



GL Hearn

Adur Employment Land Review – Update Report

Adur District Council

December 2014

Prepared by

GL Hearn Limited
20 Soho Square
London W1D 3QW

T +44 (0)20 7851 4900
F +44 (0)20 7851 4910
glhearn.com

Contents

Section	Page
1 INTRODUCTION	7
2 CURRENT POLICY CONTEXT	9
3 ECONOMIC BASELINE	21
4 COMMERCIAL MARKET PERFORMANCE	45
5 FORECASTING FUTURE DEMAND	65
6 EMPLOYMENT LAND SUPPLY	76
7 EMPLOYMENT SUPPLY / DEMAND BALANCE	102
8 CONCLUSIONS	112

List of Figures

FIGURE 1: INDEXED JOB GROWTH (1997 – 2012)	22
FIGURE 2: EMPLOYMENT WITHIN WORKPLACES OF DIFFERENT SIZES	23
FIGURE 3: ADUR JOBS BY BROAD SECTOR (2012)	24
FIGURE 4: GROWTH OF SECTORS EMPLOYING OVER 500 PEOPLE (1997-2012)	25
FIGURE 5: INDEXED GROWTH OF SECTORS EMPLOYING OVER 500 PEOPLE (1997-2012)	26
FIGURE 6: LOCATION QUOTIENT ANALYSIS (2012)	27
FIGURE 7: GVA INDEXED GROWTH SINCE 1997	29
FIGURE 8: GVA BY SECTOR (2013)	30
FIGURE 9: POPULATION BY 5 YEAR AGE GROUPS IN ADUR AND THE SOUTH EAST, 2011	32
FIGURE 10: ECONOMIC ACTIVITY RATES (2013)	33
FIGURE 11: EMPLOYMENT RATE (2013)	34
FIGURE 12: UNEMPLOYMENT RATE (AVERAGE 2009 - 2013)	35
FIGURE 13: QUALIFICATION LEVEL OF RESIDENTS	36
FIGURE 14: MEDIAN GROSS WEEKLY EARNINGS	37

FIGURE 15:	JOBS DENSITY, 2012	38
FIGURE 16:	MAJOR SECTORS BY ENTERPRISE COUNT IN ADUR, 2013	41
FIGURE 17:	LOCATION QUOTIENT OF MAJOR SECTORS IN ADUR, 2013	42
FIGURE 18:	GDP (£MILLIONS) AND QUARTER ON QUARTER GROWTH, Q1 2014	46
FIGURE 19:	SOUTH EAST COAST OFFICE MARKET TAKE UP, 2013	49
FIGURE 20:	ADUR AND SURROUNDING AREA	51
FIGURE 21:	COMPOSITION OF COMMERCIAL FLOORSPACE, 2008	52
FIGURE 22:	CHANGES IN EMPLOYMENT FLOORSPACE, 1998 – 2008	53
FIGURE 23:	LOCATION OF INDUSTRIAL, BUSINESS AND TECHNOLOGY PARKS IN ADUR	55
FIGURE 24:	OFFICE TAKE-UP, 2005 – 2013	56
FIGURE 25:	INDUSTRIAL TAKE-UP, 2005 – 2013	58
FIGURE 26:	JOB GROWTH IN MAJOR EMPLOYMENT SUB-SECTORS IN ADUR (2011-2031)	66
FIGURE 27:	INDEXED GROWTH IN MAJOR EMPLOYMENT SECTORS (2011 – 2026)	67
FIGURE 28:	GROSS JOB CHANGE IN SUB SECTORS IN ADUR (2011 – 2031)	68
FIGURE 29:	CONVERTING EMPLOYMENT TO FLOORSPACE FORECASTS	69
FIGURE 30:	PROJECTED FLOORSPACE REQUIREMENT FOR ADUR (2013-2031)	72
FIGURE 31:	EXTRACT FROM SHOREHAM HARBOUR JAAP SHOWING EXTENT OF SHOREHAM HARBOUR	91

List of Tables

TABLE 1:	STRUCTURE OF EMPLOYMENT, 2012	22
TABLE 2:	TOP TEN SUB-SECTORS OF EMPLOYMENT IN ADUR (2012)	28
TABLE 3:	TOP TEN SUB-SECTORS BY GVA IN ADUR (2013)	31
TABLE 4:	TYPE OF EMPLOYMENT (2013)	34
TABLE 5:	OCCUPATION LEVEL	36
TABLE 6:	COMMUTING FLOWS – 2011 CENSUS	39
TABLE 7:	ENTERPRISES BY SIZE, 2013	40

TABLE 8:	PRIME OFFICE RENTS (/ SQ.FT)	50
TABLE 9:	PRIME INDUSTRIAL RENTS (/ SQ.FT)	50
TABLE 10:	BREAKDOWN OF COMMERCIAL FLOOR SPACE	52
TABLE 11:	TOTAL AMOUNT OF ADDITIONAL EMPLOYMENT FLOORSPACE SQ.M (NET GEA) - BY TYPE	54
TABLE 12:	TAKE-UP BY SIZE CATEGORY OF OFFICE FLOORSPACE, 2005 – 2013	55
TABLE 13:	AVAILABLE OFFICE SPACE – APRIL 2014	57
TABLE 14:	TAKE-UP BY SIZE CATEGORY OF INDUSTRIAL FLOORSPACE, 2005-13	59
TABLE 15:	AVAILABLE INDUSTRIAL SPACE	60
TABLE 16:	JOB GROWTH IN ADUR BY USE CLASS (2013-2026)	70
TABLE 17:	PROJECTED FLOORSPACE REQUIREMENT FOR ADUR INCLUDING SUI-GENERIS (2011-31)	72
TABLE 18:	FLOORSPACE TREND BASED FORECASTS (2011-2031)	74
TABLE 19:	QUALITY OF STOCK AND ENVIRONMENT	77
TABLE 20:	ACCESSIBILITY OF SITES	79
TABLE 21:	SERVICING AND ACCESS TO AMENITIES FOR ADUR EMPLOYMENT SITES	80
TABLE 22:	VACANT OFFICE FLOORSPACE, APRIL 2014	103
TABLE 23:	VACANT INDUSTRIAL/WAREHOUSE FLOORSPACE, APRIL 2014	104
TABLE 24:	SCHEMES WITH PLANNING PERMISSION OR PREVIOUSLY ALLOCATED FOR B CLASS DEVELOPMENT	105
TABLE 25:	QUANTITATIVE SUPPLY-DEMAND BALANCE, 2011-31	106
TABLE 26:	CAPACITY OF STRATEGIC ALLOCATIONS	107

Quality Standards Control

The signatories below verify that this document has been prepared in accordance with our quality control requirements. These procedures do not affect the content and views expressed by the originator.

This document must only be treated as a draft unless it has been signed by the Originators and approved by a Business or Associate Director.

