely to drive requirements. Growth potential is likely to include waste issues, in which there is an established presence;
 - Retail – opportunities for new retail jobs linked to growth of Shoreham Town Centre, particularly in the food sector, although recognising competition from nearby larger, higher-order centres.

3.24 Figure 3.9 indicates changes in employee jobs by sector in the pre-recession decade, 1998-2008. Employee jobs in the manufacturing sector declined by 24%, with job losses also in health and social work (-22%), transport, storage and communications (-21%) and other community, social and personal service activities (-13%). Employment growth was strongest in real estate, renting and business activities (+ 1,400 jobs), wholesale/retail trade (+ 700 jobs) and construction (+ 600 jobs). Financial intermediation also grew strongly in proportional terms (74%).

Figure 3.9: Change in Employment by Sector, 1998 – 2008



Source: Annual Business Inquiry

3.25 We have drilled down to analyse this information at 2-Digit SIC level. This indicates that the largest employment growth in absolute terms has been in other business activities (which comprises a number of mainly office-based employment activities)⁴, construction and computer and related activities; all of which saw growth in employment of over 500 jobs between 1998-2008. In proportional terms, employment growth was greatest in other mining and quarrying (activities predominantly at Shoreham Harbour); sewage and refuse disposal; and insurance and pension funding.

⁴ This sector includes legal services, accountancy and tax, management and business consultancy market research and management of holding companies

Figure 3.10: Employment Change, 1998 – 2008 – Growing Sectors

	Adur		A-B-W	West Sussex	South East
74 : Other business activities	800	56%	42%	29%	32%
45 : Construction	600	81%	33%	-3%	17%
72 : Computer and related activities	500	297%	131%	84%	52%
51 : Wholesale trade and commission trade	300	36%	4%	-8%	-8%
52 : Retail trade; repair of personal and household goods	300	11%	5%	2%	5%
80 : Education	200	13%	29%	12%	38%
55 : Hotels and restaurants	200	20%	29%	8%	22%
14 : Other mining and quarry	200	3825%	135%	8%	-38%
50 : Sale and repair of motor vehicles; and automotive fuel	200	47%	-16%	28%	-7%
15 : Manufacturing of food and beverages	100	206%	15%	-23%	-33%
66 : Insurance and pension funding	100	936%	-35%	-49%	-44%
60 : Land transport; transport via pipelines	100	72%	89%	27%	9%
90 : Sewage and refuse disposal	100	2233%	-52%	10%	45%
75 : Public administration and defence	100	12%	-4%	-1%	-14%
71 : Renting of machinery and equipment	100	67%	-11%	2%	2%

Source: Annual Business Inquiry

3.26 Looking at the Adur-Brighton & Hove-Worthing area more widely, the strongest employment growth in the decade to 2008 was in other business activities, health, education, tourism/leisure, and computing/IT.

Figure 3.11: Sectors with Significant Employment Growth in Adur-Brighton-Worthing, 1998-2008

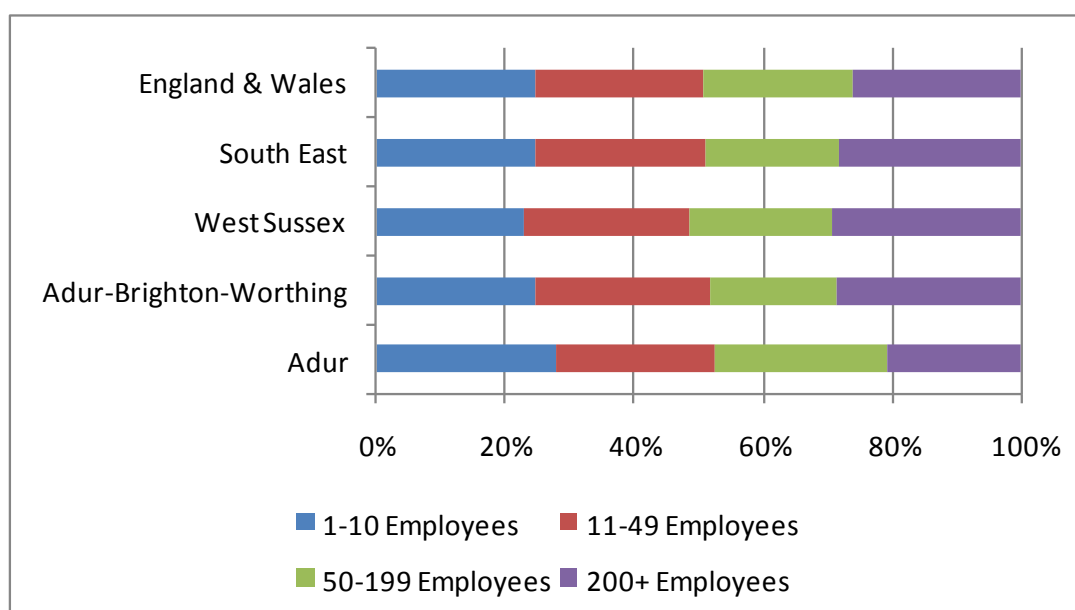
Adur-Brighton & Hove & Worthing	Employment Growth 1998-08	LQ vs South East
74 : Other business activities	7000	0.96
85 : Health and social work	5500	1.39
80 : Education	4600	1.13
55 : Hotels and restaurants	3300	1.18
92 : Recreational, cultural and sporting activities	3000	1.21
72 : Computer and related activities	2900	0.71
60 : Land transport; transport via pipelines	1400	1.04
45 : Construction	1400	0.68
70 : Real estate activities	1100	0.94
52 : Retail trade; repair of personal and household goods	900	1.09
67 : Activities auxiliary to financial intermediation	900	0.93
40 : Electricity, gas, steam and hot water supply	600	3.40
91 : Activities of membership organisations nec	600	1.19
93 : Other service activities	400	0.94

73 : Research and development	400	0.29
41 : Collection, purification and distribution of water	200	1.14
01 : Agriculture, hunting and related service activities	210	0.46

Source: Annual Business Inquiry

- 3.27 Adur contains less businesses with over 200 employees in comparison with the wider sub-region, county or regional economy, with these businesses accounting for 21% of total employment in the District. It has an above average proportion of businesses with 1-10 employees (28%) and 50-199 employees (26%).

Figure 3.12: Employment by Company Size Band

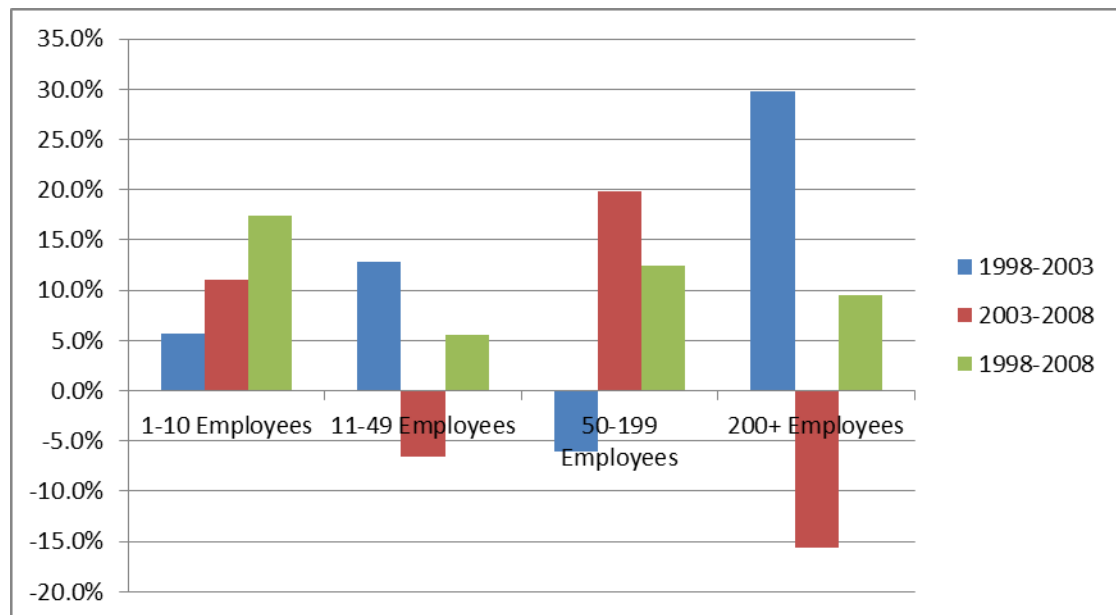


	1-10 Employees	11-49 Employees	50-199 Employees	200+ Employees
Adur	27.8%	24.8%	26.4%	20.9%
Adur-Brighton-Worthing	24.7%	27.0%	19.5%	28.8%
West Sussex	22.8%	25.6%	22.1%	29.5%
South East	24.6%	26.4%	20.8%	28.2%
England & Wales	24.6%	26.2%	22.9%	26.3%

Source: Annual Business Inquiry

- 3.28 Considering changes in employment by company size band, while employment grew in the decade to 2008 in all sizes of company, the strongest growth in employment was in small businesses of 10 employees or less in relative terms.

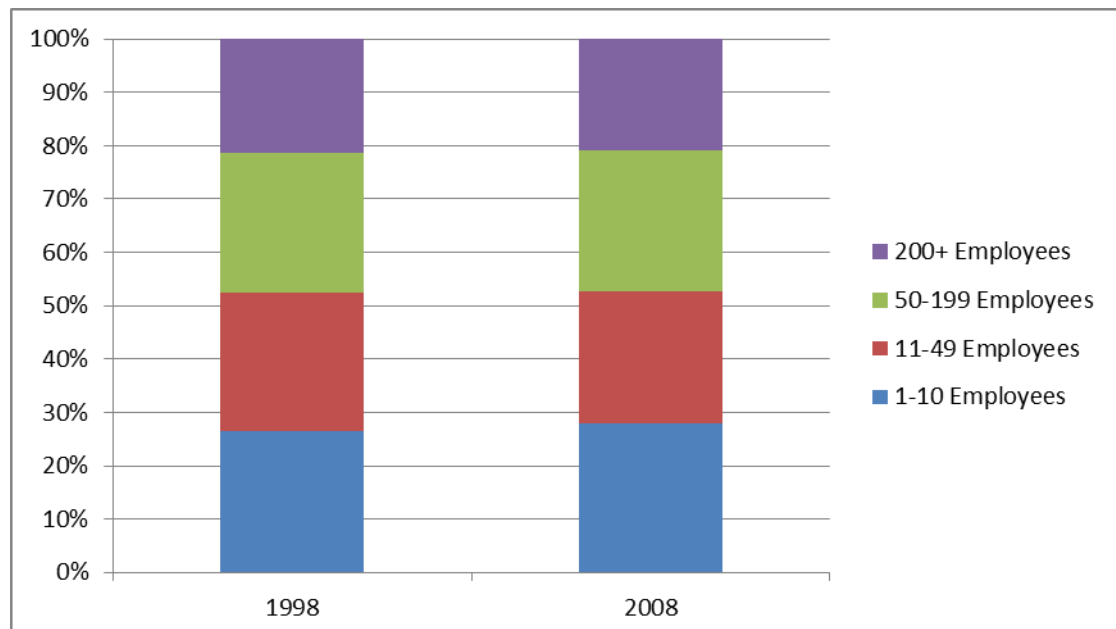
Figure 3.13: Change in Employment by Company Size



Source: Annual Business Inquiry

- 3.29 The structure of employment by different sizes of company changed only very moderately over the decade to 2008, with a slight growth in the proportion of employment in businesses with 10 or less employees.

Figure 3.14: Structure of Employment by Company Size Band, 1998 & 2008

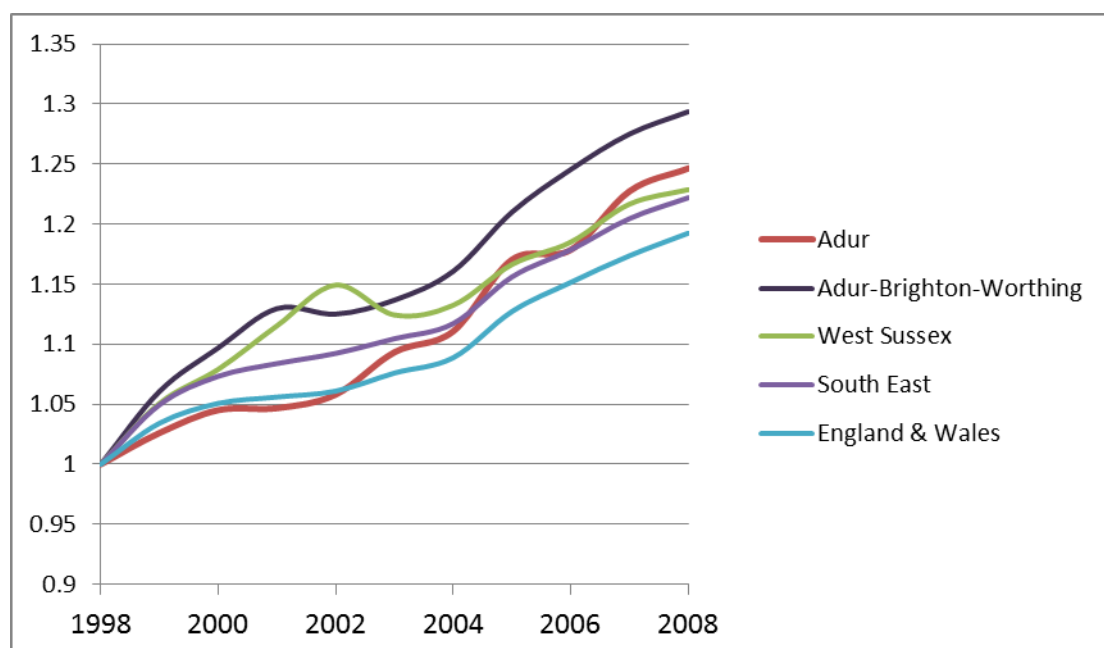


Source: Annual Business Inquiry

BUSINESS BASE

- 3.30 There were approximately 2,300 businesses in Adur District in 2008. This represented 6.3% of businesses within West Sussex and 11.5% of those within the Adur-Brighton-Worthing area.
- 3.31 The business base in Adur grew by 25% between 1998-2008 which was above average for West Sussex (23%) and the South East (22%). It was above levels of growth in Worthing (23%), but below those in Brighton and Hove (32%).

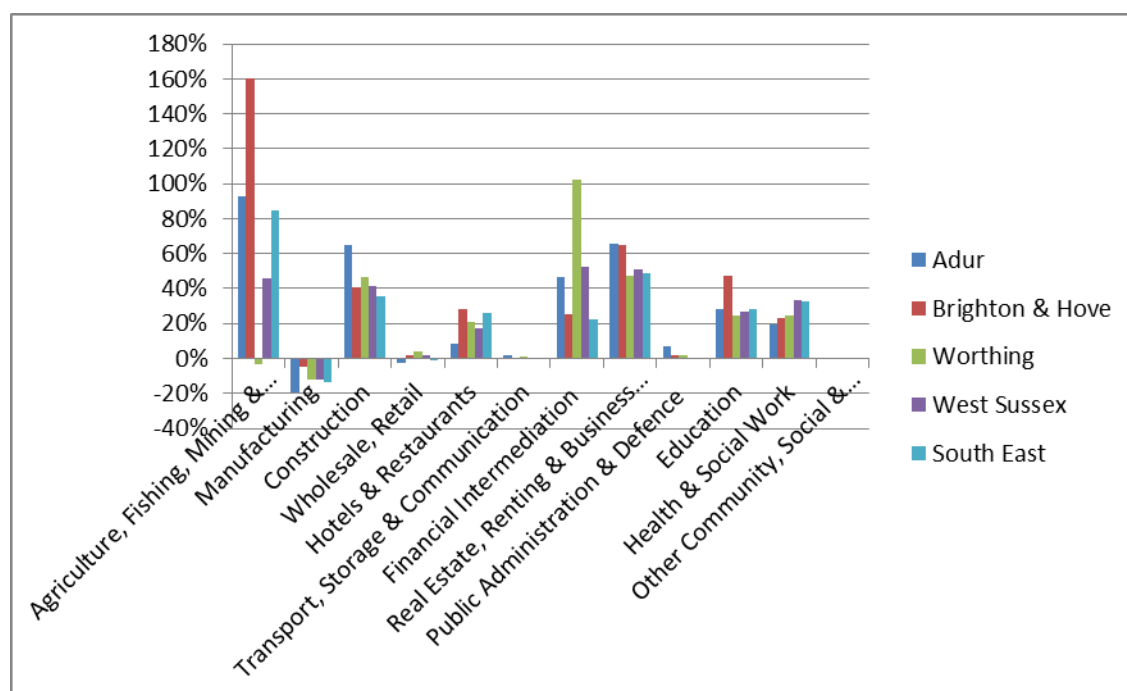
Figure 3.5: Changes in the Business Base, 1998 – 2008



Source: Annual Business Inquiry

- 3.32 We have analysed changes in the business base by sector. This indicates that Adur has seen above trend growth in agriculture, fishing, mining and quarrying. This includes activities likely to take place at Shoreham Harbour. It has also seen strong growth in the business base in the construction sector; and in real estate, renting and other business activities. The business base in these sectors grew in areas across West Sussex and the South East as well in the pre-recession decade, but appears to have grown more strongly in Adur. In contrast there was a notable reduction in manufacturing businesses over this period, with losses of a greater degree than across the County and South East region.

Figure 3.6: Changes in the Business Base by Sector, 1998 – 2008



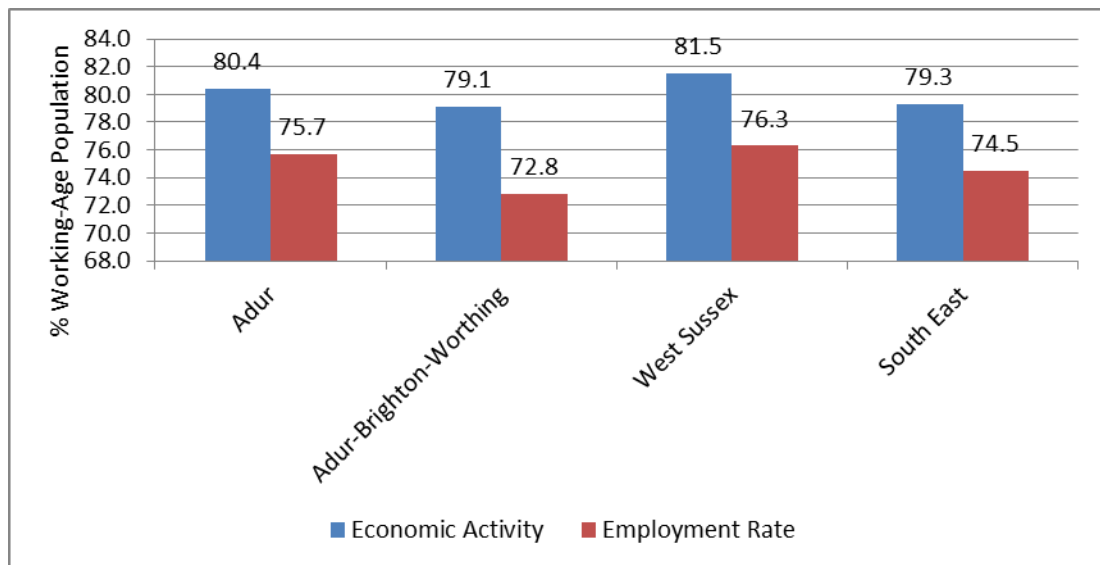
Source: Annual Business Inquiry

LABOUR MARKET

- 3.33 Adur District had an estimated resident population of 61,300 in 2009 of which 37,300 were of working-age defined as 16-64 representing 60.8% of the population⁵. Adur's population increased by 4.2% over the decade to 2009.
- 3.34 While economic activity, the proportion of the working-age population in or seeking work, has fallen, it remains above average compared to neighbouring boroughs and the region at 80% although it is slightly below average for West Sussex.