DATE	ORIGINATORS	APPROVED
December 2014	Paul McColgan - Associate Director Emma Powell – Graduate Surveyor	Jon Pinkerton – Development Director Nick Ireland - Planning Director





Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

1 INTRODUCTION

- 1.1 GL Hearn was commissioned by Adur District Council in April 2014 to carry out an update to the 2011 Employment Land Review prepared for the Council.
- 1.2 The Employment Land Review (ELR) aims to inform the development of planning policies for employment sites in the District, specifically the preparation of the Pre-Submission Local Plan. It considers commercial property market dynamics, future need for employment land and floorspace, existing employment sites in the District and potential future employment land allocations.
- 1.3 The key objectives of the study were outlined in the study brief. These were to:
- Provide an up-to-date assessment of the economic and commercial market performance of the area;
 - Provide an assessment of the employment land supply, taking account of the nature and intensity of use of sites, their accessibility, access to services, physical constraints and quality and occupancy of buildings.
 - Produce demand-based forecasts of future economic performance and need for employment land to 2031, and consider potential employment growth sectors in the District;
 - Consider the impact of the proposed housing provision on the economy/labour market as well as commuting patterns and the degree to which they can be influenced by levels of employment provision;
 - Provide a market assessment of the proposed site allocations for employment in the emerging Local Plan in terms of location, quality and the employment types needed in the district;
 - Provide an up to date qualitative assessment of the need for different types of new employment floorspace;
 - Assess the relevant emerging Adur Local Plan policies relating to employment;
 - Assess the proposed access options for Shoreham Airport and New Monks Farm from a commercial/economic perspective;
 - Provide overall recommendations on future policies for employment land provision taking account of quantitative and qualitative factors.
- 1.4 This report sets out the policy context within which employment land and premises operate in Adur. It provides a review of the national and local policies relevant to the development and safeguarding of employment land within the District in Section 2. An assessment of economic and labour market dynamics is provided in Section 3. This considers economic dynamics within the district, as well as the wider LEP Area.
- 1.5 The report includes an updated assessment of market conditions in Section 4 for the office and industrial property sectors. This assesses dynamics at a national and regional level before drilling down to the local level within Adur. Information has been drawn from published reports, Council data, industry databases, discussions with agents and GL Hearn research. Section 5 takes this forward to provide forecasts of future need for employment land and floorspace in the District to 2031. These draw on more recent economic forecasts prepared by Experian in May 2014 which

take account both of expected growth trends in different economic sectors at a macro-economic level, together with the structure and relative performance of different sectors within Adur District itself.

- 1.6 An updated assessment of employment land supply is set out within Section 6 of the report. This assesses the quality of existing employment sites in the District, as well any vacant land with development potential on these sites. An assessment of potential employment land allocations at Shoreham Airport, New Monks Farm in Lancing and Shoreham Gateway is then provided.
- 1.7 Section 7 and 8 draw the report together by considering the supply-demand balance for employment provision in quantitative and qualitative terms; and then drawing the report together to set out overall conclusions regarding employment land need and to provide guidance on the strategy for meeting this.
- 1.8 The focus of the study is employment within B-class and Sui-generis use classes. This is as defined by the Town and Country Planning Act (Use Classes) Order of 1987¹.
- 1.9 A number of methods have been applied and a variety of paid for and freely available sources have been used to gather information. This has included a desktop assessment of available statistics from the Office for National Statistics (ONS) and Valuation Office Agency (VOA) and targeted consultation with local commercial property agents and businesses operating within the District.

Structure

- 1.10 In summary, the remainder of the report is structured as follows:
- Section 2: Current Policy Context;
 - Section 3: Economic Baseline;
 - Section 4: Commercial Market Performance;
 - Section 5: Forecasting Future Demand;
 - Section 6: Employment Land Supply;
 - Section 7: Employment Supply/ Demand Balance;
 - Section 8: Draft Conclusions.

¹ <http://www.legislation.gov.uk/uksi/1987/764/schedule/made>

2 CURRENT POLICY CONTEXT

2.1 This section reviews the policy context for economic growth and employment land provision at a national and more local level.

NATIONAL PLANNING POLICY FRAMEWORK

2.2 The National Planning Policy Framework (NPPF) was published in March 2012 with the aim of making planning more streamlined and accessible. Through its publication, the NPPF replaced the guidance set out in a number of Planning Policy Guidance and Planning Policy Statements. The NPPF set out the Government's planning policies for England and how these are expected to be applied.

2.3 The purpose of the NPPF and the wider planning system is to contribute towards sustainable development. The policies in the NPPF set out the government's view on what sustainable development means in practice. There are three core dimensions to achieve this:

- **an economic role** – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
- **a social role** – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and
- **an environmental role** – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.

2.4 The NPPF requires local authorities to set a clear economic vision and strategy based on an understanding of the existing business needs, likely changes in the market and any barriers to investment. This understanding should be achieved through working with the local business community, neighbouring local authorities and the Local Enterprise Partnership (LEP).

2.5 Paragraphs 18 to 22 to the NPPF set out the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth, and that significant weight should be placed on the need to support economic growth through the planning system. It sets out a requirement for local planning authorities to plan proactively to meet the development needs of businesses and support an economy fit for the 21st Century. In drawing up local plans, it requires local authorities to:

- Set out a clear economic vision and strategy;
- Set criteria or identify strategic sites for local and inward investment;
- Support existing business sectors and where possible identify and plan for new or emerging sectors likely to locate in the area. Policies should be flexible enough to accommodate needs not anticipated in the Plan;
- Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
- Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
- Facilitate flexible working practices.

2.6 Paragraph 22 in the NPPF states that planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.

2.7 Paragraph 160 and 161 set out that local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area. To do this they should work with Local Enterprise Partnerships (LEPs), the business community, county and neighbouring authorities to understand business needs, likely changes in the market and barriers to investment. They should use their evidence base to assess the land and floorspace for economic development, including the quantitative and qualitative needs for all foreseeable types of economic activity and the existing and future supply of land.

NATIONAL PLANNING PRACTICE GUIDANCE

2.8 The National Planning Practice Guidance (NPPG) was published by Government in March 2014. This includes guidance on *Housing and Economic Development Needs Assessments*.

2.9 This Guidance sets out that an assessment should be undertaken to identify the future quantity of land and floorspace required for economic development uses, including both the quantitative and qualitative needs for new development; to provide a breakdown of this in terms of quality and location; and to provide an indication of gaps in the current land supply.

2.10 The assessment of need is intended to be realistic, taking account of the particular nature of that area and exploring future scenarios only where these could realistically be expected to occur. The assessment is expected to consider dynamics across the Functional Economic Market Area (FEMA).

- 2.11 In understanding the current market in relation to economic and main town centre uses, the Guidance outlines that plan makers should liaise closely with the business community to understand their current and potential future requirements and should take account of:
- The recent pattern of employment land supply and loss to other uses (based on planning applications);
 - Market intelligence, including from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums;
 - Market signals, such as levels and changes in rental values, and differentials between land values in different uses;
 - The existing stock of employment land, data on take-up of sites, and public information on employment land and premises required and any evidence of over-supply and/or evidence of market failure;
 - Information held by other public sector bodies and utilities in relation to infrastructure constraints; and
 - The locational and premises requirements of particular types of business.
- 2.12 The guidance states that employment land should be analysed through a simple typology of employment land by market segment and by sub-areas, where there are distinct property market areas within authorities. When examining the recent take-up of employment land, consideration should be made to projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses. Analysing supply and demand will allow Councils to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites.
- 2.13 The Guidance sets out that an assessment of future needs should be based on current and robust data. Emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible. Key evidence to consider includes:
- sectorial and employment forecasts and projections (labour demand);
 - demographically derived assessments of future employment needs (labour supply techniques);
 - analyses based on the past take-up of employment land and property and/or future property market requirements;
 - consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.
- 2.14 Evidence of need and supply then need to be brought together. The Guidance outlines that the available stock of land should be compared with the particular requirements of the area so that 'gaps' in local employment land provision can be identified. The increasing diversity of employment generating uses requires different policy responses and an appropriate variety of employment sites.
- 2.15 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.