⁵ ONS 2009 Mid Year Population Estimate

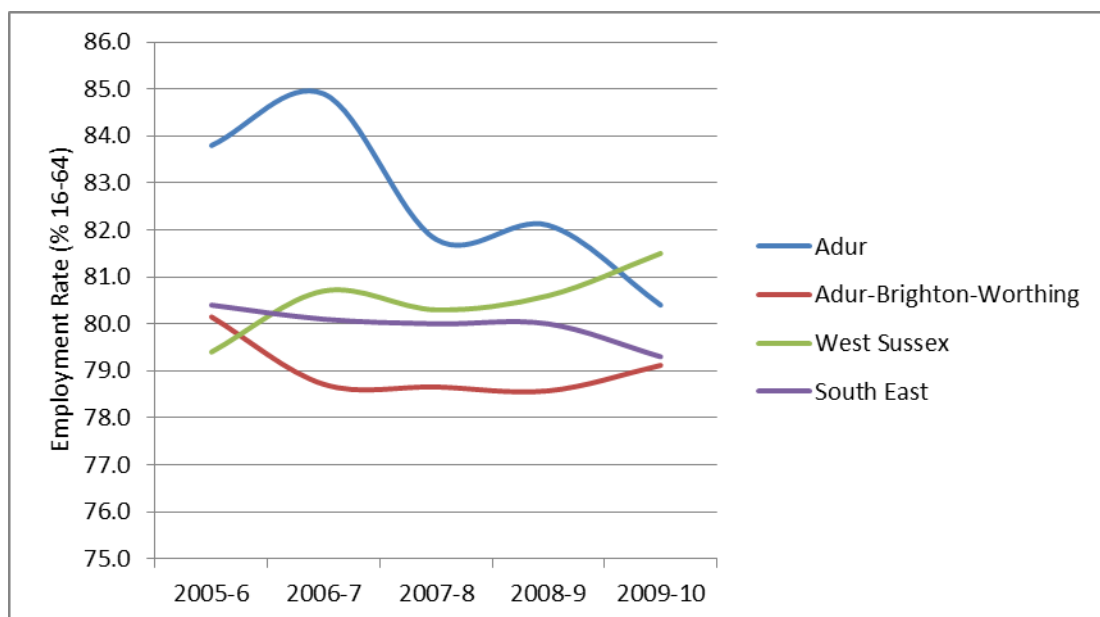
Figure 3.8: Economic Activity & Employment Rates



Source: Annual Population Survey (Oct 2009 – Sept 2010)

- 3.35 Economic activity rates in Adur have however fallen notably during the recent recession: they have fallen from 84-85% to 80%. This contrasts to moderate growth across West Sussex. We estimate that the size of the labour force in Adur has declined by around 1,500 people over this 5-year period.

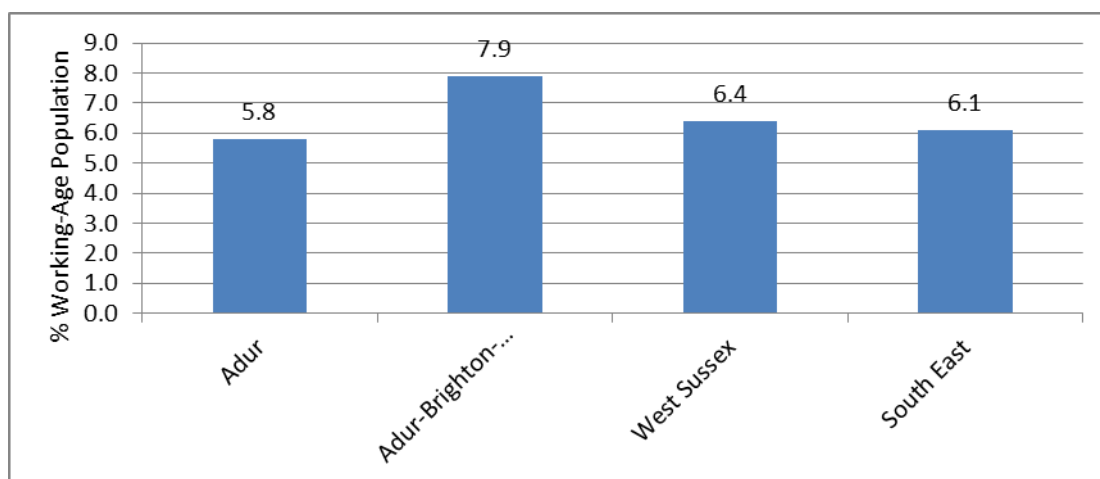
Figure 3.9: Changes in Economic Activity



Source: Annual Population Survey (Oct 2009 – Sept 2010)

- 3.36 Overall, unemployment remains very similar to the South East average at 5.8% of the working-age population according to data from the Annual Population Survey for the year to September 2010. This is below the 7.4% recorded in Worthing and 8.6% in Brighton and Hove as well as West Sussex average.
- 3.37 The latest data for the year to December 2010 indicated unemployment of 6.5% in Adur: above the 6.0% recorded across the South East region.
- 3.38 The evidence suggests that job losses in Adur have resulted in a higher number of people withdrawing from the labour force and becoming economically inactive, as opposed to seeking alternative employment opportunities. Economic inactivity has increased.

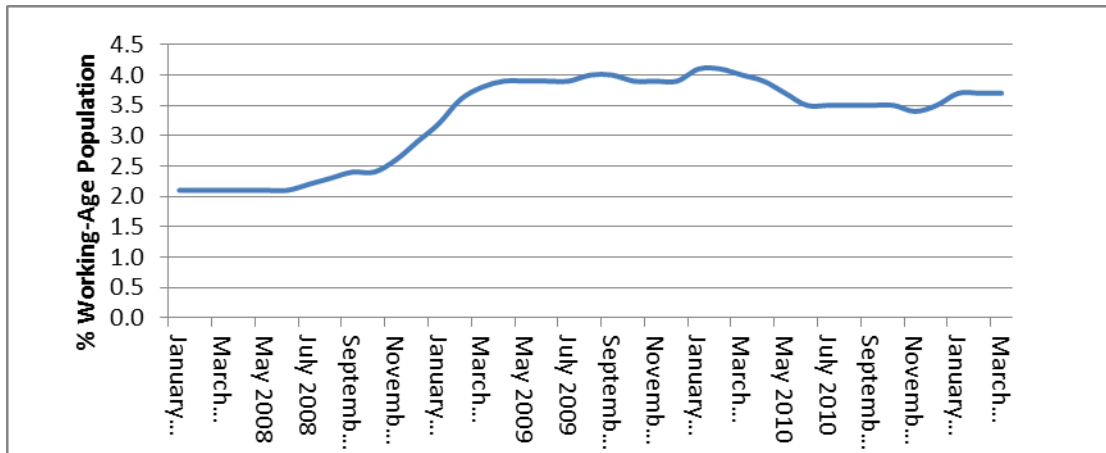
Figure 3.10: Unemployment, 2009-10



Source: Annual Population Survey (Oct 2009 – Sept 2010)

- 3.39 Looking in more detail at unemployment claimants, as a sub-set of total unemployment, the claimant count in Adur increased from 2.1% in Spring 2008 to near 4% over the subsequent year. The claimant count remained at this level between March 2009 – March 2010, but fell to 3.5% in June 2010 and remained around this level for the remainder of the year. It increased in early 2011 to 3.7%. The latest data for June 2011 recorded the claimant count at 2.5%.

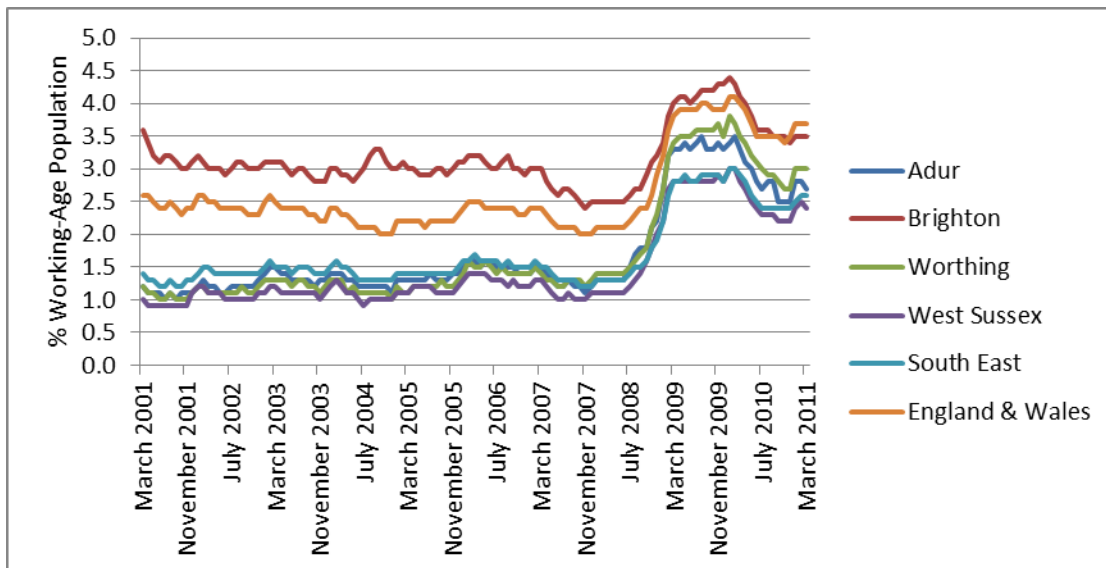
Figure 3.11: JSA Claimant Count, Adur



Source: NOMIS

- 3.40 As the Figure below shows, the claimant count in Adur has closely tracked the trend across West Sussex more widely. It has consistently remained below levels in Brighton and Hove (particularly) and Worthing.

Figure 3.12: JSA Claimant Count



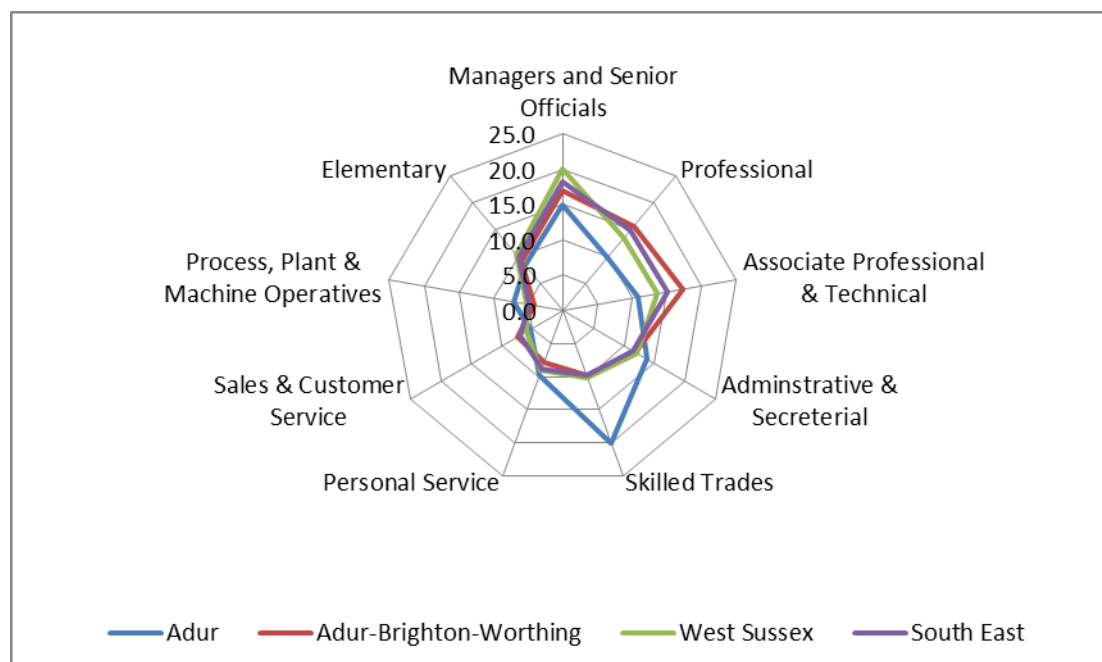
Source: NOMIS

- 3.41 A total of 10.6% of the working-age population in Adur as at August 2010 were in receipt of key out-of-work benefits, compared to 8.7% across the South East but 12.3% nationally.

3.42 Wider research⁶ also suggests that Adur has the highest levels of young people not in education, employment or training (NEET) at 8% of 16-19 year olds in West Sussex.

3.43 The resident occupational structure of Adur differs notably from wider areas, with a high proportion of residents employed in skilled trade occupations (influenced by construction and manufacturing employment in the district) and a notably low proportion employed in higher skilled managerial, professional and associate professional occupations. While 50% of residents in employment across the Adur-Brighton-Worthing area are employed in these higher order occupations (and 48% at the regional level), the proportion in Adur is significantly lower at 36%. In contrast 20% of the workforce is employed in skilled trades – double that across the wider areas examined.

Figure 3.13: Occupational Structure

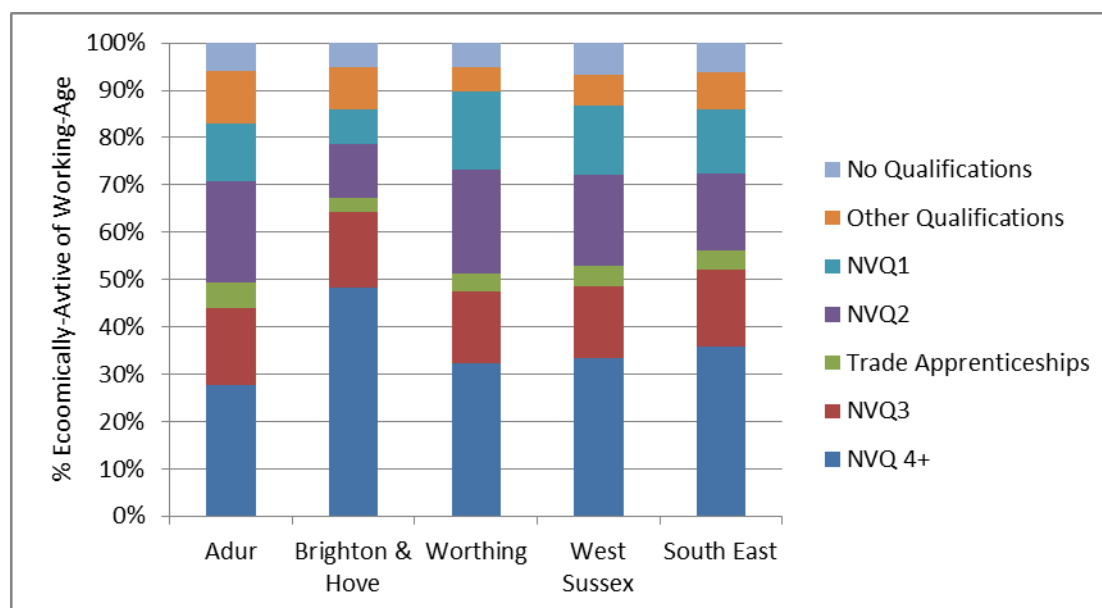


Source: Annual Population Survey (2009-10)

3.44 The occupational profile is influenced by and reflected in the qualifications profile of the resident workforce. A higher proportion of residents than average have NVQ2 skills (22% compared to 19% across West Sussex and 16% regionally) and have trade apprenticeships (5% compared to 4% at county/regional levels). In contrast, a lower proportion of residents have qualifications at NVQ4 or above (degree level or equivalent) at 28% compared to 33% across West Sussex, 36% at the regional level and a substantial 48% in Brighton and Hove.

⁶ West Sussex County Council NEET Strategy 2009-11

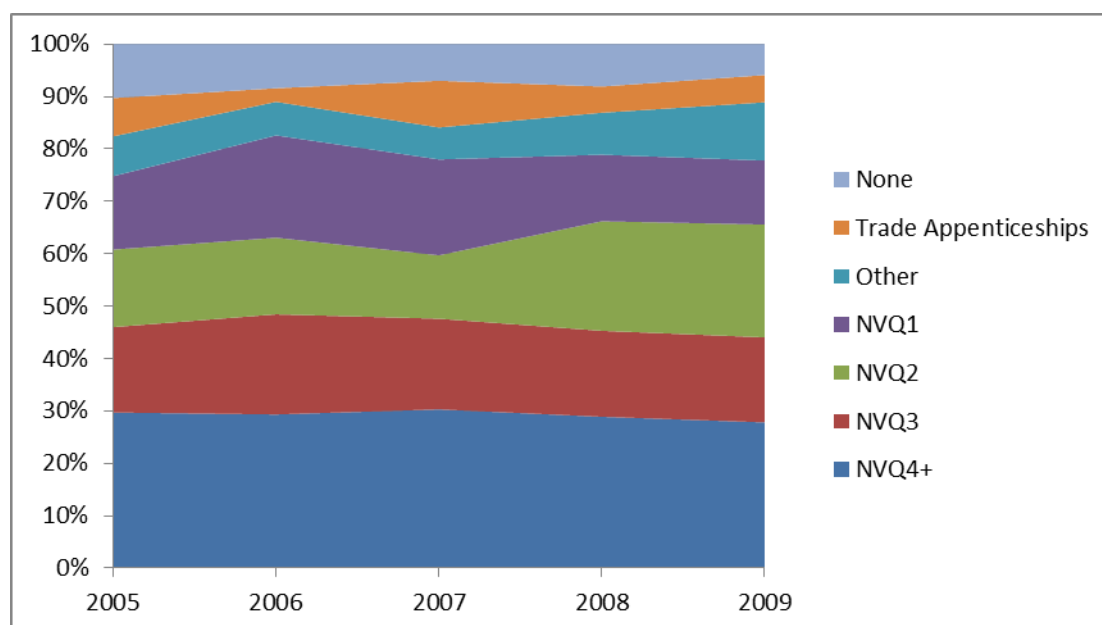
Figure 3.14: Qualifications, 2009



Source: Annual Population Survey, 2009

- 3.45 Over the period 2005-9, there has been a growth in the proportion of the population with NVQ2 qualifications and other qualifications, and a steady decline in the proportion with no qualifications and NVQ1 level skills. While the qualifications profile has been improving, the proportion of people with degree-level skills or equivalent has not grown.