THE PLAN FOR GROWTH

- 2.16 The Plan for Growth was published by HM Treasury and the Department for Business, Innovation and Skills (BIS) in March 2011. This sets out the Coalition Government's overarching goals for economic development against the context of the recent economic recession and substantial fiscal deficit – to achieve strong, sustainable and balanced growth that is more evenly shared across the country and between industries.
- 2.17 The Plan for Growth sets out the Government's view that over the last decade the UK economy has become seriously unbalanced and heavily indebted, leading to a decline in underlying economic competitiveness. Growth was concentrated in a few sectors of the economy, and in a few regions of the country; with others becoming increasingly reliant on the public sector. Moving forward, it sets out four key ambitions:
1. To create the most competitive tax system in the G20;
 2. To make the UK one of the best places in Europe to start, finance and grow a business;
 3. To encourage investment and exports as a route to a more balanced economy; and
 4. To create a more educated workforce that is the most flexible in Europe.
- 2.18 These are supported by action on a number of fronts including seeking to reduce regulation and through targeted investment, including in improving skills, supporting the housing market, encouraging innovation and allowances for capital investment. 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 previous decade.

COAST TO CAPITAL LOCAL ENTERPRISE PARTNERSHIP

- 2.19 Local Enterprise Partnerships are collaborations of business and local authorities set up to drive forward economic growth and investment in economic market areas. Coast to Capital is the Local Enterprise Partnership (LEP) for Brighton and Hove, Croydon, Gatwick Diamond, East Surrey, Lewes and West Sussex.
- 2.20 The Coast to Coast LEP's Strategic Economic Plan (March 2014) set outs the economic strategy for the area. This is focused on achieving exceptional growth and productivity gains including through removing barriers to economic performance. Over the 2015-21 period it aims to deliver 60,000 new jobs, 26,000 new homes and 970,000 sq.m of employment floorspace – with the Plan seeking £559 million Local Growth Funding, and £61 million of Skills Capital Funding to do this.

2.21 The Strategic Economic Plan (SEP) is structured around six priorities which are:

- Successful growth locations;
- Successful growth businesses;
- Building competitive advantage;
- Skills and workforce;
- Growth is digital; and
- Housing and infrastructure.

2.22 Included within the SEP are key proposed investment and development projects in Adur, including:

- Delivery of 10,000 sq.m of employment floorspace and a new A27 access as part of mixed use development proposals at New Monks Farm;
- Delivery of an Environmental Technologies Growth Centre at Shoreham Airport, building on Ricardo's investment in its £10 million Vehicle Emissions Research Centre. This is dependent on delivery of the £25 million Adur Tidal Walls Scheme (flood defences) for which funding is sought;
- Shoreham Harbour Regeneration to deliver 1,450 new homes and 21,500 sq.m of employment floorspace generating 1,700 additional jobs. Funding is sought for £12 million flood defences to support development.

2.23 The SEP recognises wider issues including congestion on key east-west routes (A27 and A259) as a barrier to investment, as well as issues associated with skills and educational attainment.

2.24 Key sectors strengths in which relative competitive advantage is identified comprise:

- Creative, digital and IT;
- Advanced engineering;
- Environmental technologies and low carbon and environmental goods and services
- Finance and business services
- Healthcare, medical technologies and life sciences.

2.25 Other important sectors identified include tourism and food manufacturing/ horticulture.

2.26 The SEP represents a six year plan for economic investment which includes the key priorities from the Greater Brighton City Deal, the European Structural Investment Funds Strategy and the LEP's Skills Strategy. An indication on the level of funding which could be secured is expected in July.

GREATER BRIGHTON CITY DEAL

2.27 City Deals are 'agreements between the government and a city that give the city control to achieve things such as economic growth'²The Greater Brighton City Region encompasses Adur, Brighton & Hove, Lewes, Mid-Sussex, and Worthing. The City Deal for the Greater Brighton City Region has recently been agreed with Government. It is expected to deliver a £1.8 million integrated business

² <https://www.gov.uk/government/policies/giving-more-power-back-to-cities-through-city-deals>

support programme across the Greater Brighton and wider Coast to Capital Local Enterprise Partnership area; a framework for joint working on investment, skills and innovation; and more specific local investment projects. The Deal includes a commitment to deliver an Environmental Technologies Growth Centre at Shoreham; and investment in flood defences to support delivery of flood defences at Shoreham Harbour and Airport.

REVISED DRAFT LOCAL PLAN 2013

2.28 Adur District Council is in the process of preparing its Local Plan. Key objectives of the Revised Draft Local Plan 2013 include the following:

- Most development will have been focused around Adur's main communities (Lancing, Sompting, Shoreham-by-Sea, Southwick and Fishersgate).
- Opportunities for employment will have been created through new development at 3 areas which are: Shoreham Harbour, Shoreham Airport and New Monks Farm.
- Regeneration benefits for Adur will have been secured, and residents will have better access to higher quality jobs and an improved choice on housing.
- Much of the regeneration of Shoreham Harbour will have been delivered, achieving a mix of employment, residential and other uses.
- Town and village centres (Shoreham, Southwick, and Lancing) will be improved to increase their vitality and enhance their role as local service centres. Shoreham Town Centre will also have provided new opportunities for development.
- Development which meets the economic, social and environmental objectives of this plan will have been supported.

2.29 Specific employment specific policies are as follows:

2.30 **Revised Draft Policy 2** sets out Adur's spatial strategy up to 2031 and notes that Shoreham Harbour will be a focus for development to facilitate regeneration; and Shoreham Airport will also be a focus for new employment floorspace. The policy adds that it will be necessary to release the New Monks Farm (a greenfield site) on the edge of the built up areas (to ensure an adequate supply of suitable land for development), provided this does not significantly compromise the Local Green Gap.

2.31 **Revised Draft Policy 4** sets out how Adur will plan for economic growth over the plan period. The policy states that in order to ensure a sustainable economy, 38,000 sq.m of land will be allocated for appropriate employment generating uses in Adur up to 2031 at the following locations:

- New Monks Farm (approximately 10,000 sq.m)
- Shoreham Airport (approximately 15,000 sq.m subject to landscape considerations)
- Shoreham Harbour Regeneration Area (approximately 13,000 sq.m within Adur)

2.32 Additional employment floorspace will also be achieved through redevelopment, intensification, change of use to employment, and provision of new employment sites. Most of this will be provided

within the town centres and the main existing employment areas. Outside of designated employment areas (where new development / extensions to B1, B2 and B8 uses is proposed), applications will only be permitted where it is demonstrated they will be suitable to meet the needs of modern occupiers (of access, quality of the environment and other considerations).

- 2.33 **Revised Draft Policy 5** deals with New Monks Farm in Lancing. The policy states that New Monks Farm will be allocated for mixed use development including approximately 10,000 sq.m of employment-generating floorspace.
- 2.34 **Revised Draft Policy 7** states that at Shoreham Airport will provide approximately 15,000 sq.m of new employment floorspace (both aviation and non-aviation related floorspace) subject to landscape considerations. These will include a mix of B1, B2 and B8 uses on the north-eastern side of the airport. This new development needs to ensure its impact on the open nature of the Shoreham–Lancing Local Green Gap is minimised and ensure key views are retained and any impacts on the character of the airport is minimised.
- 2.35 **Revised Draft Policy 8** details policy on Shoreham Harbour Regeneration Area. This will provide approximately 13,000 sq.m of employment floorspace in Adur and 1050 dwellings (in addition to other uses) over the plan period to 2031. There are 5 character areas in Adur (South Quayside / Port Operational, Southwick and Portslade Beaches, Southwick Waterfront and Fishersgate, Harbour Mouth and Western Harbour Arm) which each have priorities for their area. Details of each of the areas are explored in the Joint Area Action Plan (JAAP) being prepared for the Harbour.
- 2.36 **Revised Draft Policy 11** covers Adur's policy on Shoreham-by-Sea. The policy notes that Shoreham Town Centre will be a key focus area for new development in Shoreham-by-Sea to meet needs including employment, housing and other uses. Mixed development is to take place at Police station site, Ham Road, Civic Centre site and Ropetackle North. The policy regarding mixed-use development at Ropetackle North explicitly mentions that the development is to include employment uses.
- 2.37 **Revised Draft Policy 12** outlines policy on Southwick and Fishersgate. A site in Eastbrook ward south of the A270 (Land at Eastbrook Allotments) is identified as having potential for mixed use development which could include some employment uses (B1 and B8) in addition to other uses, such as residential.

- 2.38 **Revised Draft Policy 25** aims to protect and enhance existing employment sites and premises. Where planning permission is required, proposed conversions to uses other than employment (B1, B2 and B8) in the following employment sites will be resisted:
- Rectory Farm Industrial Estate
 - Lancing Business Park
 - Shoreham Airport
 - Dolphin Road Industrial Estate
 - Grange Industrial Estate
 - Gardner Road
 - Manor Hall Road (Chalex Works)
 - Mill Road and Chapel Road
- 2.39 The policy notes that generally on other sites (i.e. sites other than those listed above), the preferred approach is that the conversion or redevelopment of land or buildings, currently or last in class B1, B2 or B8, for other uses will be resisted unless it can be shown that the site or premises is/are genuinely redundant and unlikely to be re-used for B1, B2 or B8 uses within the plan period.
- 2.40 Revised Draft Policy 3 makes provision for a minimum of 2,797 – 2,947 homes in Adur between 2011-31. This includes provision for 1050 homes in Shoreham Harbour Western Arm, and between 450-600 homes at New Monks Farm. Provision of 480 homes is sought at West Sompting and 817 homes within the Built-up Area.

SHOREHAM HARBOUR JOINT AREA ACTION PLAN

- 2.41 The Shoreham Harbour Regeneration Partnership commissioned Development Briefs for key areas of change – Western Harbour Arm, South Portslade Industrial Estate and Aldrington Basin – which were adopted in 2013. These briefs have informed the preparation of the draft Shoreham Harbour Joint Area Action Plan (JAAP) which will be the main planning document for the Harbour and sets the direction for the next 15-20 years. The draft JAAP has been published for consultation and is expected to be adopted in 2015, following examination.

- 2.42 The Shoreham Harbour Development Briefs and JAAP aim is to deliver a series of appropriately located, high quality, sustainable, mixed-use developments including new housing, employment floorspace, leisure opportunities, improved public space and associated infrastructure including flood defences and transport improvements. The draft JAAP proposals are summarised below:-

New housing:

- Up to 1,450 new homes to 2031;
 - 1,050 along the Western Harbour Arm in Adur District
 - 400 in South Portslade and Aldrington Basin in Brighton & Hove

Employment and Economy:

- Consolidation of Shoreham Port operations in the eastern arm and canal.
- Approximately 21,500 sq m of employment floorspace;
 - 14,000 sq m in Adur District
 - 7,500 sq m in Brighton & Hove
- Generation of 1,500-1,700 new full time jobs directly and creation of 500 jobs at the Port.

Local Environmental Improvements:

- Upgraded flood defence network integrated with a riverside walking/cycling route
- New and improved social and community facilities
- New and improved marine leisure facilities
- Improvements to local transport network
- Upgrades to public spaces and historic features and better connections with surrounding areas.

Brighton and Hove

- 2.43 Brighton and Hove's Employment Land Study Review 2012 identified a need for 112,240 sq.m of office floorspace (B1a, B1b) to 2030 and 43,430 sq.m of industrial floorspace (B1c, B2, B8). Against this the Draft City Plan Part I makes provision for between 91,000 – 96,000 sq.m of office floorspace through extant planning permissions and allocations in six defined development areas; together with provision for 9,500 sq.m of industrial floorspace. The Submission Version of the Plan sets out that:
- 2.44 *“Opportunities for additional B use class employment/ mixed use allocations to meet outstanding requirements will be addressed through the City Plan Part 2 and through a coordinated partnership approach with neighbouring authorities and the Local Enterprise Partnership. Upgrading of the City's existing stock will also be important to ensure that this space is better utilised, remains competitive and attractive to the market.”*
- 2.45 The Plan also sought to protect and intensify existing employment sites. This included B1a office floorspace in Central Brighton, and identified primary industrial estates and business parks in the City. Mixed use redevelopment is supported on five identified sites in the Plan on the basis of no net

loss of employment floorspace. Redevelopment of unallocated sites is controlled through a criteria-based policy to consider whether employment use is redundant or unsuitable and if alternative development proposals could support job creation.

- 2.46 The City Plan Part I examination is on-going. As part of this the Inspector has asked the Council to review the potential for housing development on employment sites where there is no reasonable prospect of employment development occurring.
- 2.47 Critically for Adur, Brighton and Hove City Council appears currently unable to meet its own need for employment floorspace. Against this context, the Adur Local Plan may need to consider whether it can contribute to addressing this potential shortfall.

Worthing

- 2.48 Worthing Borough's Core Strategy was adopted in 2011. This identifies a need for 780,000 sq.ft of industrial and warehouse floorspace, and 240,000 sq.ft of office floorspace over the plan period to 2026. Industrial floorspace is expected to be delivered through the renewal of existing industrial estates and identified areas of change. Office floorspace is expected to come forward in a number of areas including through refurbishment or redevelopment of existing vacant office buildings, and mixed-use schemes within the Town Centre.
- 2.49 The Core Strategy protects existing key industrial and business parks in the Borough, and key office locations. It sets out a criteria-based approach seeking to control losses of employment land.
- 2.50 The Core Strategy does not provide a specific indication that the level of employment floorspace need identified could not be accommodated.