Figure 3.15: Profile of Qualifications in Adur District, 2005-9



Source: Annual Population Survey

- 3.46 Influenced by the skills of the workforce and types of jobs available locally, earnings of Adur residents on average are -25% below the South East average and -19% below average for West Sussex.

Figure 3.16: Weekly Earnings, 2010 (Residence-based)

	Gross Weekly Pay	% Above/ Below South East
Adur	£408.9	-25%
Brighton & Hove	£522.6	-5%
Worthing	£448.8	-18%
West Sussex	£504.6	-8%
South East	£547.8	0%
England and Wales	£503.6	-8%

Source: Annual Survey of Hours and Earnings, 2010

Strengths, Weaknesses, Opportunities and Threats

- 3.47 We can summarise the above economic assessment by identifying relative strengths, weaknesses, opportunities and threats for the Adur economy.

<p>Strengths</p> <ul style="list-style-type: none"> - Relatively strong growth in business base in pre-recession decade - Strong economic activity levels, although have fallen notably through recession 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Productivity is relatively low and has been declining - Low jobs density with net out-commuting - Low self-employment, with evidence that this has fallen notably through recession - Lower skills focus, with low levels of population with NVQ4+ skills and no evident growth in these - High levels of young people not in education, employment or training - Low incomes
<p>Opportunities</p> <ul style="list-style-type: none"> - Growth potential in a number of manufacturing activities, some of which are higher value - Growth potential in environmental technologies sector (including waste/recycling) as well as construction and retail 	<p>Threats</p> <ul style="list-style-type: none"> - Competition from surrounding larger urban areas with more developed commercial market - Limited supply of land and floorspace

4 COMMERCIAL MARKET PERFORMANCE

- 4.1 This section provides an assessment of the performance of the office and industrial property markets in Adur District and surrounding areas. It considers demand and supply trends for office, industrial and warehouse/distribution floorspace.

MACRO-ECONOMIC CONTEXT

- 4.2 Much has been written over the past couple of years about the economic outlook and it is widely known that the UK economy, as well as most of the major global economies, has experienced a significant downturn over recent years in the most severe recession for a generation. This has had an inevitable impact on all sectors of the property market, both in terms of occupier and investor demand, and development. Many planned schemes have been mothballed as developers and investors have struggled to create viability in a falling market, with limited credit available.
- 4.3 Economic conditions slowly improved through the first half of 2010 with GDP returning to moderate growth of 0.3% for the first quarter of 2010 and 1.2% in the second quarter. The last quarter of 2010 saw a return to negative growth, as the economic recovery faltered in the face of high inflation, cuts in Government spending. There has been some recovery in early 2010 but this has been moderate and suggests that the economy overall has been flat lining.
- 4.4 Current economic forecasts vary considerably with the various indicators being difficult and unpredictable to read. Underlying economic conditions remain weak, and the current recovery fragile. Inflation remains above the Government target of 2%, and the risk of increasing inflation remains high, which may result in rising interest rates which could have far reaching consequences on the cost of borrowing, which could have particularly significant implications for the property market.
- 4.5 During 2010 prime commercial property saw a relatively healthy recovery in values, particularly in London and the key regional cities, with rents rising, investment yields hardening and occupier demand growing, partly driven by a lack of high quality new build space coming to the market. This recovery in the prime markets has not been reflected in the secondary markets however, with values, rents and demand still struggling to return to growth outside the prime areas.
- 4.6 The future remains uncertain however with some analysts predicting continued GDP growth, whilst others fear a double dip recession and a return to negative growth. As the effects of the Government's Comprehensive Spending Review, restricted credit availability, high inflation and a weakened pound continue to bite, the outlook for the commercial property

markets, particularly the sub-prime commercial markets remains uncertain. The anticipated rise in interest rates by the Bank of England during the course of 2011 and 2012 will have further impacts on the property market, with the cost of borrowing increasing. In addition it is expected that any significant interest rate rise is likely to precipitate a shedding of distressed assets by banks which had previously been able to hold these back from flooding the market due to the low cost of servicing debt.

REGIONAL MARKET OUTLOOK

- 4.7 Of all the regions in the UK, the South East, with London at its focus is the main driver for the economy. Property values in the region, in all sectors, experience a significant premium as a result of its underlying economic prosperity, demand and supply imbalance, and proximity to London and the Continent.
- 4.8 As a result of this underlying premium, the base values for property in the South East start at a higher point than most other areas of the country. Consequently the recovery of markets in the South East can be expected to be quicker and stronger than most other areas of the UK. London is a significant driver of values and, as a result, values increase with proximity to London. Adur's relative peripherality within the region is (and is likely to remain) a structural weakness.
- 4.9 The commercial property market has significant premiums in relation to proximity to London. Occupier demand has recovered more quickly than in other regions and the office and retail markets in prime locations have seen strong growth over recent months. Again, this is tempered by a continued lack of growth in commercial markets in the peripheral locations (such as Adur), and in relation to commercial property, value growth has been focused heavily on London, with prime locations being much smaller and more focused than in the residential markets. Outside of London whilst the rate of growth slows significantly, the South East has still significantly outperformed other regions.
- 4.10 Through the recession, the industrial market has performed comparatively more strongly than that for office floorspace. Construction (and thus finance) costs are lower and construction is quick, and this is borne out in yields. The development market for industrial and warehouse space has thus performed better.
- 4.11 The high proportion of the workforce across the South East that are employed in the private rather than public sector should insulate the region's economy to some degree from the governments drive to cut spending, particularly compared to the north of England and Scotland where public sector employment is higher by proportion. However there is for

instance a notably higher proportion of public sector employment in Coastal West Sussex relative to the north of the County.

COMPOSITION OF COMMERCIAL FLOORSPACE

- 4.12 Adur contains a total of 454,000 sq.m of commercial floorspace of which 351,000 sq.m were in B-class uses. This represents 20% of B-class floorspace in the Adur-Brighton-Worthing area.
- 4.13 Relative to the wider sub-region (Brighton-Adur-Worthing) and South East as a whole, a high proportion of commercial floorspace in Adur is industrial (41% compared to 30% across West Sussex and 28% across the South East). A third of industrial floorspace in the Adur-Brighton-Worthing area falls within Adur District compared to 25% of warehouse floorspace and just 6% of office floorspace. There is a relatively low level of office floorspace in the District, which makes up 10% of commercial floorspace compared to 25% across the Adur-Brighton-Worthing area and 20% across the South East.
- 4.14 In commercial terms, Adur is primarily an industrial location (for industrial and warehouse floorspace) and does not have a particularly well developed office market, influenced partly by its proximity to Brighton which is an established office centre.

Figure 4.1: Composition of Commercial Floorspace, 2008



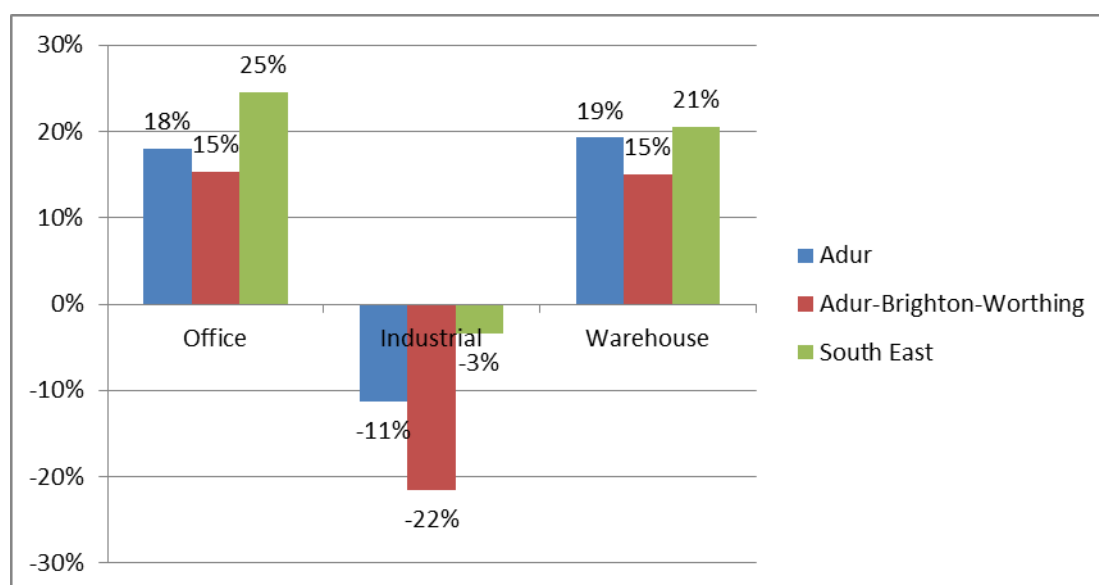
Source: CLG/VOA

- 4.15 Over the decade 1998-2008, B-class employment floorspace in Adur has changed little, increasing by just 1.1%. This is similar to the picture across the wider Adur-Brighton-Worthing area in which there was a loss of employment floorspace of -1.1%. However it contrasts

strongly with the situation across the South East region where employment floorspace grew by 11.3% over this period.

- 4.16 Within all areas, the profile of employment floorspace has changed, with growth in office and warehouse floorspace and a reduction in industrial floorspace. Office floorspace grew by 18% over the decade to 2008 in Adur which was above the growth rate across the wider Adur-Brighton-Worthing area but below the regional level. In absolute terms however this growth was moderate, with a net increase of 7,000 sq.m compared to an increase of 93,000 sq.m across the Adur-Brighton-Worthing area as a whole.
- 4.17 An 11% reduction in industrial floorspace was recorded over this decade (1998-2008) with a net loss of -24,000 sq.m of floorspace, but this was largely compensated for an increase in warehouse floorspace, which grew by 21,000 sq.m. The loss of industrial floorspace over this period was much more substantial than that which occurred at the regional level, although similar to trends at the sub-regional level.

Figure 4.2: Changes in Employment Floorspace, 1998 – 2008



Source: CLG/VOA⁷

OFFICE MARKET

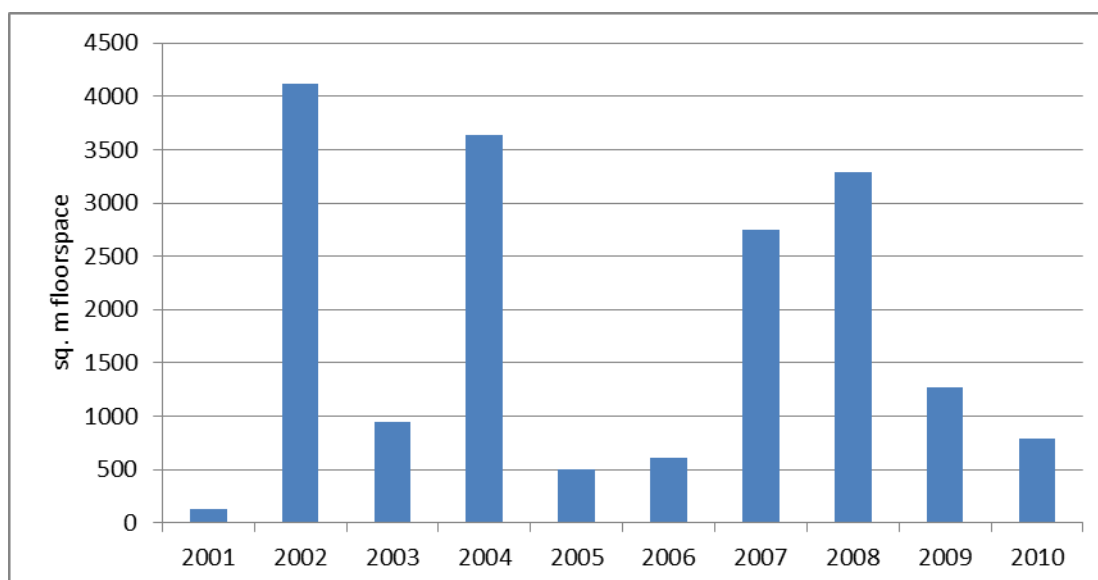
- 4.18 Adur does not have an established office market, with most office floorspace comprising small units and take-up dominated by deals within the smallest size class of less than 185 sq.m. There is some floorspace in and around Shoreham Town Centre, including space above shops (primarily for solicitors and professional service firms), at the Civic Centre and at the

⁷ Analysis based on 1998-2004 and 2005-8 periods, taking into account 2005 Revaluation

Riverside Business Centre, a 1990s development on the Harbour. There has also been recent development of new office floorspace, the Adur Business Centre, as part of the mixed-use Ropetackle development in Shoreham Town Centre. Elsewhere, office floorspace falls primarily within industrial estates such as at the Tungsten Building at Mill Road, Fishersgate and the Parkland Business Centre and the Quadrant in Lancing Business Park. There is also some space at Shoreham Airport. Availability of medium-sized office suites is focused at Lancing Business Park.

- 4.19 GLH has analysed office take-up using data from commercial property databases Focus and EGi. We estimate annual take-up of office floorspace in the District of 1,800 sq.m (c. 19,000 sq.ft) over the past 10 years (2001-2010). The five-year average is consistent with this. Figure 4.3 indicates take-up year-on-year. It illustrates that there is a very small office market in the District.

Figure 4.3: Office Take-Up, 2001 – 2010



Source: GLH (based on EGi and Focus)

- 4.20 While a high proportion of office deals are for suites of less than 185 sq.m, take-up figures are particularly influenced by the small number of deals for over 1000 sq.m of floorspace, as Figure 4.4 indicates.

Figure 4.4: Take-Up by Size Category of Office Floorspace, 2001 - 2010

	Deals	Floorspace (sq.m)
< 185 sq.m	65	6350
185 - 465 sq.m	5	1100
465 - 1000 sq.m	4	2200
1000+ sq.m	3	8470

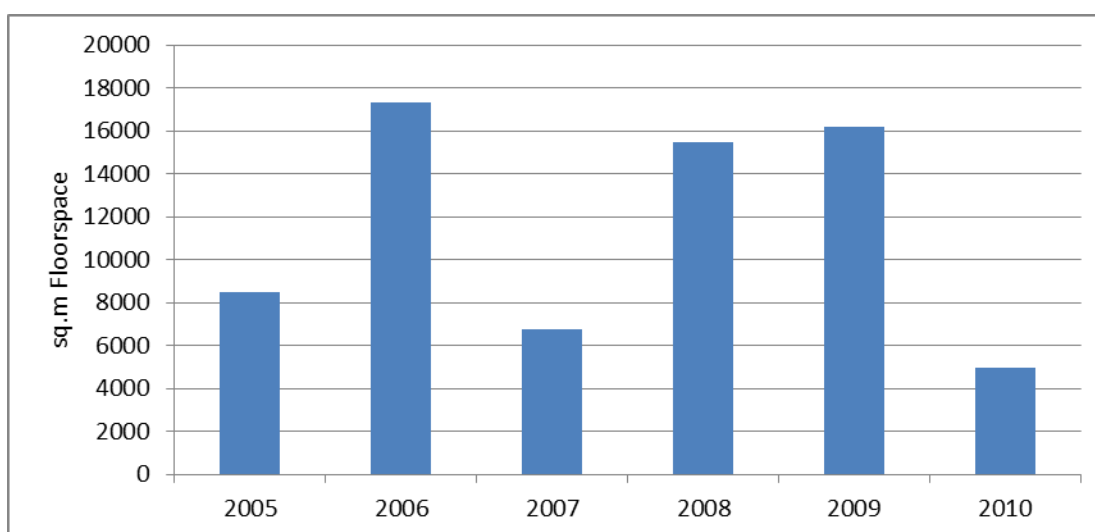
Source: GLH (based on EGi and Focus)

- 4.21 Rental values depend on the quality of space, with headline rents in the District of £10.50 per square foot. Rental values are generally insufficient to support speculative development of office floorspace, taking account of the relative risk and return.
- 4.22 We estimate availability of office floorspace in the District (i.e. the level of current vacant floorspace) at 6,600 sq.m in Spring 2011 (71,300 sq.ft) which based on past take-up represents 3.7 years of supply. This is a reasonably high level of availability and reflects the quality of space. Much of the vacant space is within older buildings with limited availability of high quality, modern floorspace.

INDUSTRIAL MARKET

- 4.23 The industrial market is more strongly developed, but with demand arising primarily from existing local occupiers. It is focused on small and medium sized property, with demand for both manufacturing/industrial and warehouse floorspace. Industrial space is focused at Lancing Business Park, Shoreham Harbour, Dolphin Road Industrial Estate in Shoreham and at Shoreham Airport.
- 4.24 GLH has analysed industrial take-up using data from commercial property databases Focus and EGi. We estimate annual take-up of industrial floorspace in the District of 12,150 sq.m (c. 130,878 sq.ft) over the past 5 years (2006-2010)⁸.

Figure 4.5: Industrial Take-Up, 2005 – 2010



⁸ We did not consider take-up data pre-2005 to be robust

Source: GLH (based on EGi and Focus)

- 4.25 As with the office sector, while the greatest volume of transactions in the market are for small and medium-sized units, of up to 465 sq.m, total take-up figures are particularly influenced by the smaller number of larger deals.

Figure 4.6: Take-Up by Size Category of Industrial Floorspace, 2006-10

	Floorspace (Sq.M)	No of Deals
< 185 sq.m	6180	48
185 - 465 sq.m	12040	40
465 - 1000 sq.m	10760	16
1000+ sq.m	31780	10

Source: GLH (based on EGi and Focus)

- 4.26 The market focus within Adur nonetheless is on small and medium-sized properties for local businesses.

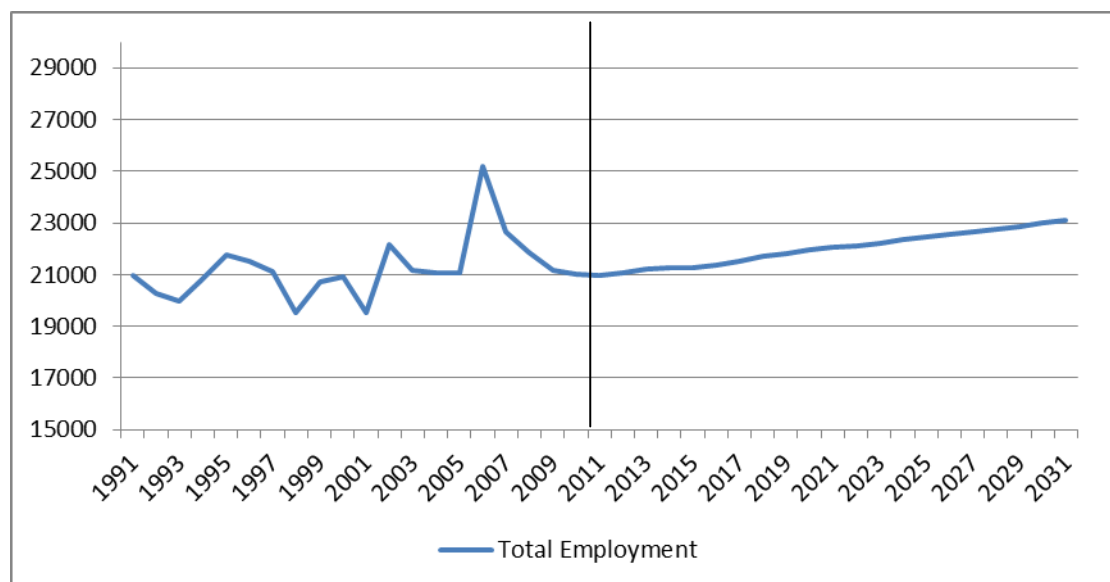
5 DEMAND FORECASTING

- 5.1 A synthesis approach to demand forecasting has been adopted which considers past trends in commercial development within Adur, and uses economic forecasts to compare how demand might vary moving forward as a result of changes in the structure of the economy and expected future economic performance.
- 5.2 Demand forecasting has been informed by an econometric forecast for employment growth in 41 sectors prepared by Cambridge Econometrics (CE), a well-known forecasting house. The forecast indicates how individual sectors are expected to perform at the national and regional level, taking account of macro-economic factors, as well as the concentration of employment and past performance of these sectors within the District. The forecast is dated February 2011. It is a demand-based forecast of future economic performance.