Implications

- 2.51 National policy is clear that planning should support sustainable economic growth. Plans are expected to set out a clear economic vision and strategy and plan positively to support existing and new/emerging sectors within the local economy. Planning should be based on meeting assessed needs, taking account of quantitative and qualitative factors.
- 2.52 Key growth sectors identified at a sub-regional level include Creative, Digital and IT and Environmental Technologies. Development at Shoreham Airport and regeneration at Shoreham Harbour is expected to contribute positively to growth in these sectors. The Revised Draft Local Plan additionally proposes allocation of employment land at New Monks Farm, Lancing.

- 2.53 There is potentially a shortfall in employment land provision within adjoining areas, taking account of land supply constraints. This is an issue which may need to be considered in finalising policies in the Adur Local Plan.

3 ECONOMIC BASELINE

- 3.1 Adur is located in the County of West Sussex bounded by the English Channel to the south and to the north the South Downs National Park. It lies on the stretch of the South Coast between Brighton and Hove and Worthing. The district's main settlements are Shoreham-by-Sea and Lancing.
- 3.2 The District has a variety of transport links with direct access to the A27, four stations on the West Coastway Line, Shoreham Harbour and Shoreham Airport. This coupled with the district's excellent quality of place makes it an attractive place to live. Although with no major employment centre a high percentage of the District's residents seek employment in its surrounding authorities, particularly Worthing and Brighton and Hove.
- 3.3 Our assessment of demand is informed by an understanding of the characteristics of the district's economy and labour market. This provides a basis for considering future economic need for employment land in Section 6.
- 3.4 This section focuses on the District's economic structure, issues related to enterprise and small business growth, key businesses, and which sectors have been performing well and have growth potential (and conversely those which are in decline and might require less employment land). We have profiled how the economy has performed and identified underlying factors which may influence future performance.

Employment

- 3.5 According to Experian data there were approximately 22,000 jobs located in Adur in 2012. This equates to around 5.4% of all the jobs in West Sussex. The Business Register and Employment Survey (BRES) suggests employment in the District in 2012 was at 18,700 people in employment, although this does not include self-employed 'businesses proprietors'. It is likely that the difference between these figures (c. 3,300 persons) relates to people who are self-employed.
- 3.6 According to the BRES data in 2012, approximately 4.0% of all employment in the District is classed as 'working-owners'³. This is slightly higher than the rest of West Sussex (3.6%) and the Coast to Capital LEP area (3.6%), and broadly in line with the wider South East and England (both 3.9%) figures.

³ Working Owners include sole traders, sole proprietors and partners who receive drawings and/or a share of profits, but are not paid via Pay-As-You-Earn (PAYE).

Table 1: Structure of Employment, 2012

Area	Employees	Employed Owners	Full-time employees	Part-time employees
Adur	96.0%	4.0%	65.9%	34.1%
West Sussex	96.4%	3.6%	65.8%	34.2%
Coast to Capital LEP	96.4%	3.6%	65.5%	34.5%
South East	96.1%	3.9%	66.9%	33.1%
England	96.1%	3.9%	67.4%	32.6%

Source: Business Register and Employment Survey 2013

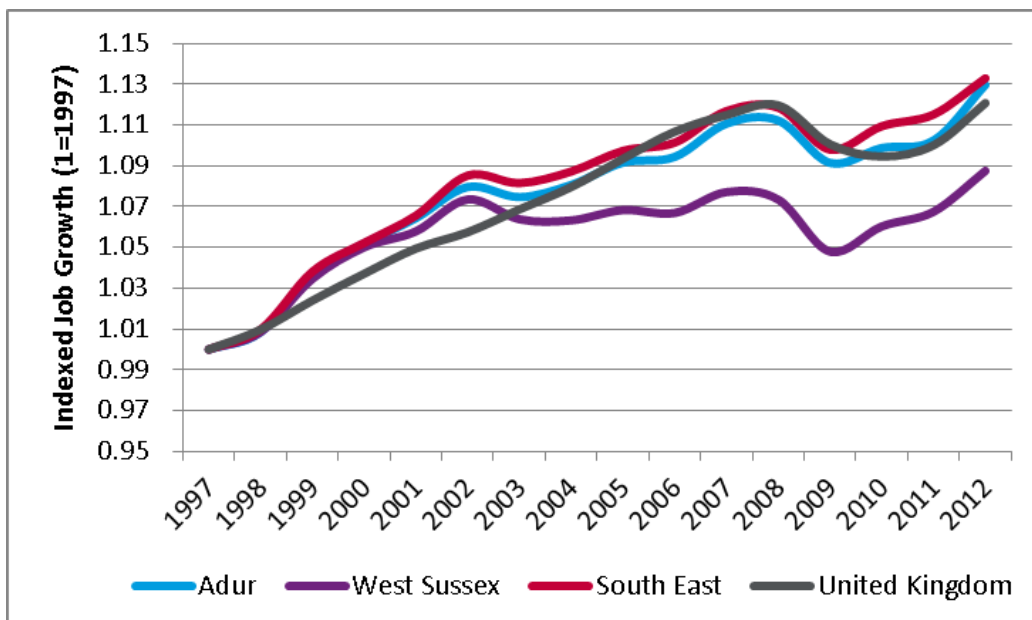
3.7 Of those employed in Adur approximately 34% are in part-time roles. This is in line with West Sussex, below the Coast to Capital but slightly above the other wider comparator areas.

Employment Growth

3.8 Between 1997 and 2012, the number of jobs in the district has increased by 2,600. This equates to a growth of 13.4%, consistent with growth across the South East and similar to the national figure. Over the same period jobs in West Sussex increased at just 8.8%.

3.9 Employment fell on the onset of the economic recession by around 400 jobs between 2008-9, but has since recovered (consistent with the regional and national picture). Employment in 2012 was broadly consistent to its pre-recession level at around 22,000.

Figure 1: Indexed Job Growth (1997 – 2012)



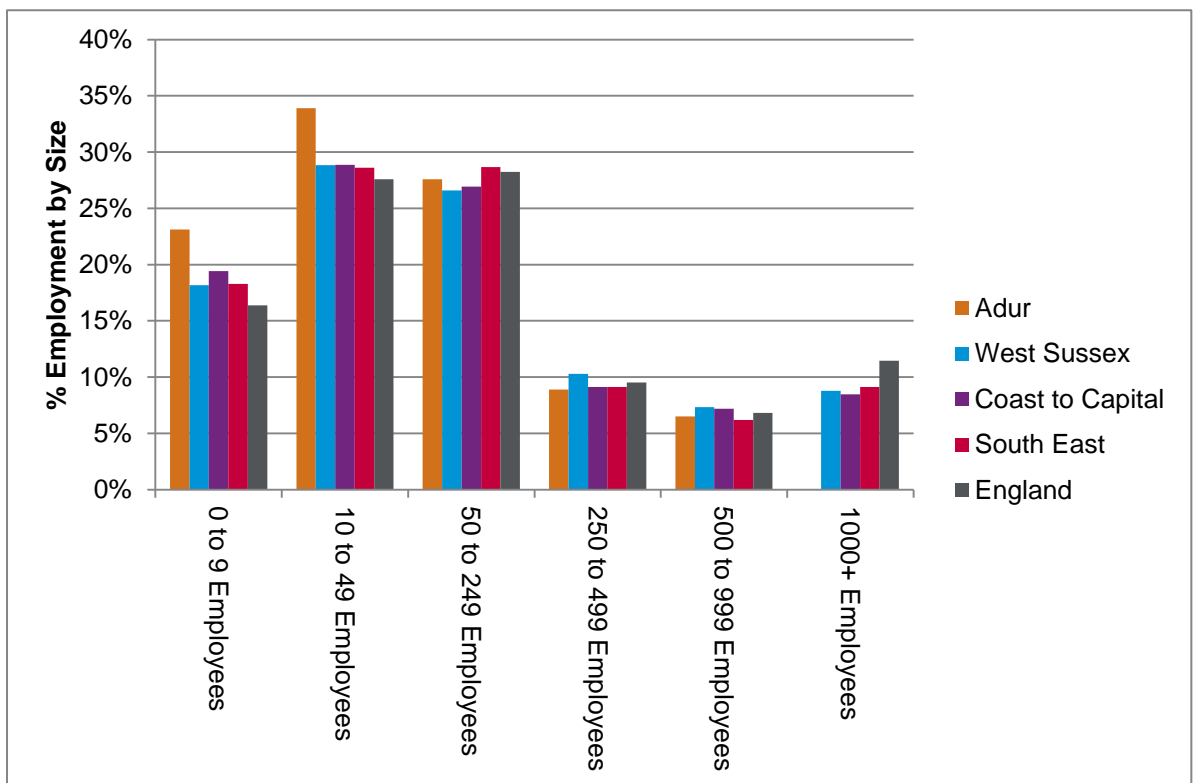
Source: Experian (2013)

Company Size

3.10 In total 58% of employment in Adur is within firms which are classified as Small and Medium Sized Enterprises (SMEs) which have less than 250 employees. In contrast national or international businesses with a total workforce of over 1000 people provide 30% of jobs in Adur.

3.11 Figure 2 considers the profile of employment by sizes of business units in Adur⁴. This again shows that employment is focused towards smaller firms, with an above average proportion of employment relative to wider geographies in firms with 0-9 and 10-49 employees. There are no workplaces within the District which have over 1000 employees according to the BRES data.

Figure 2: Employment within Workplaces of Different Sizes



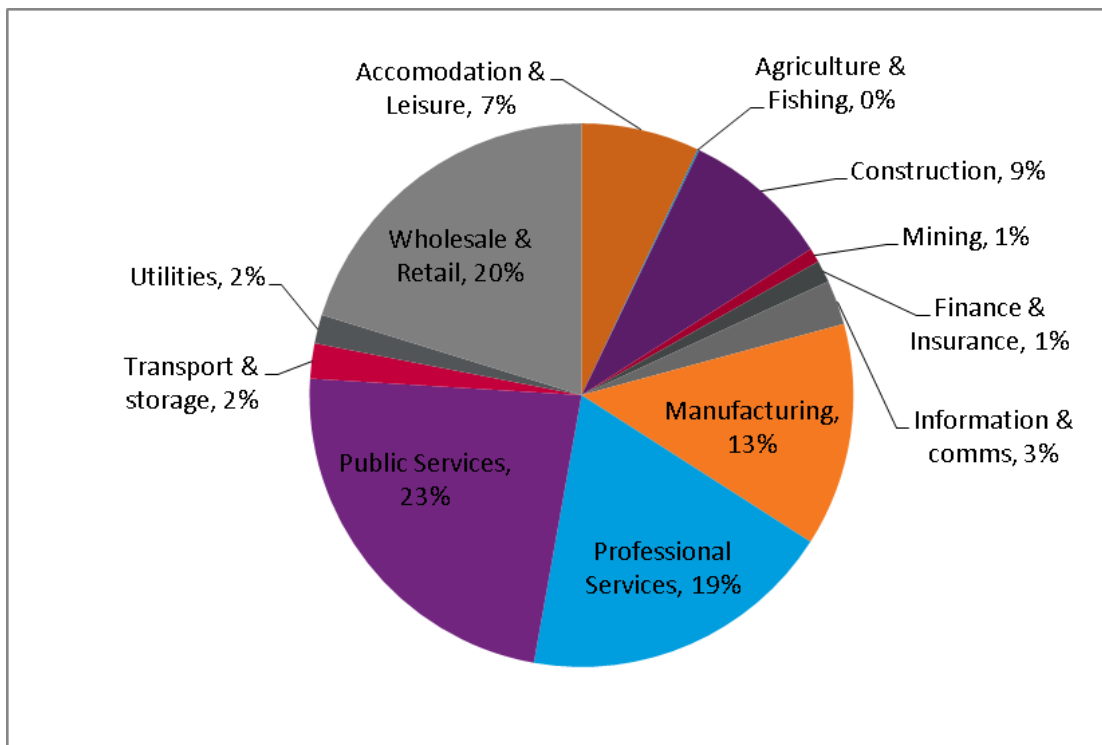
3.12 The larger companies in the district include retail, professional, scientific and technical, health education and manufacturing. Some of the larger employers include Ricardo, Pyroban, Infinity Foods, Higgidy, Mittal Steel and Raynor. The focus of the employment in micro-companies workplaces in Adur is construction, professional services and retail.

⁴ This for instance looks at employment in a supermarket based on the size of the store rather than the firm as a whole

Employment by Sector

- 3.13 The largest employment sector within the District in 2013 was public services (23% of jobs). This includes local government, education, health, defence and policing. These are mixture of office-based and Non-B Class roles. Future statistics for employment in this section may be influenced by the reorganisation of employment and office space by Adur and Worthing Councils. We note for instance that Adur Civic Centre has largely been vacated.
- 3.14 Other large sectors in Adur, in terms of total employment, include wholesale and retail (20%), professional services (19%) and manufacturing (13%).

Figure 3: Adur Jobs by Broad Sector (2012)



Source: Experian (2013)