ANALYSIS OF BASELINE FORECASTS

- 5.3 The CE forecasts are for total employment. Total employment in Adur is forecast to increase from 21,000 in 2011 to 23,100 in 2031.

Figure 5.1: Forecast, Total Employment in Adur



Source: Cambridge Econometrics

- 5.4 Figure 5.2 provides a breakdown by 5-year time period.

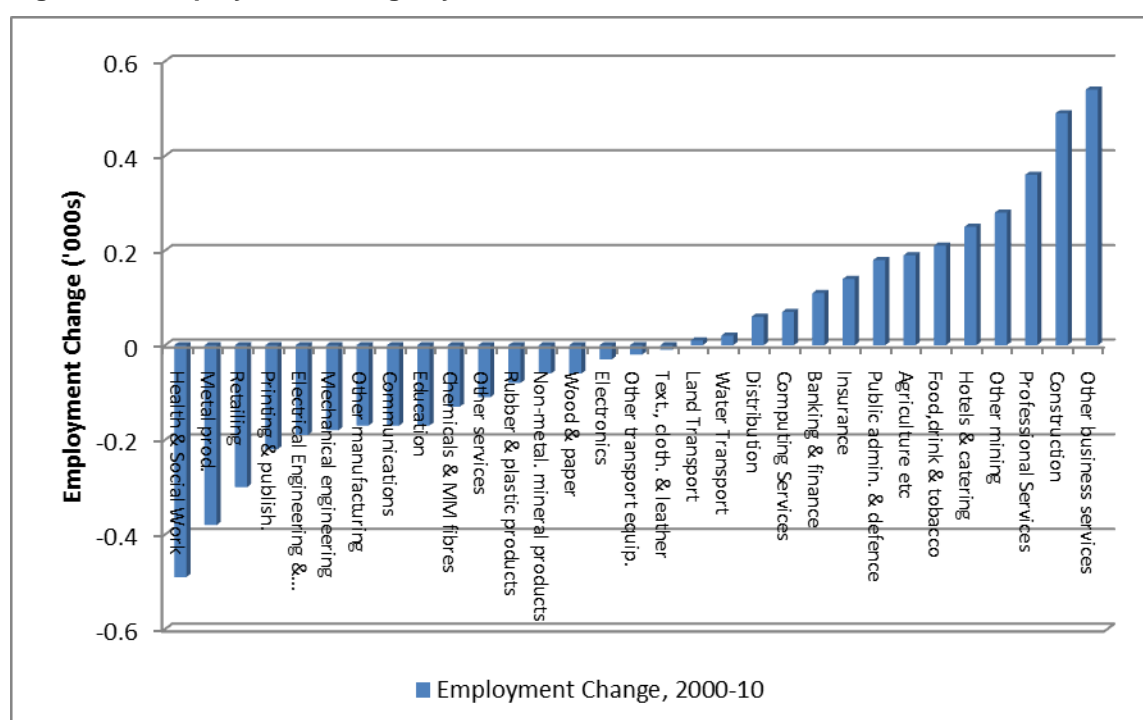
Figure 5.2: CE Employment Forecasts

	Total Employment	Change from 2011
2006	25,200	
2011	21,000	0
2016	21,400	400
2021	22,000	1,000
2026	22,600	1,600
2031	23,100	2,100

Source: Cambridge Econometrics

5.5 Figure 5.3 indicates recorded employment change by sector over the last decade, 2000-2010.

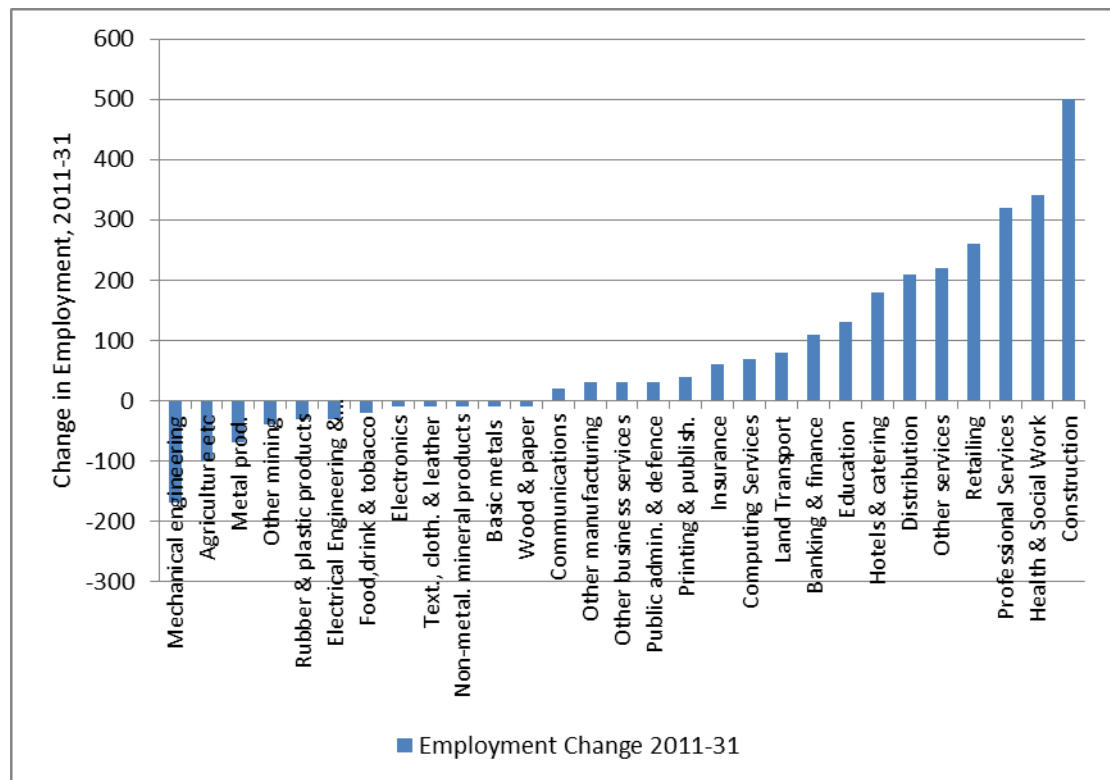
Figure 5.3: Employment Change by Sector, 2000-10



Source: Cambridge Econometrics

This can be compared to projected employment growth over the next two decades, 2011-31, which is indicated in Figure 5.4 below.

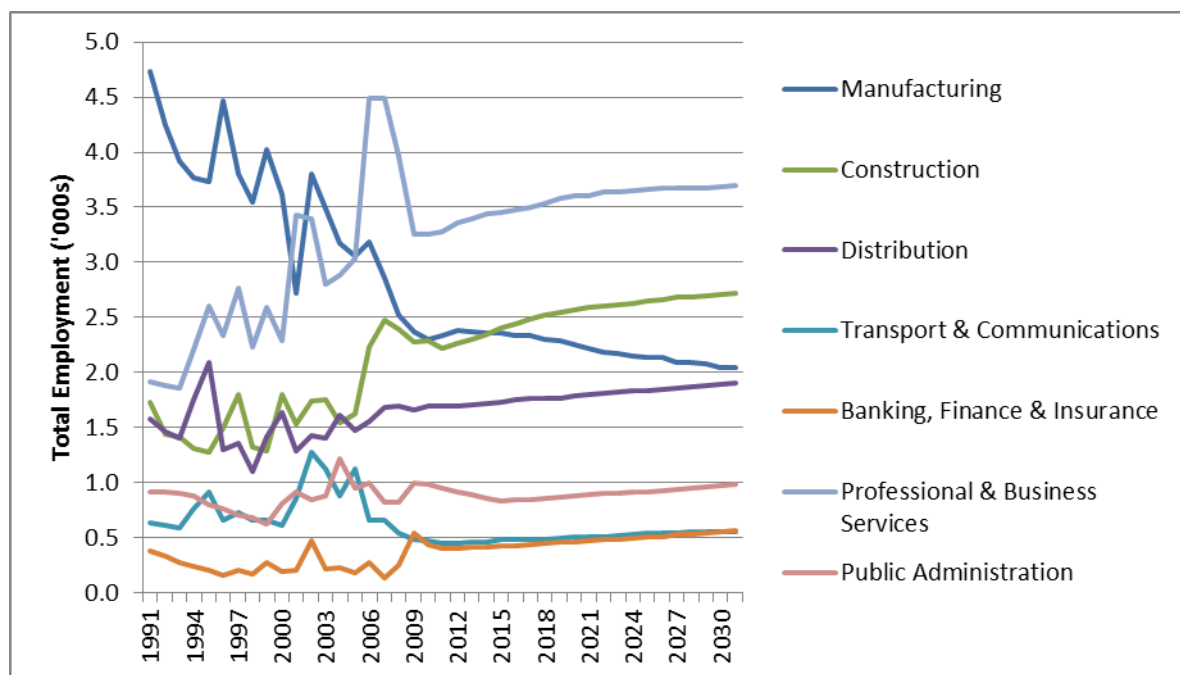
Figure 5.4: Forecast Employment Change by Sector, 2011-31



Source: Cambridge Econometrics

5.6 Figure 5.5 indicates projected employment growth in key sectors.

Figure 5.5: Forecast Change in Employment in Key Sectors



Source: Cambridge Econometrics

5.7 Looking at those sectors which commonly occupy B-class land:

- A net loss of -300 jobs is forecast in the manufacturing sector between 2011-31. However this is a relatively moderate loss compared with past trends: the forecasts indicate that the sector lost 1000 jobs between 1998-2008 and a further 200 during the recession between 2008-10. This reflects both expected macro-economic performance and the fact that, as a result of past losses, the manufacturing sector is now more 'lean';
- Employment growth of 500 is forecast in the construction sector. While the sector lost around 100 jobs between 2008-10 this is moderate compared to growth of over 1000 jobs in the decade to 2008.
- Growth is forecast in distribution and transport and communications sectors of around 700 jobs to 2031.
- A key growth sector in the period before the recession was professional and business services, in which employment grew by 1700 in the decade to 2008. The sector has however witnessed notable job losses of 700 between 2008-10, and is expected to grow more moderately moving forwards with employment growth of 400 forecast between 2011-31.
- Employment in public administration grew both before and during the recession, with employment increasing by over 300 between 1998-2010, but is not expected to grow substantially moving forward, with negligible job growth forecast to 2031.

5.8 It is important to note that relative to past trends, the manufacturing sector is expected to perform more strongly; whilst those sectors which have typically occupied office floorspace are forecast to see weaker growth than over the past decade. Indeed the differences are quite stark and demonstrate a **structural shift** in how the economy is expected to perform moving forwards. The Government's Plan for Growth seeks to achieve economic growth across a broader spread of sectors, as well as growth in exports. Macro-economic policy is expected to support stronger relative performance in the manufacturing sector compared to past trends.

5.9 Employment growth in office based sectors is projected to be less than half that in the pre-recession decade over double the time period. However the industrial sector is expected to do relatively better; in that while it is expected to continue to decline, job losses over 20 years projected are similar to what was lost in 5 years in the pre-recession period. Growth in jobs in warehousing and distribution, which in the pre-recession decade partially offset losses in industrial jobs (in respect of land/ floorspace) are expected to grow more moderately, with employment growth over 20 years less than half that in the pre-recession decade over double the time period (as with offices).

Figure 5.6: Comparing Forecast Growth with Past Trends

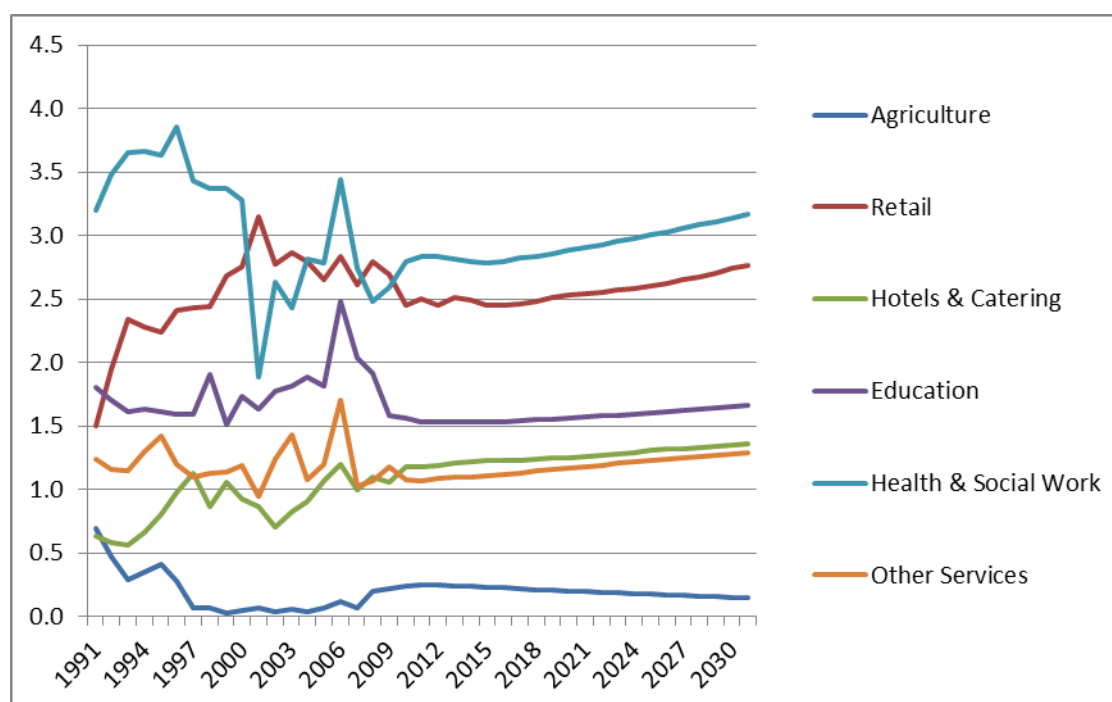
	Office	Industrial	Warehouse
Total Employment Growth 1998-2008	1300	-770	490
Forecast Employment Growth 2011-31	580	-320	220

Source: Cambridge Econometrics

5.10 Most manufacturing sub-sectors are forecast relative modest job losses in the 2011-31 period, although moderate growth is forecast in printing and publishing and other manufacturing.

5.11 Figure 5.7 considers employment growth in those sectors which are not traditionally associated with B-class land. Growth is forecast in most of these sectors, agriculture being the exception.

Figure 5.7: Forecast Change in Employment in Non B-Class Sectors



Source: Cambridge Econometrics

5.12 In absolute terms, the strongest growth is forecast in health and social work and the retail sector, followed by other services.

ALTERNATIVE ECONOMIC SCENARIO

- 5.13 From our analysis of the District's economic performance in Section 3 we set out a number of key sectors in which there may be opportunities for growth. These comprised the following sectors:
- Port-related activities;
 - High-tech manufacturing (including lifesciences);
 - Food and drink manufacture;
 - Construction;
 - Environmental technologies; and
 - Retail.
- 5.14 These are based on the District's existing economic base. The Shoreham Harbour Economic Development Strategy (2009) set out a number of potential growth sectors, a number of which are included above; and indicated that the area has a competitive advantage in port/port-related activities. It also indicated that Shoreham Harbour and Airport represented key opportunities for economic development and growth. The Strategy we however consider is of limited use in quantifying potential, particularly as the forecasts within it are predicated on delivery of 10,000 homes at the Harbour.
- 5.15 We do consider that there is an additional factor associated with potential employment development at Shoreham Harbour. This is particularly in respect of the potential to provide attractive sites for new office development close to Shoreham Town Centre, and for additional jobs in port/ construction-related activities through delivery of the Port Masterplan. In addition we foresee some potential for release of land at Shoreham Airport to attract some high value-added activities to the area given the site's strong locational credentials.
- 5.16 We have analysed the sectoral forecasts in detail and consider that policy intervention in these areas could support an additional 1600 jobs over and above the baseline forecasts, comprising 1300 jobs in office-based activities⁹ and 300 jobs in industrial related activities¹⁰.
- 5.17 We thus present **a further 'economic intervention scenario' for employment growth of 3,900 jobs relative to the baseline of 2,100 over the 2011-31 period.**

⁹ Based on delivery of 26,000 sq.m of B1 office floorspace on Adur Waterfront sites

¹⁰ Based on delivery of 200 additional jobs in advanced manufacturing and 100 in port/construction-related activities

EMPLOYMENT GROWTH SCENARIOS TO 2028

- 5.18 The Core Strategy is looking at a plan period to 2028. The baseline forecast is of employment growth of 1,800 over the 2011-28 period. The Economic Intervention Scenario would result in employment growth of 3,000 jobs over this period.

APPROACH TO FORECASTING NET EMPLOYMENT LAND REQUIREMENTS

- 5.19 To relate the forecasts for employment growth by sector to future requirements for office, industrial and warehouse property and land, a stepped approach has been used:

1. The structure of the local economy was analysed at 4-digit SIC Code level¹¹ to consider the proportion of employment in each of the 41 sectors in the CE forecast which was likely to take place in different use class categories (B1a and B1b; B1c and B2, and B8).

This process highlighted for instance that in Adur, 'other manufacturing' is primarily furniture manufacturing and likely to take place on B-class land, whilst the 'other mining' sector comprises primarily aggregates importing and is likely to take place on B-class land at Shoreham Harbour. It indicates that around three quarters of employment in banking and finance in the District is likely to comprise high street banking (and thus not take place within B-class uses). For public administration and defence, employment in courts and the police force have been excluded as these take place in *sui generis* uses.

2. These proportions have then been applied to each of the 41 sectors in the forecast to estimate the change in employment by use class (B1a and B1b; B1c and B2, and B8) in Adur between 2011-2031.
3. Employment densities have then been used to convert these estimates of net change in employment by use class into estimates of change in floorspace. Employment densities describe the typical volume of floorspace per employee in different types of property. The average densities used have been based on the 2010 Homes & Communities Agency Guidance¹². We have calculated and used figures for Gross External Area (GEA).
4. The process above has been used to calculate **net** additional floorspace requirements based on the economic forecasts. However a considerable proportion of demand for employment floorspace and land within the District arises from existing businesses. We have therefore sought to calculate **gross** floorspace requirements by taking account on the one hand of leakage, estimating the proportion of floorspace which is not on allocated sites, and on the

¹¹ Standard Industrial Classification (SIC) Codes at a sub-sector level

¹² Drivers Jonas Deloitte (2010) Employment Densities Guide: 2nd Edition (for Homes & Communities Agency)

other by providing a margin to allow for churn within the local market (to take account of additional demand which arises from companies looking for upgraded premises or better lease terms).