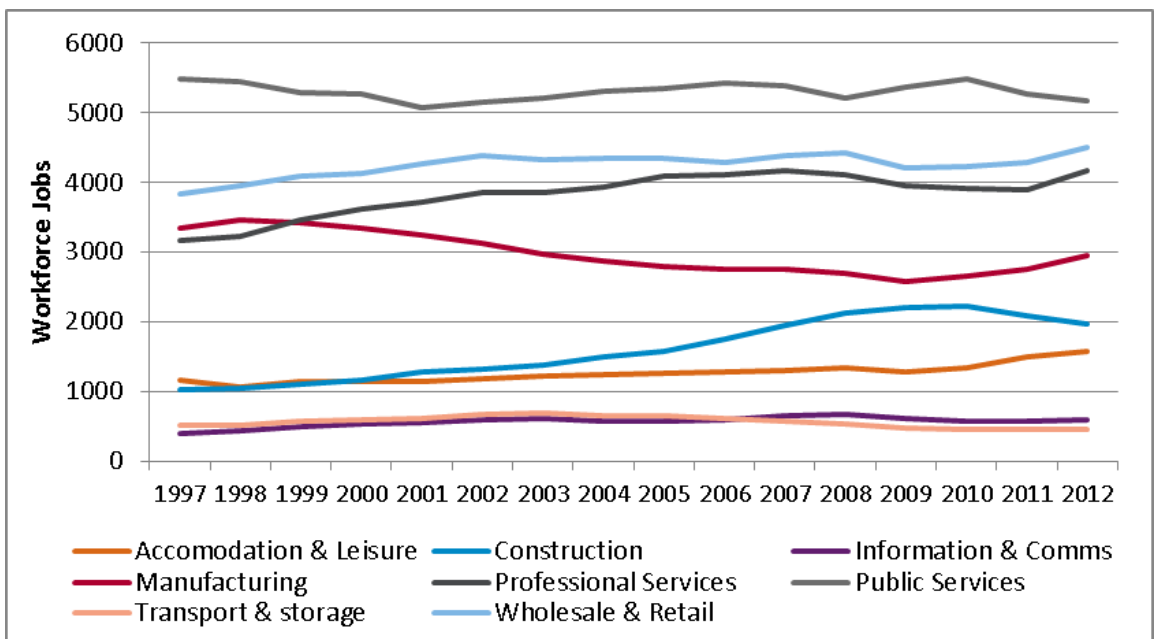
Sectoral Growth

- 3.15 Next we have assessed changes in employment by sector between 1997-2012. Over this 15 year period, the largest net growth in employment has been in construction (1,000 jobs) and professional services (1,000 jobs). The public sector, whilst being the largest employment sector, has seen a loss of 300 jobs over this period. Manufacturing employment has also declined (by 400 jobs) but still equates to 13% of total employment.

3.16 Jobs in the wholesale and retail sector⁵ have increased by 700; and in the accommodation, food and recreation sector by 500 jobs over the 1997-2012 period.

3.17 Looking at more recent trends, it is evident that we have seen an upturn in employment in the manufacturing sector since 2009. Employment in accommodation and leisure has also grown over this period.

Figure 4: Growth of Sectors Employing over 500 people (1997-2012)

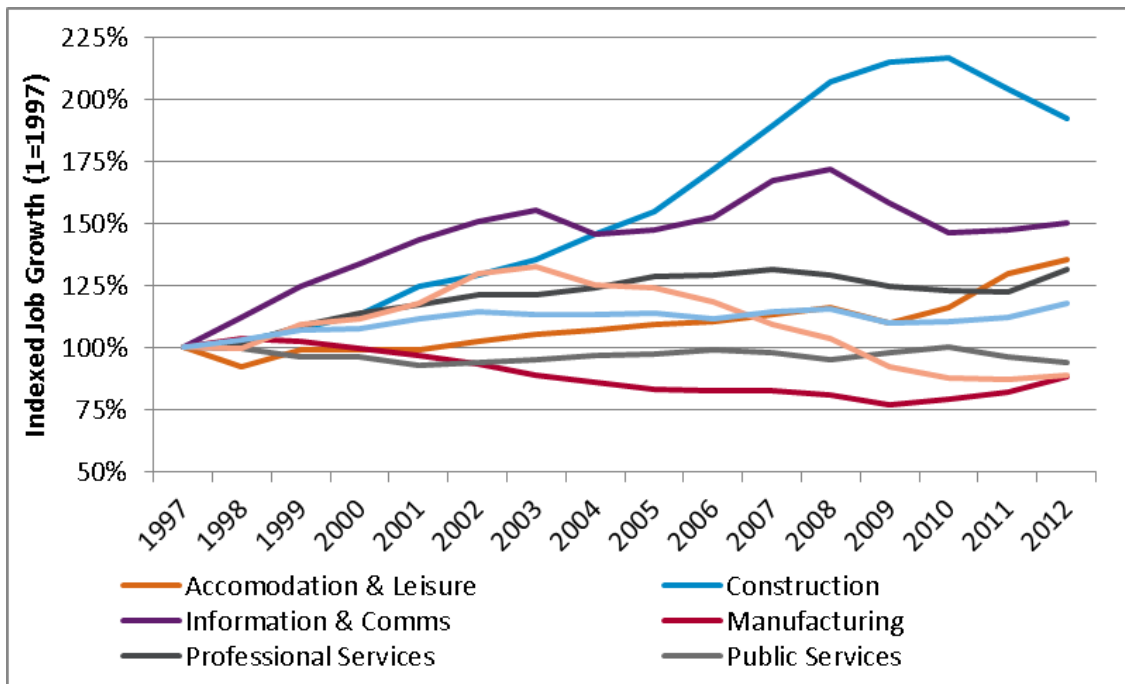


Source: Experian (2013)

3.18 In proportional terms, the construction sector has seen some of the strongest growth (driven by the construction of buildings sub-sector) experiencing growth in employment of 253% between 1997-2012. Of the major sectors, public services declined by 6%, wholesale and retail grew by 18% and the professional services industries grew by 31%. Information and communications (50%, 200 jobs) and accommodation and leisure sectors (36%, 400 jobs) also saw considerable growth. The manufacturing sector saw a significant decline (-12%, 400 jobs).

⁵ The retail sector includes supermarkets

Figure 5: Indexed Growth of Sectors Employing over 500 people (1997-2012)



Source: Experian (2013)