- 5.20 This process is used to derive a forecast of future employment floorspace requirements based on anticipated performance of the economy and sectors. This is then compared to past net completions.

NET FORECASTS OF FLOORSPACE & LAND REQUIREMENTS

Baseline Forecasts

- 5.21 The Cambridge Econometric forecasts provide information of employment trends for 41 sectors. GLH used data from the Business Register and Employment Survey to assess the profile of employment in these sectors at 4-digit SIC level. This has been used to estimate the proportion of employment within each of these sectors which takes place in offices (use classes B1a and B1b), industrial premises (use classes B1c and B2) and warehouse/distribution premises (use class B8). The resultant estimates of employment growth by use class sector are indicated below:

Figure 5.8: Forecast Employment by Use Class, 2011-31

Use Class	Forecast Change in Jobs 2011-31 Baseline Scenario
Office: B1a/b	580
Industrial: B1c/B2	-320
Warehouse: B8	220
Total	480

Source: GL Hearn

- 5.22 To this forecast, standard employment densities have been applied based on the Homes and Communities Agency Guidance¹³. We have assumed an average density of 14 sq.m GEA per employee for office floorspace based on 12 sq.m per employee NIA. We have assumed an average density of 45 sq.m GEA per employee for industrial floorspace based on a blend between 47 sq.m NIA per employee for B1c floorspace and 36 sq.m GIA per employee for B2 floorspace.

¹³ Homes & Communities Agency (2010) Employment Densities Guide, 2nd Edition

Figure 5.9: Forecast Net Floorspace Change, 2011-31

Use Class	Forecast Jobs Baseline	Employment Density (GEA)	Net Floorspace Forecast (sq.m GEA)
Office: B1a/b	580	14	8160
Industrial: B1c/B2	-320	45	-14540
Warehouse: B8	220	70	15610
Total B Class	480	-	9240

Source: GL Hearn

- 5.23 In net terms, this converts into a requirement for 2.7 ha of land for office development within Adur District to 2031. There is no net requirement for industrial/warehouse land, as the projected net loss of industrial land is counter-balanced by a need for additional land for warehouse/ distribution uses.

Economic Intervention Scenario

- 5.24 The economic intervention scenario assumed an additional 1300 office-related jobs and 300 jobs in industrial activities over the period to 2031.

Figure 5.10: Forecast Net Floorspace Change, 2011-31

Use Class	Forecast Jobs Intervention	Employment Density (GEA)	Net Floorspace Forecast (sq.m GEA)
Office: B1a/b	1880	14	26360
Industrial: B1c/B2	-20	45	-1040
Warehouse: B8	220	70	15610
Total B Class	2080	-	40940

Source: GL Hearn

GROSS FLOORSPACE FORECASTS

- 5.25 The net forecasts above take account of projected net changes in employment over the period to 2031. However for an economy to be successful and to ensure that demand for property is met, a degree of flexibility in the supply of land and premises is required. This is essential to provide businesses with a choice of locations and reflects a risk that some non B-class development may take place on employment land.
- 5.26 While employment growth will result in demand for additional floorspace, it is also true that an element of demand will arise from existing companies moving premises. This can occur for a range of reasons, including due to obsolescence of their existing property, desire for higher

quality or lower cost of premises, for improved amenities or simply for strategic reasons. This form of demand is called 'churn' and reflects the general turnover of business premises within the market.

- 5.27 Flexibility and churn have an upward impact on requirements for land/floorspace; however this needs to be set against leakage: recognising that a proportion of employment floorspace is located outside of recognised employment areas. Leakage typically has a more notable effect on demand for office floorspace, as office activities can take place in a wide range of locations, including local centres, above shops and homeworking.
- 5.28 Our assumptions on leakage are based on our analysis of VOA data on current floorspace within Adur and the proportion of this by use which takes place on employment sites assessed within this Study.
- 5.29 The adjustments for leakage are shown in Figure 5.11 below.

Figure 5.11: Adjustments for Leakage

	Adjustment to Net Forecast	Revised Net Floorspace Requirements (sq.m GEA)	
		Baseline Scenario	Intervention Scenario
B1a/b	-15%	6940	22410
B1c/B2	-5%	-13800	-980
B8	-5%	14830	14830
Total		7970	36260

Source: GL Hearn

- 5.30 To this revised forecast we have applied the adjustments for flexibility and churn. These are based on applying a "margin" to the floorspace forecast. It is assumed that the rate of churn as a proportion of existing floorspace is 0.75% per annum for B1a/b offices, 0.4% per annum for B1c/B2 industrial and 1.0% per annum for B8 warehouse/ distribution uses. These assumptions are consistent with other similar studies.
- 5.31 Figure 5.12 sets out the overall effects of churn on demand for additional floorspace over the 2011-31 period. This additional allowance will support flexibility of supply and ensure a choice of sites and premises.

Figure 5.12: Adjustments for Flexibility and Churn

	Estimated Annual Take-Up (sq.m GEA)	Adjustment for Churn	Adjustment for Churn (sq.m GEA)
B1a/b	2,170	0.75% per annum	6020
B1c/B2	7,300	0.4% per annum	15860
B8	6,200	1.0% per annum	33750
Total			55630

Source: GL Hearn

- 5.32 Bringing the adjustment for leakage and flexibility/churn together, the resultant gross forecasts for floorspace are indicated in Figure 5.13 below.

Figure 5.13: Gross Floorspace Forecasts 2011-31

2011-31	Gross Floorspace Forecast (sq.m GEA)	
	Baseline Scenario	Intervention Scenario
Office: B1a/b	12960	28430
Industrial: B1c/B2	2060	14880
Warehouse: B8	48580	48580
Total B Class	63590	91890

Source: GL Hearn

- 5.33 The resultant forecast of gross floorspace requirements is for between 63,600 – 91,900 sq.m (GEA) of employment floorspace over the period 2011-31. The baseline forecast for office floorspace is for 13,000 sq.m of space. This rises to 28,400 sq.m in the intervention scenario based on public sector support to deliver a new office quarter within Shoreham Harbour Western Arm. Forecasts of industrial floorspace requirements range from a moderate 2100 sq.m in the baseline scenario to 14,900 sq.m with intervention which includes delivery of high value employment activities at Shoreham Airport and growth of the Port. The forecast of warehouse floorspace is consistent in both scenarios at 48,600 sq.m.

CROSS-CHECKS

- 5.34 The forecast of gross employment floorspace requirements of between 3,200 sq.m – 4,600 sq.m (GEA) per annum is broadly consistent with the 4,000 sq.m forecast in the 2006 Adur Employment Land Review based on past rates of development.
- 5.35 Figure 5.14 provides an analysis of past net completions recorded by West Sussex County Council's Commercial and Industrial Development Survey between 2003 – 2010. If this is

annualised and then forecast over 20 years, it results in a total projected requirement for 88,200 sq.m of employment floorspace, equivalent to 4410 sq.m per annum (GEA).

Figure 5.14: Net Completions, 2003 - 2010

Sq.M GEA	Total Net Completions 2003-10	Net Completions Per Annum	Forecast Completions 20 Years
Office: B1a	5275	754	15071
Industrial: B1b/B2	1648	235	4709
Warehouse: B8	23946	3421	68417
Total	30,869	4,410	88,200

Source: West Sussex County Council CIDS

- 5.36 We have some concerns over the robustness of the monitoring information, in terms of the extent to which data on *net* completions is accurate, particularly where informed by the West Sussex County Council Commercial & Industrial Development Survey. These particularly relate to the extent to which account is taken of sites redevelopment for alternative uses.
- 5.37 Nonetheless the broad order of the forecasts gives us confidence in our projection methodology. In the absence of intervention it is realistic to assume that future demand under baseline conditions will be more moderate than in the last decade, reflecting the impact of the recent recession, a relatively weak economic outlook and the impact of austerity measures in the short-term. However it is realistic to assume that performance could be improved with intervention relative to past trends.

DEMAND FORECASTS OVER CORE STRATEGY

- 5.38 The forthcoming Adur LDF Core Strategy intends to cover a period 2013-28, assuming that the Core Strategy is adopted in 2013. To support the Core Strategy we have sought in this section to provide demand forecasts from 2011-28 against which supply can be assessed. A 2011 start data is included to coincide with the supply-side assessment. A consistent approach is used to that described above.
- 5.39 Estimates of employment growth in the principle B-Class Uses over the period 2011-28 for the Baseline Scenario are set out in Figure 5.15 below. These are based on the Cambridge Econometric Forecasts. Applying the assumed employment densities to these results in forecasts of net change in floorspace to 2028.

Figure 5.15: Forecast Net Employment and Floorspace Change, 2011-28 – Baseline Scenario

	Forecast Jobs	Employment Density	Net Floorspace Forecast (sq.m)
Office: B1a/b	489	14	6839
Industrial:B1c/B2	-265	45	-11903
Warehouse:B8	202	70	14140
Total	426		9077

Source: GL Hearn

5.40 There is a very moderate growth in jobs on B-class land of 426 over the period to 2028 resulting in a requirement for 9077 sq.m of additional floorspace in net terms.

5.41 In the Intervention Scenario there is more significant growth in B-class jobs of 1626 over the period to 2028, resulting in a requirement for 33,627 sq.m of floorspace in net terms.

Figure 5.16: Forecast Net Employment and Floorspace Change, 2011-28 – Intervention Scenario

	Forecast Jobs	Employment Density	Net Floorspace Forecast (sq.m)
Office: B1a/b	1439	14	20139
Industrial:B1c/B2	-15	45	-653
Warehouse:B8	202	70	14140
Total	1626		33627

Source: GL Hearn

5.42 We have used a consistent approach again to calculate gross floorspace requirements, including adjustments for leakage, flexibility and churn. The assumptions adopted are set out in Figures 5.11 and 5.12 above. The resultant forecasts of floorspace requirements are set out below.

Figure 5.16: Gross Floorspace Forecasts, 2011-28

sq.m GEA	Baseline Scenario	Intervention Scenario
Office: B1a/b	10928	22233
Industrial:B1c/B2	2176	12864
Warehouse:B8	42121	42121
Total	55225	77218

Source: GL Hearn

- 5.43 Over the period 2011-28 the Baseline Scenario results in employment growth of 1,780. This results in a net requirement for 9100 sq.m of employment floorspace in B-class uses and a gross requirement for 55,225 sq.m. The Intervention Scenario results in employment growth of 2,980 (with an additional 950 office-based jobs and 250 industrial-based jobs over and above the baseline), resulting in a net requirement for 33,600 sq.m of employment floorspace in B-class uses and a gross requirement for 77,200 sq.m (excluding relocations from Shoreham Harbour).

6 EMPLOYMENT LAND SUPPLY

- 6.1 In this section we consider the supply of employment land in Adur District. The assessment is based upon a survey of key employment sites undertaken by GLH staff in April 2011 which updated the 2006 Employment Land Review, and draws on data on employment floorspace from the Valuation Office Agency (VOA).
- 6.2 The assessment considers all of the employment areas identified within the Council's 1996 Local Plan. It also considers a number of potential locations which might be considered for future allocation for employment land provision.

SITE ASSESSMENT CRITERIA

- 6.3 Site surveys were undertaken by senior staff from GL Hearn in April 2011 using a site assessment proforma which draws on best practice guidance¹⁴. The site assessments addressed:
- The nature and intensity of use of the employment site;
 - Road access, including access by HGVs and servicing of existing businesses;
 - Access to local services/ amenities for employees;
 - Physical constraints to the development and use of this site;
 - Nature of any bad neighbour or adjacency issues;
 - The age and quality of existing buildings;
 - Public transport accessibility and adequacy of parking provision.
- 6.4 A general description of each employment site was prepared. The site survey included specific consideration of the quality of sites and floorspace and their future suitability to meet market demand.
- 6.5 Vacant land and floorspace on existing sites was recorded. Where development opportunities were identified, information was collected regarding the existing nature of use of the site and its suitability for development/redevelopment, its potential availability, market attractiveness, and any known constraints (including infrastructure) which might impact upon the deliverability of development.
- 6.6 The assessment comes with the caveat that neither a detailed investigation of landownership and lease structures nor detailed development appraisals to assess viability at a site-specific level (in the absence of a development scheme) have been undertaken to inform conclusions

¹⁴ South East of England Partnership Board (2010) Economic and Employment Land Assessments Guidance

on developability. GL Hearn advises that the Council liaise with landowners and developers to consider these issues in detail to inform any site allocations.

Overview of Site Assessments

- 6.7 We set out below a number of summary tables which assess the quality of employment sites in Adur.
- 6.8 Of the 20 sites assessed, four sites were classified as having good quality stock of employment premises. These were Shoreham Airport, Ricardo, Harbour Way and Grange Industrial Estate. Shoreham Airport and Ricardo, together with Shoreham Town Centre were classified as having a high quality environment. The site assessments indicate limited provision of high quality sites within the District which will support attraction of inward investment.

Figure 6.1: Quality of Stock and Environment

	Quality of Stock			Quality of Environment		
	> 70% Good	Average	> 70% Poor	Good	Reasonable	Poor/ Very Poor
Gardner Road, Fishersgate		Y			Y	
Dolphin Road/ Way, Shoreham		Y			Y	
Rectory Farm Industrial Estate, Sompting		Y			Y	
Riverbank Business Centre, Shoreham			Y			Y
Chalex Industrial Estate, Fishersgate			Y			Y
Mill Road/ Chapel Road, Fishersgate		Y			Y	
Harbour Way, Shoreham Beach	Y				Y	
Shoreham Airport (Developed Area)	Y			Y		
Chartwell Rd N, Lancing Business Park		Y			Y	
Charwell Rd S, Lancing Business Park		Y			Y	
Malborough Rd, Lancing Business Park		Y			Y	
Commerce Way/Peter Rd, Lancing Business Park		Y			Y	
Ricardo Site, Old Shoreham Road	Y			Y		
Shoreham Cement Works			Y			Y
Shoreham Town Centre		Y		Y		
South Quayside, Shoreham Harbour		Y			Y	
Lock Gates & Southwick Waterfront			Y			Y
Western Arm, Shoreham Harbour			Y			Y
Land North of the A259, Shoreham ¹⁵					Y	
Grange Industrial Estate	Y				Y	
Total	4	10	5	3	12	5

Source: GLH Site Assessments

- 6.9 The majority of sites (12 of 20) were considered to offer a reasonable quality of environment. The quality of stock on most of these sites (10 of 20) was considered average.
- 6.10 Those sites identified as having poor quality stock and environment were Riverbank Business Centre in Shoreham; Chalex Industrial Estate in Fishersgate; Shoreham Cement Works; and the Lock Gates & Southwick Waterfront and Western Arm areas of Shoreham Harbour.
- 6.11 Turning to look at the accessibility of sites, 3 sites benefit from strong accessibility from the A27. 11 sites are accessed from the A259 Coast Road. 12 of the 20 sites have adequate internal road access; however there are a number of sites where local or internal road access is restricted. These include Dolphin Way, Riverbank Business Centre, Chalex Industrial

¹⁵ This site comprises land between the A259 and the Railway Line

Estate, Harbour Way on Shoreham Beach, Shoreham Cement Works and a number of sites within Shoreham Harbour. This may impact upon their commercial attractiveness.

Figure 6.2: Accessibility of Sites

Sites	Strategic Road Access		Internal Road Access		Public Transport Provision		
	A27	Coast Road	Adequate	Inadequate	Good	Reasonable	Poor
Gardner Road, Fishersgate		Y	Y			Y	
Dolphin Road/ Way, Shoreham				Y	Y		
Rectory Farm Industrial Estate, Sompting			Y			Y	
Riverbank Business Centre, Shoreham				Y		Y	
Chalex Industrial Estate, Fishersgate				Y	Y		
Mill Road/ Chapel Road, Fishersgate		Y	Y			Y	
Harbour Way, Shoreham Beach				Y			Y
Shoreham Airport (Developed Area)	Y		Y				Y
Chartwell Rd N, Lancing Business Park		Y	Y			Y	
Charwell Rd S, Lancing Business Park		Y	Y			Y	
Malborough Rd, Lancing Business Park		Y	Y			Y	
Commerce Way/Peter Rd, Lancing Business Park		Y	Y			Y	
Ricardo Site, Old Shoreham Road	Y		Y				Y
Shoreham Cement Works	Y			Y			Y
Shoreham Town Centre			Y		Y		
South Quayside, Shoreham Harbour		Y	Y				Y
Lock Gates & Southwick Waterfront		Y		Y	Y		
Western Arm, Shoreham Harbour		Y		Y	Y		
Land North of the A259, Shoreham		Y	Y		Y		
Grange Industrial Estate		Y		Y	Y		
Total	3	11	12	8	7	8	5

Source: GLH Site Assessments

6.12 Public transport accessibility affects the sustainability of sites for employment and can affect commercial attractiveness. Just 7 of the 20 sites are classified as having good public transport accessibility; while 5 are classified as having poor public transport accessibility. These comprise Shoreham Airport and Ricardo, Shoreham Cement Works, and Harbour Way on Shoreham Beach as well as South Quayside on Shoreham Harbour.

6.13 Finally, we have assessed servicing and access to amenities. In considering the adequacy of servicing we have assessed whether there is suitable provision for loading and unloading. The majority of sites offer adequate servicing arrangements; with those that do not comprising some of the sites of Shoreham Harbour (Western Arm/ Southwick Waterfront) and the Riverside Business Centre in Shoreham and Chalex Industrial Estate in Fishersgate.

6.14 We have also considered the proximity of employment sites to local shopping facilities and services. Access to amenities on employment sites in the District is not particularly good; with just 2 of 20 sites having good access. Six sites are classified as having poor access to amenities, comprising Shoreham Beach, Shoreham Airport/Ricardo, Shoreham Cement Works and parts of Shoreham Harbour,

Figure 6.3: Servicing and Access to Amenities for Adur Employment Sites

	Adequate Servicing		Access to Amenities		
	Yes	No	Good	Average	Poor
Gardner Road, Fishersgate	Y			Y	
Dolphin Road/ Way, Shoreham	Y			Y	
Rectory Farm Industrial Estate, Sompting	Y			Y	
Riverbank Business Centre, Shoreham		Y	Y		
Chalex Industrial Estate, Fishersgate		Y		Y	
Mill Road/ Chapel Road, Fishersgate	Y			Y	
Harbour Way, Shoreham Beach	Y				Y
Shoreham Airport (Developed Area)	Y				Y
Chartwell Rd N, Lancing Business Park	Y			Y	
Charwell Rd S, Lancing Business Park	Y			Y	
Malborough Rd, Lancing Business Park	Y			Y	
Commerce Way/Peter Rd, Lancing Business Park	Y			Y	
Ricardo Site, Old Shoreham Road	Y				Y
Shoreham Cement Works	Y				Y
Shoreham Town Centre	Y		Y		
South Quayside, Shoreham Harbour	Y				Y
Lock Gates & Southwick Waterfront		Y			Y
Western Arm, Shoreham Harbour		Y		Y	
Land North of the A259, Shoreham	Y			Y	
Grange Industrial Estate	Y			Y	
Total	16	4	2	12	6

Source: GLH Site Assessments

6.15 The site assessments in general highlight that there are limited high quality sites within the District which score highly across the range of factors assessed.

SITE BY SITE ASSESSMENTS

- 6.16 This section presents the Study findings regarding the supply of employment land and premises in the District. It draws upon the 2006 Employment Land Review and a survey of employment sites in the District undertaken by GL Hearn in April 2011. It assesses the suitability of current employment sites and premises within Adur, and identifies the supply of vacant land and premises.

1. Gardner Road, Fishersgate

- 6.17 Part of this site has been redeveloped for residential use since the 2006 Employment Land Review. The remaining employment use comprises a stand-alone two-storey office block (2100 sq.m) on a 0.8ha plot. At the time of the 2006 survey it was occupied by NTL which subsequently became Virgin Media. However the site is now vacant, and the floorspace is being marketed.
- 6.18 The site is situated in a primarily residential area. The quality of the surrounding environment is good, although there is little landscaping on the site itself. It is close to Fishersgate Station. However the quality of floorspace, which dates from the 1970s, is sub-standard. There is some potential for sub-division and refurbishment of the block to provide affordable office floorspace for smaller businesses subject to viability considerations, but we would expect pressure for residential redevelopment of the site.

In view of the limited supply of employment land and premises within the District, it is recommended that this site is retained for employment use.

Recommendation: Allocate site, totalling 0.8ha, for development of B1 employment floorspace.

2. Dolphin Road, Shoreham-by-Sea

- 6.19 A sizeable industrial estate of 11.3 hectares. It provides a total of 50,800 sq.m of employment floorspace – 12% of the district's total. This comprises 33,120 sq.m of industrial floorspace and 17,530 sq.m of warehouse floorspace. There is negligible office floorspace.
- 6.20 Major occupiers include BOC Edwards (vacuum technology), Pyroban (flame proofing), Gemini Print and Higgidy (food production). As well as sites occupied by these larger employers there are a number of medium and small sized industrial units, including on Dolphin Way, within the G3 Business Park.

- 6.21 Recent development has included construction of new B1c industrial and hybrid units at the Dolphin Enterprise Centre. A further phase of development of 4 units has yet to be built out.
- 6.22 The site is adjacent to the rail line and to residential areas. Access is via primarily residential streets from the north, and is via the level crossing on Eastern Avenue from the A259 Coast Road. Dolphin Road is a no through-road. While there is space for lorry turning, the quality of internal circulation within the site is restricted by the width of internal roads and on-street parking. Access is thus more of a constraint here than at other employment sites in the District.
- 6.23 The age and quality of buildings varies, however the level of activity is high and occupancy levels are reasonable. There are a number of vacant plots and buildings which provide opportunities for intensification of use:
- Small industrial units at D3-D5 Dolphin Way comprising 465 sq.m of accommodation (4998 sq.ft GIA) constructed in 2008. Currently being marketed by Hargreaves and Flude Commercial. Quoting rent £7.90 psf.
 - Warehouse/Industrial unit at 26 Dolphin Road comprising 1,836 sq.m of accommodation (19,761 sq.ft GIA): 1,129 sq.m for warehouse/industrial use at ground floor level and 553 sq.m of offices and storage at first-floor level. Currently being marketed by Hargreaves and Flude. Potential redevelopment opportunity with planning consent. Site area is 0.2ha.
 - Modern small industrial units at C2 and C3 Dolphin Enterprise Centre comprising 198 sq.m GIA of accommodation. Currently marketed by Hargreaves.
 - 0.46 ha development site at 26 Dolphin Road with planning consent for delivery of 4 units of total 1,697 sq.m employment floorspace (1054 sq.m GIA), representing a net increase of 316 sq.m. Site preparation works are underway.
- 6.24 Although there are some access issues, this is generally a good quality employment site which is well used, and with opportunities for further employment development.

Recommendation: Retain employment site and allocate site at 26 Dolphin Road (0.2ha) for development for B1, B2 or B8 use.

3. Rectory Farm Industrial Estate, Sompting

- 6.25 A local industrial estate of 0.9ha comprising light industrial units and occupied by R&L Pet Products who occupy 5 modern industrial units and Southern Scientific Products Ltd, who occupy office and industrial floorspace. There is a remaining vacant block of three industrial units of 1970s construction. We estimate total industrial and warehouse floorspace of 4,260 sq.m.

- 6.26 The site is located within the urban area of Sompting, with access from the A27 via Busticle Lane through a primarily residential area. Access is not clearly signed. The site has a large internal space for parking and turning. A local parade of shops is available nearby. The site is well maintained and environmental quality is reasonable. The area is served by a local bus service.
- 6.27 Of the three vacant units, comprising the older stock on the site, one unit of 713 sq.m GIA is currently being marketed. This unit comprises 552 sq.m of industrial floorspace and 161 sq.m of office floorspace. We consider that this plot is suitable for redevelopment: it has a site area of 0.2ha.
- 6.28 The level of activity and intensity of use of the site is less than at other employment sites within the District, and it is located in a primarily residential area. However there are notable employment land supply constraints within the District.

Recommendation: Retain employment site and allocate land at western end, totalling 0.2 ha, for development for B1 use.

4. Riverbank Business Centre, Shoreham-by-Sea

- 6.29 This site of 2.2 hectares is located to the west of A283 Shoreham Road and the north of the rail line, north-west of Shoreham Town Centre. It is sometimes referred to as Ropetackle North. The site contains an estimated 21,150 sq.m of commercial floorspace, of which the majority is industrial.
- 6.30 The site is largely vacant, with the exception of a plot on the Shoreham Road frontage occupied by M and S car sales. Industrial accommodation is of a mix of ages, however it appears that some units have been demolished. There are also a number of vacant railway arches.
- 6.31 Environmental quality is currently generally poor. There is evidence of fly tipping. The entrance to the estate is poor with limited visibility, sited adjacent to the rail bridge. The internal road layout is tight. The site is however sustainably located close to Shoreham Town Centre and on a local bus route, and offers the potential to create a high quality environment, adjacent to the River Adur. The high quality Ropetackle development scheme is located close-by.
- 6.32 The site is considered to offer an opportunity for mixed-use redevelopment. It is considered to provide an opportunity to deliver new office suites and workshop space for SMEs close to Shoreham Town Centre, in which there are few other development opportunities. The nature

of demand locally, coupled with existing values and the access constraints are likely to impact upon demand for and the viability of redevelopment for employment uses. We understand that contributions would likely be required from any redevelopment scheme to flood defence improvements. The precise mix of any development scheme would need to take account of the viability of the overall scheme including infrastructure contributions and would depend on prevailing market conditions.

Recommendation: Allocate the 2.2 ha site for mixed use redevelopment to include employment generating uses such as small office suites and workshop space.

5. Chalex Industrial Estate, Manor Hall Road, Fishersgate

- 6.33 A smaller, poorer quality local industrial estate of 1.9 hectares located adjacent to Fishersgate Station. Current occupiers include Autofit (car servicing/repair) and Dynorod. Vacancy levels are above average, and there is a lack of internal parking and turning space. Internal access and circulation is generally poor. Strategic road access is also relatively poor, with the site located within and accessible from a primarily residential area with a tight turning off Manor Hall Road into the site. The site is however close to local amenities and the rail station.
- 6.34 The site contains approximately 3,800 sq.m of employment floorspace comprising a mix of industrial and warehouse floorspace.
- 6.35 The quality of environment is generally poor and the quality of internal roads is sub-standard. Properties are of varying ages, with some of 1990s construction and some older more dated workshop/ industrial units.
- 6.36 The former Pet Essentials unit in the south-east corner of the site is vacant (730 sq.m GEA) and there is a warehouse unit located centrally which has been burned out. The central former warehouse unit site has planning consent for development of 6 light industrial units for a total of 923 sq.m (9960 sq.ft). It is being marketed by Crickmays. Unit 7 comprising a unit of 202 sq.m (2173 sq.ft) on the estate is also vacant and being marketed by Aston Rose.
- 6.37 While generally this is a poor quality site with above average vacancy, the attractiveness of the site for residential redevelopment is limited by its adjacency to an electricity transformer and overhead power line, as well as the rail line. As such it is recommended that the site remains identified for employment use.

Recommendation: Retain identification of site for employment uses, in use class B1. Allocate central site of 0.2ha for development.

6. Mill Road / Chapel Road Industrial Estate, Fishersgate

- 6.38 A small local industrial estate of 3.0 hectares comprising workshop, industrial and warehouse units of varying ages. The estate is generally well occupied, and environmental quality is reasonable. Big Box Storage occupies the 2 largest units on the estate. Other occupiers include Adenstar Construction, Southdown Construction, Kew Electricals and Merlin Flexible Circuits. A small business centre, the Tungsten Building, has recently been developed on the corner of George Street.
- 6.39 The estate comprises 18600 sq.m of employment floorspace of which 35% comprises warehouse floorspace, 32% industrial floorspace and 29% office floorspace; with the remainder comprising car showrooms.
- 6.40 Road access to the site is generally good, reflecting its location off the A259 Coast Road. There is some on-street parking on the site but generally parking provision is relatively tight and spills over into adjacent streets. Public transport access is reasonable given proximity to the Coast Road and Fishersgate Station. Residential use surrounds the estate.
- 6.41 Existing buildings are of a variety of ages, but most are of a reasonable quality. Selective redevelopment opportunities may arise over the lifetime of the plan. Current vacancy comprises an office suite of 128 sq.m at the Tungsten Building and a light industrial unit at Unit 4, Chapel Road (256 sq.m).

Recommendation: Planning policy should support continued employment use of this site for use classes B1, B2 and B8.

7. Harbour Way Industrial Estate, Shoreham Beach

- 6.42 A local industrial estate of 0.6 hectares located on Harbour Way which comprises a larger (and older) industrial/warehouse unit and four hybrid units built during the 1990s. Existing occupiers include SRW (refrigeration products), Interlink Express and Palace Drinks. One unit, formerly occupied by Hydrodynamic Products (810 sq.m) is vacant. Part of the site has been previously redeveloped for housing. The remaining land provides 3,680 sq.m of employment floorspace, with a mix of office, industrial and warehouse provision.
- 6.43 The site is generally less accessible than other locations within the District and falls within a primarily residential area. It is located at some distance from the A259 and A27. It is however served by a local bus service.
- 6.44 The quality of buildings and environment is generally reasonable. Parking provision at the

time of the site visit appeared adequate.

- 6.45 As the site is generally well occupied and of a good quality, it is considered appropriate to support retention of employment uses.

Recommendation: Planning policy should support continued employment use of this site for use classes B1, B2 and B8.

8. Shoreham Airport

- 6.46 This 7.5 hectare site lies on the southern side of the airfield and accommodates over 50 businesses. There are a mix of employment uses of which the majority are aviation-related. Key occupiers include Northbrook College, which provides training in aviation and motor-engineering, who occupy 2995 sq.m floorspace; Ricardo an automotive and engineering company, and Direct Travel Insurance call centre, which occupies 950 sq.m floorspace. Other aviation-related occupiers include Fast Helicopters and HSL Headset Services.
- 6.47 The age and quality of built stock varies, and includes a number of older aircraft hangar-style units as well as more industrial and hybrid units. Relative to other sites in the District, the Airport has a concentration of higher value-added business occupiers. We estimate total floorspace of 27,500 sq.m of which 64% is industrial, 30% warehouse (including hangars) and 6% office.
- 6.48 Road access to the site is primarily from the A27 Shoreham Bypass, via a traffic controlled junction on the A27. Access from the A259 to the south is restricted, with a low bridge under the rail line which allows single file traffic only. Any significant additional development at the Airport would likely require improvements to be made to access arrangements.
- 6.49 Parking provision is adequate and controlled by the Airport operator, Albemarle. Public transport accessibility is however poor. Environmental quality on the site is high, and this is an attractive setting with views across to Lancing College and the South Downs. However this means that the visual impact of development is higher than at other locations. The site is actively managed.
- 6.50 Development potential includes a vacant plot in the south-eastern corner of the site (0.1 ha) with planning consent for development of an office block (Centenary House) of 640 sq.m GIA over two floors. This is currently being marketed. There is a further vacant plot at the western end of Cecil Pashley Way of 0.2 hectares.

Recommendation: Planning policy should support continued employment use of this site for B1, B2, B8 and sui generis uses. The two small development sites within the existing developed area on the south side of the airport, of 0.1ha and 0.2ha, should be allocated for B1, B2 and B8 uses.

9. Lancing Business Park

- 6.51 Lancing Business Park is one of the largest employment sites in the District, comprising 37 hectares of land located on the western side of Lancing, to the south of the rail line. It is also a Business Improvement District. We have structured the assessment herein to first comment generally on the Business Park, and then to look in greater detail at a number of specific quadrants defined as:
- North side, Chartwell Road
 - South side, Chartwell Road
 - Marlborough Road
 - Commerce Way & Peter Road
- 6.52 Overall the estate is a mixed-use employment site which caters for a range of businesses, and includes non B-class uses such as waste transfer and recycling, car sales/repair and *sui generis* uses. It includes a range of business premises of varying quality.
- 6.53 The site contains a total of 170,200 sq.m of employment floorspace. Of the total commercial floorspace on the site, 50% is industrial, 36% warehouse, and 6% office.
- 6.54 The estate is not located on an A-road, accessed from Western Road which connects the estate to the north to the A27 (1.4 miles) and south to the A259. It is well sign-posted.
- 6.55 The Business Park is served by a local bus service which runs along Western Road, although not through the estate. Depending on location, businesses are located up to a 20 minute walk from Lancing Station.
- 6.56 Land on the **north-side of Chartwell Road** is occupied by a mix of light industrial units and larger warehouse/ storage units. Occupiers include a Crawley Luxury Coaches depot, Rabbit Group (recycling/ energy from waste plant), Smiths News (distribution), Graham Wood (manufacturing) and a VOSA Vehicle Testing Station. There are a number of light industrial units at the Burrell Buildings, which despite its age (c. 1950s) appears fully let. On **Spencer Road**, there are a number of larger industrial units and single user sites. Key occupiers include Lancing Commercial, Equinti and Shoreham Vehicle Auctions.

- 6.57 The age of properties varies, but with few of modern construction (2000+) in this area and the majority built in the 1970s and 1980s. The exception to this is the modern Rabbit recycling facility. Around a third of properties could be described as in poor condition. Environmental quality is reasonable.
- 6.58 Road access appears to be adequate for existing users although the area is intensely occupied and results in significant numbers of vehicle movements. Servicing arrangements are generally adequate. While parking is available on most sites, there is evidence of overspill parking on the estate roads which in some places may inhibit ease of HGV access.
- 6.59 There is one vacant site within this area, an existing warehouse unit on Chartwell Road which we estimate as 3065 sq.m in size. The Smiths News warehouse is also being marketed (2100 sq.m).
- 6.60 Land on the **south side of Chartwell Road** comprises more modern light industrial units including the recently developed Chartwell Business Centre. Parkland Business Centre, a 1960s building, provides office suites. There are also a number of larger companies located in the area, occupying both office and industrial space, including Fine Cut (graphic imaging/engravers); and Manhattan Furniture and the Kitchen Store which occupies a large site on Blenheim Road. More modern office space is present within the Quadrant which provides larger, modern office units that are not available at many other locations within the District. However vacancy at the Quadrant appears above average (6 from 10 units).
- 6.61 Road access is generally adequate for existing users and environmental quality while varied is generally reasonable. There are a mix of occupiers in this area, with some dirty uses. In some parts of this area industrial uses are immediately adjacent to residential homes. There is evidence of some overspill on-street parking, however servicing is generally adequate.
- 6.62 There remain a number of vacant units remaining at the Chartwell Business Centre, part of which is completed. Available industrial floorspace comprises 1480 sq.m. Further vacant floorspace is available within the 1960s Parkland Business Centre, totalling 1213 sq.m of office floorspace.
- 6.63 The **Malborough Road** area contains larger industrial units. Major occupiers include Sussex Transport (warehousing), AMC Sheet Metal Fabrications, Tenkas, and Europcar. The quality of accommodation is generally reasonable, as is environmental quality. Off-road loading is available on a number of sites.
- 6.64 Within this area there are two vacant industrial units, of 382 sq.m and 1977 sq.m, which are of a good quality and being marketed.

- 6.65 The final quadrant of the estate comprises **Commerce Way and Peter Road**. This area contains a mix of office suites, serviced workshops and industrial units. It includes the Modern Moulds Business Centre which contains 17 workshop units of which one is vacant. To the eastern end of the area, it also includes the Council Waste Transfer Station and offices.
- 6.66 Key occupiers within this area include Eschmann, Simplex, Pasante Health Management, Rochester Medical and Model Zone.
- 6.67 Peter Road has benefited from investment in signage and branding. The Triangle development offers affordable office suites for small businesses. There is an area of land to the rear of this used for open storage.
- 6.68 Road access is generally adequate, although becomes tight in parts of the Peter Road area. There is evidence of significant parking on on-street roads. The quality of building stock in the area varies. Environmental quality is reasonable.
- 6.69 There are some vacant units within the area, however levels of vacancy are limited. This includes No8 Peter Road (327 sq.m), and No9 (336 sq.m), both light industrial units; as well as a large warehouse unit on the corner of Commerce Way and Malborough Road (1750 sq.m).
- 6.70 Overall, Lancing Business Park provides one of the higher quality sites within the District providing space for a range of businesses of varying sizes. There are likely to be a range of opportunities for redevelopment for employment use that arise over the course of the plan period.

Recommendation: Planning policy should support continued employment use of the Lancing Business Park, and progressive development for B1, B2 and B8 use. It should encourage investment in the estate, including environmental improvements and improved provision of services, and intensification of employment use.

The vacant warehouse site on Chartwell Road, 0.3ha in size, should be allocated for redevelopment.

10. Ricardo Site, Old Shoreham Road

- 6.71 The Ricardo site is a single user site of 4.6 hectares located adjacent to the A27 on the western side of the River Adur. It comprises the Shoreham Technology Centre of Ricardo, an engineering/ advanced manufacturing firm. It is a focus of research and development activities.

- 6.72 The site provides a high quality environment in an attractive setting adjacent to the River and with views to the South Downs National Park. It includes high quality modern buildings in a landscaped setting. There is further development potential for 1.7ha on land to the west of the existing built-up area, which primarily provides potential for expansion of the firm's existing operations.
- 6.73 The site is adjacent to the A27 and benefits from strong strategic road accessibility. Adequate car parking is provided on-site, however the location does not benefit from strong public transport accessibility.

Recommendation: Planning policy should continue to support employment use of this site for B1 activities. There is potential to allocate land to the west of the existing developed area to support expansion of the firm.

11. Shoreham Cement Works

- 6.74 Shoreham Cement Works spans the boundary between Adur and Horsham Districts. It is located in the north of the district, adjacent to the A283. The area within Adur, on the western side of the A283 is 3.2 hectares in size. It is predominantly vacant. The site is owned by the Dudman Group. It includes 2165 sq.m of employment floorspace.
- 6.75 This is a relatively poor quality site in a rural location. It is largely derelict. It does not benefit from good access to services/amenities, or good public transport accessibility. Access to the site is problematic given the significant volumes and speed of traffic using the A283.
- 6.76 As a consequence of the likely significant remediation costs associated with redevelopment and the potential requirement for access improvements, we would attach a notable risk to the deliverability of any development scheme on the site, particularly for employment uses.
- 6.77 This site now falls within the newly-designated South Downs National Park. It is thus no longer within the planning remit of Adur District Council.

Recommendation: As a consequence of the delivery risks associated with development of this site, we do not recommend its inclusion as part of an employment land supply for the District.

12. Shoreham Town Centre

- 6.78 Shoreham is the main town centre within the District. It includes an estimated 16,800 sq.m of commercial floorspace of which three quarters comprises office floorspace. It includes 31% of total office floorspace within the District (an estimated 12,400 sq.m).

- 6.79 The office stock within this area comprises Adur Civic Centre (4,700 sq.m) on Ham Road which is of 1980s construction and the largest office block within the Town Centre; the Adur Business Centre within the Ropetackle development as well as a number of smaller units generally of less than 300 sq.m and often above shops. These include units on the High Street, Little High Street and Brunswick Road. There is limited evidence of vacant properties, but also a limited supply of space.
- 6.80 More modern office floorspace close to the town centre is concentrated within Riverside Business Centre, a 1990s scheme of two office blocks adjacent to the River Adur on the A259 Brighton Road. However this falls within the Shoreham Harbour site.
- 6.81 The Civic Centre site is located on the eastern edge of the Town Centre. This site is now on the market for a mixed use development with potentially including some retail. The site could be more intensively used and designed to provide a stronger gateway to the Town Centre.

Recommendation: Planning policy should support the development of office floorspace within Shoreham Town Centre.

13. Shoreham Harbour

- 6.82 In this section we have defined Shoreham Harbour as the area which falls within the Port Masterplan boundary which is within Adur District.
- 6.83 Shoreham Harbour remains an operational port. It is a 'short sea' port providing tidal access to ships of up to 6.7 meters draught and 120 meters length in the outer lay-by berths, and 103 meters length in the main docks. The Port has a stable traffic base and a current trading throughput of 1.8 million tonnes per annum (2009), according to the Shoreham Port Masterplan (2010).
- 6.84 About 65% of trade by tonnage is aggregates, but significant tonnages of timber and cereals are handled. Fuel oils are imported at the Texaco terminal. Steel imports are expected to increase with the opening of a new terminal for Parker Steel in 2012.
- 6.85 The total area within the Port Masterplan boundary is 70.7 hectares. This includes land falling within Brighton and Hove. Of this 52 ha is owned by the Shoreham Port Authority. The land area used in direct port operational use is 37.8 ha according to the Port Masterplan. Vacant land comprises 2.8 hectares.
- 6.86 The Port Masterplan estimates employment of 1,400 people within the port area (including within Brighton and Hove). A range of employment activities take place within the Port.

Regeneration Proposals for Shoreham Harbour

- 6.87 Shoreham Harbour is a regeneration priority of the Council. The Shoreham Harbour Regeneration Partnership brings together a number of wider stakeholders, including Brighton and Hove City Council, West Sussex County Council, the Shoreham Port Authority and the Homes and Communities Agency to drive forward the Harbour's regeneration.
- 6.88 The regeneration opportunity at the Harbour is based on rationalising and intensifying the use of land and introducing a greater mix of uses, including higher value uses. The regeneration proposals for the Harbour mean that a different approach to establishing development potential for employment uses must be adopted, recognising and taking account of proposed regeneration.
- 6.89 The Shoreham Harbour Regeneration Partnership has recently undertaken a fundamental review of the development capacity of the Harbour.
- 6.90 The Shoreham Port Authority (SPA) has completed a Masterplan for the Port which established development potential, and requirement for additional land for operational purposes. Shoreham Port Authority proposes to consolidate the operational uses of the Port to within the Eastern Arm and Canal, enabling redevelopment of land in the Western Arm (between the mouth of the Canal and Shoreham Town Centre) and within the Aldrington Basin (within Brighton and Hove) for other uses.
- 6.91 Adur District Council, Brighton and Hove City Council and wider partners have collaborated in considering the wider development potential of these parts of the Harbour through the *Shoreham Harbour Development Capacity and Viability Study* (AECOM, March 2011). This considers the physical potential of the Harbour to accommodate new development, together with the capacity of development to fund the significant infrastructure investment required to support it. It also considers delivery issues related to infrastructure funding and land assembly.
- 6.92 The Port Masterplan (October 2010) seeks to continue to develop the Port as a modern viable niche port, focusing on construction materials, but also expanding into new trades particularly related to renewable energy. The Masterplan envisages that key main facilities within the Port, including the Power Station, Waste Water Treatment Plant and Texaco Oil Terminal are likely to stay over the timespan of the masterplan to 2026; but through greater intensity of use of land there should be capacity for a 25% growth in trade (tonnes) to 2026. **It estimates that up to 9 hectares of land will be required to support this, which can be achieved through relocation of non port-related businesses, more efficient use of terminals, and some reclamation in the Canal and Eastern Arm to create additional space.**

- 6.93 Net additional job creation is estimated at 500 within the Port Masterplan area. It seems realistic to assume that 300 of these can be delivered within Adur District in the period to 2026.

South Quayside

- 6.94 **South Quayside** is envisaged to remain the main operational area of the Port. This area includes common user berths, with associated open storage space and transit warehouses; and leased wharfs occupied by Hanson/Tarmac for aggregates import and Shoreham Silo Services for grain exports. It also includes non port-related activities including the Scottish Power Power Station, and Southern Water's Waste Water Treatment Plant. There are also a number of smaller leased sites, a number of which include non port-related uses.
- 6.95 Occupiers in this area include Arcelor Mittal, Sussex Port Forwarding Ltd, Hanson/Tarmac. Access from the A259 is via a traffic controlled junction. Public transport accessibility is poor; but general environmental quality is reasonable for the types of activities taking place.
- 6.96 The Port Masterplan envisages opportunities to develop new port trade and accommodate relocation of uses from elsewhere, whilst improving operational efficiencies. It states that non-port operations would be restricted in this area. Opportunities for intensification of use include through more intensive use of open land currently devoted to timber storage. The Port Masterplan provides some indication that there may be some relocation of non port-related uses currently within this area. However the potential sites identified fall within Brighton and Hove.

Lock Gates / Dry Dock & Southwick Waterfront

- 6.97 The **Lock Gates/Dry Dock** area on the northern side of the Canal again is intended to remain a key functional part of the Port, and identified as a new main engineering base with a renovated dry dock and associated facilities.
- 6.98 The North Quayside area currently has a mix of vacant land, port operators and other businesses; but with relocation of certain non port-related uses, together with limited land reclamation and delivery of a new access road, the masterplan envisages that this has the potential to develop as a new port operational area.
- 6.99 The Southwick Waterfront Area is identified in the Port Masterplan for commercial and leisure use. It includes the Riverside Yard and Calor Gas Storage Area. The Port Masterplan discussed delivery of a new service road to open up the area, linking Southwick Waterfront to the existing road serving the Texaco Oil Terminal. This would require relocation of the NTC

bounding.

Western Arm

- 6.100 Within the **Western Arm** of the Port, between the Harbour Mouth and Shoreham Town Centre, substantial redevelopment is proposed is currently proposed. However, it should be understood upfront that there are **considerable delivery risks** attached to this.
- 6.101 The Western Arm currently contains a range of businesses across a number of sectors. This includes a vacant Parcelforce depot with planning consent for residential redevelopment; the Surrey Boat Yard which provides moorings and brokerage services; and the Riverside Business Centre.
- 6.102 The Riverside Business Centre comprises 1990s two storey office and hybrid B1 accommodation and includes occupiers PTL Powertrain Technology, AMT Advanced Manufacturing and Lotus Engineering. It provides a good quality environment and accommodation and adequate parking.
- 6.103 Other occupiers include Frosts, a car dealership; Minelco (minerals import); and a series of light industrial units. Further to the east is a Kwik Fit garage and car wash, followed by vacant land at Kingston Railway Wharf, and then a wharf site occupied by Paladone. La Poissonerie Fishmongers and Edgars Cool Water occupy a site adjacent to the Calor Oil/Gas Terminal. Other occupiers include Stamco, and Howard Kent (self storage).
- 6.104 Overall the area contains a mix of occupiers in older, poorer quality buildings. Sites are accessed from a busy road which impacts on amenity. Uses are generally noisier and dirtier. Vacant land is concentrated at the Kingston Railway Wharf, which is in SPA ownership, together with the Parcelforce site which has planning permission for residential redevelopment.
- 6.105 Given the attractive waterside location and proximity to Shoreham Town Centre, there is a strong rationale to intensify land use and attract higher value uses through mixed use redevelopment.
- 6.106 To inform the Employment Land Review it has been necessary to consider both the development potential of this area, as well as issues related to the displacement of existing businesses. In doing so, we have drawn on the recent AECOM Development Capacity and Viability Study for the Harbour.
- 6.107 Development opportunities identified in the section of the report relate to sites both within the

Port Masterplan boundary¹⁶. Mixed use redevelopment is envisaged within this area which lies on the edge of Shoreham Town Centre, providing new office, retail and residential uses and improving access to the waterfront and integration of this with the Town Centre.

- 6.108 The AECOM Study has tested four potential development options for this area: considering the potential for redevelopment of existing sites to the South of the A259, and an alternative option whereby the A259 was rerouted north to run alongside the railway line, in order to provide a larger potential area for mixed use redevelopment.
- 6.109 For the purposes of assessment herein, we have assumed that the rerouting of the A259 is prohibitively complex and costly, and have therefore assumed that it is retained; and that higher sustainability credentials are also not feasible, given the substantial development and infrastructure costs that exist. We have based our analysis on the Retained A259 'Quantum' Option.
- 6.110 The AECOM Study identified that this option would involve displacement of 53,000 sq.m of floorspace in B2 and B8 use within the Western Arm, assuming land to the north of the A259 is retained in employment use.
- 6.111 An area of 7.8 hectares of land in the Western Arm in this scenario is redeveloped for alternative uses. This includes SPA sites and other Adur Waterfront Sites. Of this land, 4.7 ha is currently in Port use, and we have assumed that this is accommodated elsewhere within the Harbour, through intensification of use of sites and limited land reclamation in accordance with the Port Masterplan.
- 6.112 A residual area of 3.1 hectares of land which is currently occupied by B2 / B8 uses in this scenario requires relocation/ re-provision in the period to 2031. Assuming a plot ratio based on figures in the AECOM Study¹⁷ we estimate **a requirement for provision of 20,000 sq.m of B2/B8 floorspace to accommodate relocations from Shoreham Harbour.**
- 6.113 Through redevelopment of sites within the Western Arm (south of the A259), AECOM estimate the **potential to deliver 26,000 sq.m of new B1 floorspace in the period to 2031.**

Recommendation: Land within the Western Arm should be identified in planning policy for mixed-use redevelopment. An Area Action Plan, masterplan or site-based development briefs should be developed to provide guidance on the appropriate mix of uses at a site level.

¹⁶ See AECOM Study Figure 3.3

¹⁷ A plot ratio of 0.64 has been used

14. Land North of the A259

- 6.114 Land on the north side of the A259 (and to the south of the railway line) comprises a mix of predominantly industrial uses of varying quality and age. These include Coralls (fuel merchants/distributors), the County Council's Household Waste Recycling Centre, the Cyril Richings Business Centre (1980s warehouse units), EMR (metal recycling), and the Malthouse Estate, comprising more modern industrial units, and Travis Perkins (buildings supplies). Occupiers further to the east comprise City Plumbing and Graffiti (warehouse).
- 6.115 Units within the Malthouse Estate while currently occupied by Edwards, are being marketed. This comprises four units totalling 5030 sq.m and varying between 1130 – 1170 sq.m in size.
- 6.116 Overall this area is generally actively used. Its future use will depend on the development solution for Shoreham Harbour. However the AECOM Study recommends its retention for employment use, with some potential for intensification.

Recommendation: Planning policy should continue to support use of this site for employment activities in use classes B1, B2 and B8 uses.

15. Grange Industrial Estate, Southwick

- 6.117 Grange Industrial Estate in Southwick is a well occupied local industrial estate accessed from the A259. Key occupiers include Scarborough Fine Arts and Southover Food Co. It comprises predominantly 1990s light industrial units with some trade counter occupiers. It is generally well occupied, and benefits from good public transport accessibility. There are parking issues within the estate; and although there is an adjacent Council car park this appears ill-used, presumably due to cost.

Recommendation: Planning policy should continue to support use of this site for employment activities in use classes B1, B2 and B8 uses.

Additional Potential Employment Land Allocations

- 6.118 There is limited potential land available for development within Adur District's boundaries which could potentially be used for future employment development. The District lies between the South Downs and the sea and is primarily built up with the exception of the areas between Lancing and Shoreham and Lancing/Sompting and Worthing which act as strategic gaps.
- 6.119 Within the strategic gap, two locations have been considered in terms of their potential allocation to provide employment land. One of these is an area on the eastern side of

Shoreham Airport adjacent to the River Adur; whilst the second is on the eastern fringe of Lancing, south of the A27.

Shoreham Airport

- 6.120 Shoreham Airport is owned by Albemarle who are promoting delivery of over 40,000 sq.m of business accommodation as part of a commercial strategy for development and diversification, recognising that flight movements have been in decline.
- 6.121 As described above, the airport benefits from a good quality environment and landscape setting, easy access from a signal controlled junction on the A27 and provision of a number of services/amenities on site. It is potentially an attractive location for businesses and one of the few locations within the District which offers the potential to attract higher value-added activities.
- 6.122 However there are a notable number of constraints to further development at the Airport, including the impact of development on the strategic gap, the visibility of development and impact on the setting of Lancing College, and flood risk. Access arrangements are also problematic and depending on the scale of development, improvements might be made to the junction with the A27 to mitigate the impact of development on the strategic road network (subject to detailed transport modelling). There is currently poor public transport access.
- 6.123 We are thus of the view that further employment development at the airport of an appropriate scale which takes account of its setting and landscape impact is appropriate subject to the provision of an appropriate transport solution to mitigate its impact on the A27 and provision of improved public transport accessibility. The scale of development will need to be considered in detail relation to these factors but we consider that the location provides an indicative potential for 30,000 sq.m of additional employment floorspace.
- 6.124 The caveat here is that we would attach a notable element of risk to the potential for employment development at the airport in its own right to provide a sufficient return to support what could be substantial improvements to the A27 junction and improved flood defences, subject to detailed modelling and viability testing. The developer will need to provide adequate evidence to demonstrate that an acceptable transport solution can be delivered and infrastructure investment can be funded to support the level of development proposed.

New Monks Farm

- 6.125 The New Monks Farm site is located to the south of the A27 on the eastern side of Lancing. It is sometimes referred to as Mash Barn. The Council wishes to assess the potential of the site to accommodate residential-led mixed-use development if there is a need to find additional housing and employment land to meet needs over the next twenty years.
- 6.126 Initial capacity work undertaken by the Council indicates that the site has potential to accommodate c. 10,000 sq.m of employment floorspace as part of a wider mixed-use scheme.
- 6.127 The site provides generally flat land and is more enclosed than land at Shoreham Airport. Its visual and landscape impact are thus arguably less than development at the Airport, subject to detailed assessment. It benefits from proximity to, and potentially access from the A27.
- 6.128 However, as with Shoreham Airport, a key issue is how to achieve appropriate access, both from the A27 and in regard to public transport. An appropriate solution might be provision of a new access road from the A27 to the site together with junction improvements, subject to detailed transport modelling and viability assessment.
- 6.129 From a commercial perspective, employment development at this location could be less attractive than at the Airport where there is an existing cluster of employment activity and major employers including Ricardo. This might be a consideration in regard to phasing and in regard to the form and mix of employment provision, were both schemes to progress. However there might be opportunities to provide local services and public transport close to employment development as part of the planning of a comprehensive mixed-use scheme at New Monks Farm.

7 EMPLOYMENT SUPPLY / DEMAND BALANCE

7.1 In this section we consider the balance between the supply and demand for employment land and premises in quantitative and qualitative terms.

QUANTITATIVE BALANCE

7.2 We have drawn together an assessment of vacant employment floorspace and vacant land with development potential on existing employment sites, drawing on commercial databases – Focus and Estates Gazette Interactive (EGi) – as well as the site survey undertaken in April 2011. Vacant floorspace recorded by the site survey has been assessed using VOA floorspace data.

Vacant Floorspace

7.3 Figure 7.1 below indicates vacant office floorspace. We estimate vacant office floorspace in Adur at April 2011 at 7,560 sq.m NIA. Adding 20% to convert NIA to GEA in accordance with the HCA guidance, this equates to 9,070 sq.m GEA of vacant office floorspace.

Figure 7.1: Vacant Office Floorspace, April 2011

Building / Park	Street Name	Town	Sq.M Available (NIA)
63a	Brighton Road	Shoreham By Sea	100
27	Buckingham Road	Shoreham By Sea	30
Unit 8 Winston Business Centre	Chartwell Road	Lancing	71
Unit 7 Parkland Business Centre	Chartwell Road	Lancing	530
33	East Street	Shoreham By Sea	57
Unit 1, Tungsten Building	George Street	Fishersgate	128
Mariners House	Hancock Way	Shoreham By Sea	240
Town Hall Chambers, 45-49	High Street	Shoreham By Sea	116
84	High Street	Shoreham By Sea	120
The Quadrant	Marlborough Road	Lancing	125
Brooklands House	Marlborough Road	Lancing	1,161
Riverside Yard	Riverside	Southwick	16
Europa House, 46	Southwick Square	Brighton	749
Technology House	West Road	Southwick	647
	Parkland Business Centre	Lancing	1213
Former Virgin Media Unit	Gardner Road	Fishersgate	2129
Unit 1, Tungsten Building	Chapel Road	Fishersgate	128
TOTAL			8768

Source: GLH (drawing on Focus and EGi)

7.4 We have undertaken a similar exercise with industrial/ warehouse floorspace. We estimate total vacant industrial floorspace at 29,350 sq.m GIA. Adding 5% of this we estimate that this equates to 30,820 sq.m GEA.

Figure 7.2: Vacant Industrial/Warehouse Floorspace, April 2011

Building / Park	Street Name	Town	Sq.M Available
106	Brighton Road	Shoreham By Sea	626
Unit 1 Malthouse Trading Estate	Brighton Road	Shoreham By Sea	1,770
Unit 4, Cyril Richings Buildings, 202-210	Brighton Road	Shoreham By Sea	463
Unit 2 The Malthouse Estate	Brighton Road	Shoreham By Sea	2,725
Unit 4 The Malthouse Estate	Brighton Road	Shoreham By Sea	1,135
Unit 18	Cecil Pashley Way	Shoreham By Sea	324
Unit 8 Chartwell Business Centre	Chartwell Road	Lancing	353
Unit 7 Chartwell Business Centre	Chartwell Road	Lancing	353
Unit 5 Parkland Business Centre	Chartwell Road	Lancing	455
Units 11-15 Winston Business Centre	Chartwell Road	Lancing	357
Unit 21 Winston Business Centre	Chartwell Road	Lancing	54
Unit 11 Chartwell Business Centre	Chartwell Road	Lancing	776
Unit 25, Winston Business Centre	Chartwell Road	Lancing	211
Unit 4 Winston Business Centre	Chartwell Road	Lancing	100
Unit 9 Winston Business Centre	Chartwell Road	Lancing	88
Unit 7, Winston Business Centre	Chartwell Road	Lancing	100
Unit 27 Winston Business Centre	Chartwell Road	Lancing	54
Warehouse Unit	Chartwell Road	Lancing	3065
Lancing Business Park	Commerce Way	Lancing	1,751
Unit 5b Wayside	Commerce Way	Lancing	80
Unit 3 Wayside	Commerce Way	Sompting	215
Unit 5c Wayside	Commerce Way	Lancing	111
Unit D3-d5	Dolphin Way	Shoreham By Sea	465
1-3	Eastern Avenue	Shoreham	1,680
Unit B3 Dolphin Enterprise Centre	Evershed Way	Shoreham By Sea	152
Unit C3 Dolphin Enterprise Centre	Evershed Way	Shoreham By Sea	99
Unit C2 Dolphin Enterprise Centre	Evershed Way	Shoreham By Sea	99
Unit 3, Harbour House	Harbour Way	Shoreham By Sea	951
Unit 1 (Former HDP)	Harbour Way	Shoreham By Sea	810
Ex Ballamys Garage	High Street	Shoreham By Sea	1,662
Brooklands House	Marlborough Road	Lancing	604
4 Royal Buildings	Marlborough Road	Lancing	210

Unit 3, Marlborough Business Centre	Marlborough Road	Lancing	395
Unit 1, Marlborough Business Centre	Marlborough Road	Lancing	589
Unit 2, Marlborough Business Centre	Marlborough Road	Lancing	459
	Marlborough Road	Lancing	382
	Marlborough Road	Lancing	1977
Unit 8 Lancing Business Park	Peter Road	Lancing	327
Unit 9	Peter Road	Lancing	336
Block on West	Rectory Farm	Sompting	1800
Former Pet Essentials Unit	Chalex Industrial Estate	Fishersgate	730
Unit 7	Chalex Industrial Estate	Fishersgate	202
Unit 4	Chapel Road	Fishersgate	256
TOTAL			30524

Source: GLH (drawing on Focus and EGi)

Development Pipeline

7.5 The development pipeline in Adur is relatively limited. It includes a total of 26,650 sq.m gross floorspace or 25,094 sq.m net floorspace.

Figure 7.3: Schemes with Planning Permission

	Gross sq.M	Use Class	Sq.M Lost	Use Class	Site Area
Blocks B&C, Ropetackle, Shoreham	267	B1a	0	0	0.04
10 Fishersgate Terrace, Shoreham	138	B1a	0	0	0.01
6, Elm Business Units, Chartwell Rd, Lancing	68	B1c	0	0	0.01
Unit 14, Spencer Road, Churchill IE, Lancing	698	B1	175	B2	0.1
Manhattan Furniture, Blenheim Rd, Lancing	1784	B1	0	0	0.22
26 Dolphin Way, Shoreham	1697	B1	1381	B2	0.46
Britannia Av, Harbour Way, Shoreham	2629	B1	0	0	0.23
AMC Sheet Metal, Marlborough Road, Lancing	127	B2	0	0	0.01
Plot 16, Cecil Pashey Way, Shoreham	744	B1a	0	0	0.1
1, 1a, 2-5 Chalex Industrial Estate, Southwick	1080	B1	0	0	0.18
Satair, Plot 7, Shoreham Airport	864	B2	0	0	0.09
Fishersgate Terminal, Basin Rd South, Southwick	13300	B2	0	0	4.8
Fishersgate Terminal, Basin Rd South, Southwick	3253	B1a	0	0	
Parcelforce Site, Brighton Rd, Shoreham			2128	B8	0.88
Total	26649		3686		7.16

Source: WSCC CIDS/GLH

7.6 We have estimated that floorspace classified as 'B1 mixed' is in industrial use, and 25% in office use. On this basis we estimate that the **development pipeline comprises 5,630 sq.m**

B1a office floorspace and 18,719 sq.m B1c/B2 industrial floorspace in net terms with a loss of -2128 of B8 warehouse floorspace.

Residual Floorspace Requirement to 2031

- 7.7 We have calculated a residual floorspace requirement for the period 2011-31 by deducting vacant floorspace and floorspace in the development pipeline from the gross floorspace forecasts, to identify requirements for additional land/floorspace over the plan period.

Figure 7.4: Residual Floorspace Requirement (excluding relocations from Shoreham Harbour)

2011-31	Gross Floorspace Forecast		Vacant Floorspace (Sq.M)	Development Pipeline (Sq.M)	Residual Requirement	
	(sq.m GEA)				(sq.m GEA)	
	Baseline Scenario	Intervention Scenario			Baseline Scenario	Intervention Scenario
Office: B1a/b	12960	28430	9,070	5630	-1,740	13,730
Industrial:B1c/B2	2060	14880	30,820	16590	3,230	16,050
Warehouse: B8	48580	48580				
Total B Class	63590	91890	39,890	22,221	1,490	29,780

Source: GLH

- 7.8 In purely quantitative terms, there is a moderate requirement for additional floorspace in the baseline scenario, compared to assessed demand, totalling 1,490 sq.m. This is particularly a function of vacant office floorspace, which results in a negative requirement for -1,740 sq.m office floorspace over the period to 2031 when account is taken of the current development pipeline. There is a requirement for an additional 3,230 sq.m of industrial/warehouse floorspace to meet demand over the plan period to 2031 in the baseline scenario.
- 7.9 In the intervention scenario, the higher projected employment levels result in stronger demand for commercial floorspace. There is a requirement for an additional 29,780 sq.m of commercial floorspace comprising 13,730 sq.m of office floorspace and 16,060 sq.m of industrial/warehouse floorspace.
- 7.10 **In addition to the above, we have estimated a requirement for provision of 20,000 sq.m of B2/B8 floorspace to accommodate relocations from Shoreham Harbour.** This increases the requirement for industrial/warehouse floorspace to 36,050 sq.m.

Figure 7.5: Final Calculated Floorspace Requirements

2011-31	Residual Requirement	
	(sq.m GEA)	
	Baseline Scenario	Intervention Scenario
Office: B1a/b	-1,740	13,730
Industrial: B1c/B2	3,230	36,050
Warehouse: B8		
Total B Class	1,490	49,780

Source: GLH

- 7.11 It is anticipated that office floorspace within the intervention scenario would be delivered primarily at Shoreham Harbour. Assuming a plot ratio of 1.9 in accordance with the AECOM Development Capacity and Viability Study, this would require 0.7 ha of land. We assume that industrial floorspace is delivered at a lower density, with a plot ratio of 0.45 in accordance with Government Guidance on ELRs. This results in a requirement for 8.0ha of industrial land.

Residual Floorspace Requirement to 2028

- 7.12 We have calculated a residual floorspace requirement for the period 2011-28 using the same approach by deducting vacant floorspace and floorspace in the development pipeline from the gross floorspace forecasts, to identify requirements for additional land/floorspace over the plan period.

Figure 7.6: Residual Floorspace Requirement (excluding relocations from Shoreham Harbour)

2011-28	Gross Floorspace Forecast		Vacant Floorspace (Sq.M)	Development Pipeline (Sq.M)	Residual Requirement	
	(sq.m GEA)				(sq.m GEA)	
	Baseline Scenario	Intervention Scenario			Baseline Scenario	Intervention Scenario
Office: B1a/b	10928	22233	9,070	5630	-3,772	7,533
Industrial:B1c/B2	2176	12864	30,820	16590	-3,113	7,575
Warehouse: B8	42121	42121				
Total B Class	55225	77218	39,890	22,221	-6,885	15,108

Source: GLH

- 7.13 There is a moderate surplus of floorspace (-6,855 sq.m) in the baseline scenario, compared to assessed demand with a negative requirement for office floorspace (-3,772 sq.m) and a negative requirement for -3,113 sq.m of industrial/warehouse floorspace. This excludes relocations at Shoreham Harbour. In the intervention scenario there is requirement for

additional floorspace; of 15,108 sq.m comprising 7,533 sq.m of office floorspace and 7,575 sq.m of industrial/warehouse floorspace. In addition to these, we have estimated a requirement for 20,000 sq.m of B2/B8 floorspace to accommodate relocations from Shoreham Harbour in the Intervention Scenario: this increases the total requirement in the intervention scenario to 35,108 sq.m and the industrial/warehouse requirement to 27,575 sq.m.

- 7.14 It is anticipated that the office floorspace within the intervention scenario would be delivered primarily at Shoreham Harbour at a plot ratio of 1.9 in accordance with the AECOM Study. This results in a land requirement for 0.4 ha. Assuming a plot ratio of 0.45 for industrial/warehouse floorspace, there is a requirement for 6.1 ha of land.

Figure 7.7: Final Floorspace and Land Requirements, 2011-28

2011-28	Residual Floorspace Requirement		Plot Ratio	Additional Land Requirement (Hectares)	
	Baseline	Intervention		Baseline	Intervention
Office: B1a/b	-3,772	7,533	0.5 / 1.9	-0.8	0.4
Industrial: B1c/B2	-3,113	27,575	0.45	-0.7	6.1
Warehouse: B8					
Total B Class	-6855	35,108		- 1.4	6.5

Source: GL Hearn (including Shoreham Harbour Relocations)

QUALITATIVE BALANCE

- 7.15 This ELR Update raises significant questions regarding the quality of existing sites and premises in the District to meet the needs of the economy moving forward. The Study has highlighted:

- Limited provision of high quality sites, taking account of the built stock, environment, access to amenities, public transport accessibility and strategic road access;
- A relatively limited development pipeline with an indication that the supply of employment sites within the District is relatively 'tight;'
- A relatively under-developed office market, with limited existing floorspace particularly of stand-alone office premises, and relatively low values; and
- A mature industrial market but one which is focused on industrial sites for port and

manufacturing-related activities.

- 7.16 The forecasts indicate moderate demand for office floorspace. While this is partly influenced by current stock/ supply it is also influenced by the proximity of the district to larger employment centres in Brighton and Worthing.
- 7.17 We do see potential to develop the office market, and indeed this would be an important supply-side component of an economic development strategy seeking to increase productivity (and wages) within the local economy. Given the existing office market, this may well however require support to achieve. This would include through establishing a clear policy framework to provide certainty on future land use, through some flexibility regarding potential contributions to infrastructure provision to support development viability, and potentially through the public sector in taking a more proactive role in site assembly and remediation.
- 7.18 We have reviewed the most recent Employment Land Reviews for Worthing (Knight Frank, 2009) and Brighton (Roger Tym and Partners, 2006 and 2009 Update). Neither identifies any under-provision of employment land in quantitative terms which might lead to any displacement of demand from these centres. Nonetheless, the Brighton ELR did identify a requirement for additional business park provision within the City.
- 7.19 We consider that there is potential to develop the office market in the Intervention Scenario subject to market demand, however this will require policy support (in terms of a clear policy context and broader support from the Council) and potentially some public sector backing (through the Shoreham Harbour Regeneration Project or the Local Enterprise Partnership for example) to achieve delivery.
- 7.20 There is an established industrial market within the District, however the forecasts indicate that moving forward demand is likely to arise more for additional B8 warehouse floorspace as opposed to B2 industrial. The accessibility of the current portfolio of sites to the strategic road network is a key concern. Thought needs to be given to the allocation of land close to and with good access from the A27 in particular, to support the local economy.

8 CONCLUSIONS AND RECOMMENDATIONS

8.1 In this final section we set out the conclusions of this Employment Land Review.

A. Employment Targets

8.2 This Study has outlined two scenarios for employment growth. Under baseline conditions, employment is forecast to increase by 10% over the 2011-31 period with employment growth of 2,100 according to Cambridge Econometrics. With a coherent economic development strategy supported by supply-side intervention through delivery of Shoreham Harbour Regeneration and additional development at Shoreham Airport, it is considered that an Economic Intervention Scenario could deliver an additional 1,600 jobs over and above the baseline scenario, increasing the employment forecast to 18.5% over the 2011-31 period with employment growth of 3,700.

8.3 The benefits of the Intervention Scenario can be summarised as:

- Delivery of an additional 1,600 jobs over and above the baseline scenario which provides the opportunity to approximately half the jobs deficit of 8000¹⁸ over the 20 year plan period;
- Providing a stronger opportunity to reduce net out-commuting from the District, resulting in a better balance of homes and jobs and potentially more localised and sustainable travel patterns;
- Delivery of higher value-added employment supporting growth in average wages in the District and thus the spending power of the local population, which in turn should help the local service economy;
- Providing the potential to diversify the economy and develop a more rounded economic structure through attraction of new industries, supporting greater economic resilience;
- Supporting the image and profile of the District as a business location.

8.4 In comparison the Baseline Scenario sees employment growth broadly in line with the long-term trend and rates of development moderately below past trends. It is likely that the district's economy would continue to reinforce around its existing sectoral strengths, and that the low wage-skill equilibrium and high out commuting would persist.

8.5 The potential to change commuting patterns will depend upon the levels of both housing and employment planned for within the LDF Core Strategy. Housing provision levels are constrained by the availability of land in a District which sits between the South Downs

¹⁸ The jobs deficit relates to the under-provision of jobs relative to the resident working population in Adur

National Park and the sea. It is estimated that provision of 205 homes per annum is required to maintain the size of the District's workforce, however the options for housing provision being considered fall below this, varying from 65 – 270 homes per annum. There is an opportunity through delivery of either the Baseline or Intervention Scenario to contribute to reduce net out-commuting from the District to work, with the potential a stronger reduction to be achieved in the Intervention Scenario. This would support more local living and working and shorter distance travel to work trips.

- 8.6 It is likely that the availability of land for housing in Brighton & Hove and Adur and Worthing may constrain future growth in the working-age population relative to trend-based demographic projections and past economic performance. However Brighton & Hove particularly has a very young age structure which is likely to continue to support growth in the working-age population and thus the size of the workforce. Given that labour markets operate at a sub-region level and the potential for changes in commuting patterns, including for reduced out-migration from Adur, we do not consider that constrained housing supply within the District specifically would unduly restrict the ability of the local economy to achieve either the Baseline or Intervention Scenario for economic growth over the period to 2031.
- 8.7 Indeed we would argue that there was a strong strategic rationale for seeking to achieve above trend economic growth (such as the Intervention Scenario) in order to deliver the benefits identified above, including improved earnings and more local living and working.
- 8.8 It is recommended that the LDF Core Strategy Issues and Options tests the two economic growth scenarios. The Core Strategy is looking at a plan period between 2013-28. The baseline forecast is of employment growth of 1,800 over the 2011-28 period. The Economic Intervention Scenario would result in employment growth of 3,000 over this period.

B. Floorspace Provision

- 8.9 Taking into account vacant floorspace on existing employment sites and floorspace in the development pipeline, requirements for floorspace over the 2011-31 period are as follows:
- **Baseline Scenario:** a surplus of 1,740 sq.m of office floorspace, but a requirement for 3,230 sq.m of industrial/warehouse floorspace;
 - **Intervention Scenario:** a requirement for 13,730 sq.m of office floorspace and 16,050 sq.m of industrial/warehouse floorspace;
 - **Relocations from Shoreham Harbour:** a requirement for provision of 20,000 sq.m of B2/B8 floorspace to accommodate relocations from Shoreham Harbour. This is additional to the requirements identified above.

Figure 8.1: Final Calculated Floorspace Requirements

2011-31	Residual Requirement		Shoreham Harbour
	(sq.m GEA)		Relocations (sq.m GEA)
	Baseline Scenario	Intervention Scenario	Intervention Scenario + SH Relocations
Office: B1a/b	-1,740	13,730	13,730
Industrial: B1c/B2	3,230	16,050	36,060
Warehouse: B8			
Total B Class	1,490	29,780	49,780

Source: GLH

- 8.10 Floorspace and land requirements have also been calculated over the shorter period to 2028 to coincide with the proposed timeframes for the LDF Core Strategy. These are shown below.

Figure 8.2: Final Floorspace and Land Requirements, 2011-28

2011-28	Residual Floorspace Requirement		Plot Ratio	Additional Land Requirement (Hectares)	
	Baseline	Intervention		Baseline	Intervention
Office: B1a/b	-3,772	7,533	1.9	-0.8	0.4
Industrial: B1c/B2	-3,113	27,575	0.45	-0.7	6.1
Warehouse: B8					
Total B Class	-6,855	35,108		- 1.4	6.5

Source: GL Hearn (including Shoreham Harbour Relocations)

C. Overall Approach to Employment Policy

- 8.11 The supply of land and premises for employment in Adur District is very tight. On this basis there is no quantitative case for the release of employment land for other uses. However the quality of the portfolio of sites has been assessed as sub-standard. There is a need to identify additional high quality sites to meet market demand.
- 8.12 Adur District Council will need to be proactive in working with public sector partners, businesses and developers/investors to deliver the Intervention Scenario. There are

significant delivery risks associated with the regeneration of Shoreham Harbour and the delivery of additional development at Shoreham Airport which will require a proactive approach by the District Council in collaboration with wider stakeholders to resolve. Doing so, will however support the District's economic regeneration.

- 8.13 There is an opportunity particularly through delivery of new office floorspace within the Shoreham Harbour Western Arm, and of high quality commercial floorspace at Shoreham Airport to attract higher value-added activities. At other locations, employment development is more likely to be similar to the existing business/ employment profile of District.

D. Site Specific Recommendations

- 8.14 In addition to those sites with planning consent, the Employment Land Review identifies the following sites with potential for employment development:

Rectory Farm Industrial Estate, Lancing: 0.2ha for B1 use

Gardner Road, Fishersgate: 0.8ha for B1 use

- 8.15 It identifies the potential for mixed-use redevelopment of the following current employment sites:

Riverbank Business Centre, Shoreham: 2.2ha for mixed-use redevelopment including employment generating uses (to include office floorspace)

Western Arm, Shoreham Harbour: 7.8ha for mixed-use redevelopment including employment generating uses (to include office floorspace)

- 8.16 In light of the tight supply of employment land within the District, we do not recommend the release of any other sites for alternative uses.

- 8.17 We estimate that the land at Rectory Farm and Gardner Road Fishersgate together with employment provision as part of mixed-use development at the Riverbank Business Centre have potential to deliver 5,650 sq.m of employment floorspace. There remains an outstanding requirement for delivery of 29,500 sq.m of employment space to deliver the Intervention Scenario over the period to 2028, taking account of Shoreham Harbour relocations.

- 8.18 In light of the above, we consider that there is a need to identify additional land for employment uses. We recommend consideration of the following additional allocations:

Shoreham Airport (Eastern Side): up to 30,000 sq.m for employment uses in classes B1, B2 and B8

New Monks Farm, Lancing: up to 10,000 sq.m for employment uses in classes B1, B2 and B8.