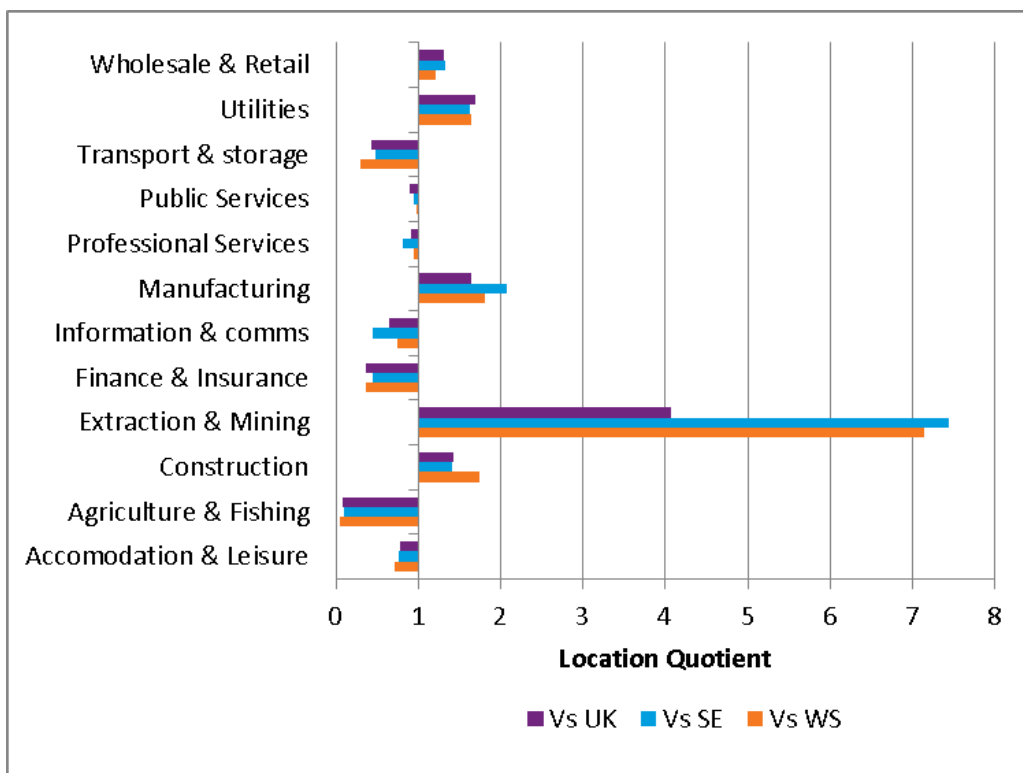
Location Quotients Analysis

- 3.19 Location quotients provide evidence of the relative strength of employment in each sector against wider comparators. A location quotient of 1 indicates that the proportion of employment in the sector in Adur is consistent with the comparator area. Where above 1 it is more strongly represented; where below one it is less strongly represented.
- 3.20 Where there are particular sectors of strength but an overall national decline predicted this should be of concern as it would indicate significant vulnerability. Sectors of strength which are expected to grow nationally indicate areas where investment should be made to maximise opportunity in areas of current expertise.
- 3.21 In comparison to West Sussex, the District's strongest sectors are extraction and mining, manufacturing and construction. When compared to the South East and the UK, extraction and mining, manufacturing and utilities are the strongest sectors in Adur.
- 3.22 The analysis indicates potential growth opportunities in the following sectors in which Adur both has a strong current representation and in which employment is forecast to grow in the District. These sectors are:
- Construction;
 - Extraction and Mining;

- Utilities;
- Wholesale and Retail.

3.23 We would expect that the concentration of employment in extraction and mining reflects employment in the aggregates sector and associated activities principally at Shoreham Harbour. However it accounts for less than 1% of overall employment. Similarly the utilities sector is relatively small.

Figure 6: Location Quotient Analysis (2012)



Source: Experian (2013)

3.24 The analysis indicates that the District has a low proportion of employment in transport and storage, agriculture and fishing, finance and insurance and information and communications sectors. Agriculture and fishing is a relatively small sector, both in terms of employment in Adur (1.1%) and nationally.

Employment by Sub Sector

3.25 Analysis at a sub-sector level provides more detailed information on employment in the District. As outlined in the table below, the top ten sectors are responsible for around 70% of the jobs in Adur. The equivalent figures for West Sussex (68%), the South East (68%), and the UK (68%) are slightly lower. This indicates a slightly narrower range to the economy within the District in comparison to the wider areas considered, as we might expect given its size.

Table 2: Top Ten Sub-Sectors of Employment in Adur (2012)

	Adur Employment	Adur %	West Sussex %	South East %	UK %
Retail	2,900	13.2%	10.4%	9.3%	9.8%
Professional Services	2,000	8.9%	7.5%	9.8%	7.8%
Education	1,800	8.3%	7.5%	8.9%	8.6%
Wholesale	1,600	7.0%	5.9%	6.0%	5.4%
Health	1,400	6.5%	6.5%	6.4%	7.2%
Residential Care & Social Work	1,200	5.6%	5.8%	5.1%	5.4%
Administrative & Supportive Services	1,200	5.6%	8.5%	8.0%	8.0%
Accommodation & Food Services	1,200	5.4%	7.5%	6.4%	6.5%
Specialised Construction Activities	1,100	5.1%	2.8%	3.5%	3.6%
Machinery & Equipment (manufacture of)	900	4.1%	0.8%	0.6%	0.6%

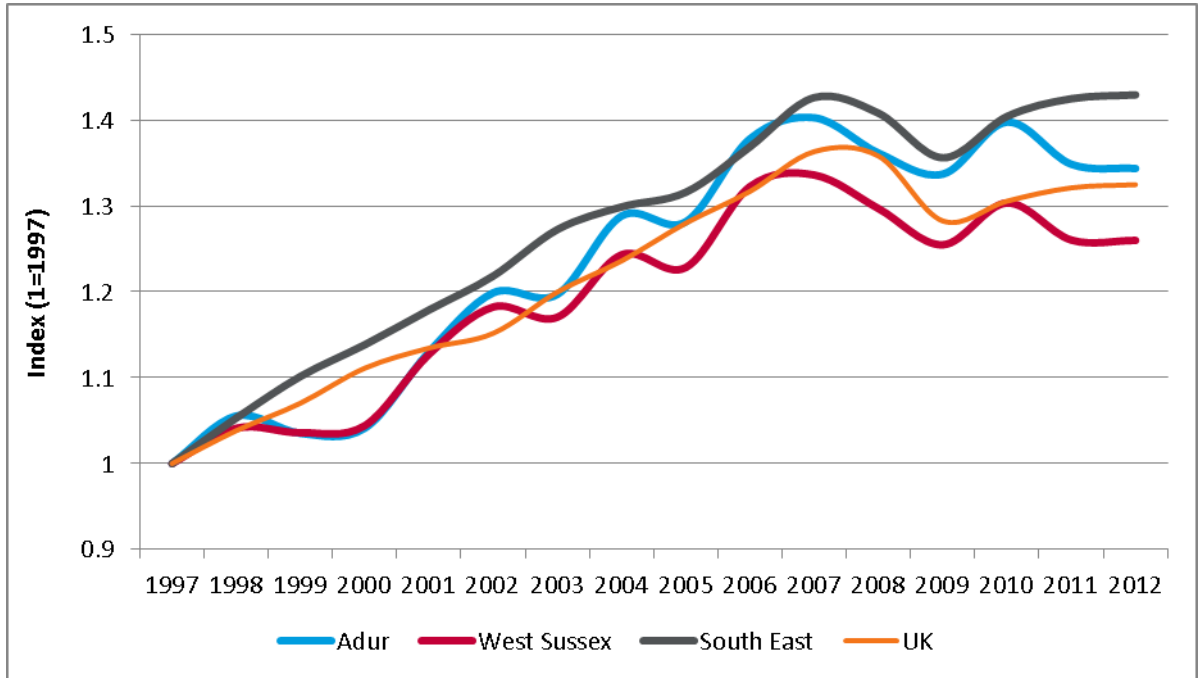
Source: Experian (2013)

- 3.26 Professional services, retail, wholesale, health and education are again the some largest employment sectors in the District. The focus of public sector employment is in education which contributes just over 8% of all jobs.
- 3.27 The manufacturing sector's largest sub category is the 'manufacturing of machinery and equipment', which equates to 4.1% of all employment. The size of the sub-sector is particularly large in comparison to other equivalent figures for the comparator areas. The construction sector's largest sub category is specialised construction activities, which equates to 5.1% of all employment.
- 3.28 Although contributing 1.7% each, the manufacturing of food, drink & tobacco and the civil engineering sector both have significant strengths in comparison to the wider comparators.

GVA Growth

- 3.29 Gross Value Added is a measure of economic output based on the value of goods and services produced in an area or sector. In 2012, the gross GVA output from Adur was £831 million. This equated to 5.0% of all output in West Sussex, compared to 5.4% of jobs suggesting that productivity (GVA per job) is below average. Between 1997 and 2012 output in Adur has grown by around 34%. Output peaked in 2007 at 40% above the 1997 level, but has fallen during the recession and currently remains below its pre-recession peak.
- 3.30 Over the pre-recession decade (1997-2007) growth in output in Adur broadly tracked South East trends, and out-performed that at a West Sussex or national level. Output has fallen since and remains below its 2007 peak, in contrast to stronger recovery at the regional level, but largely consistent to the West Sussex trend.

Figure 7: GVA Indexed Growth since 1997

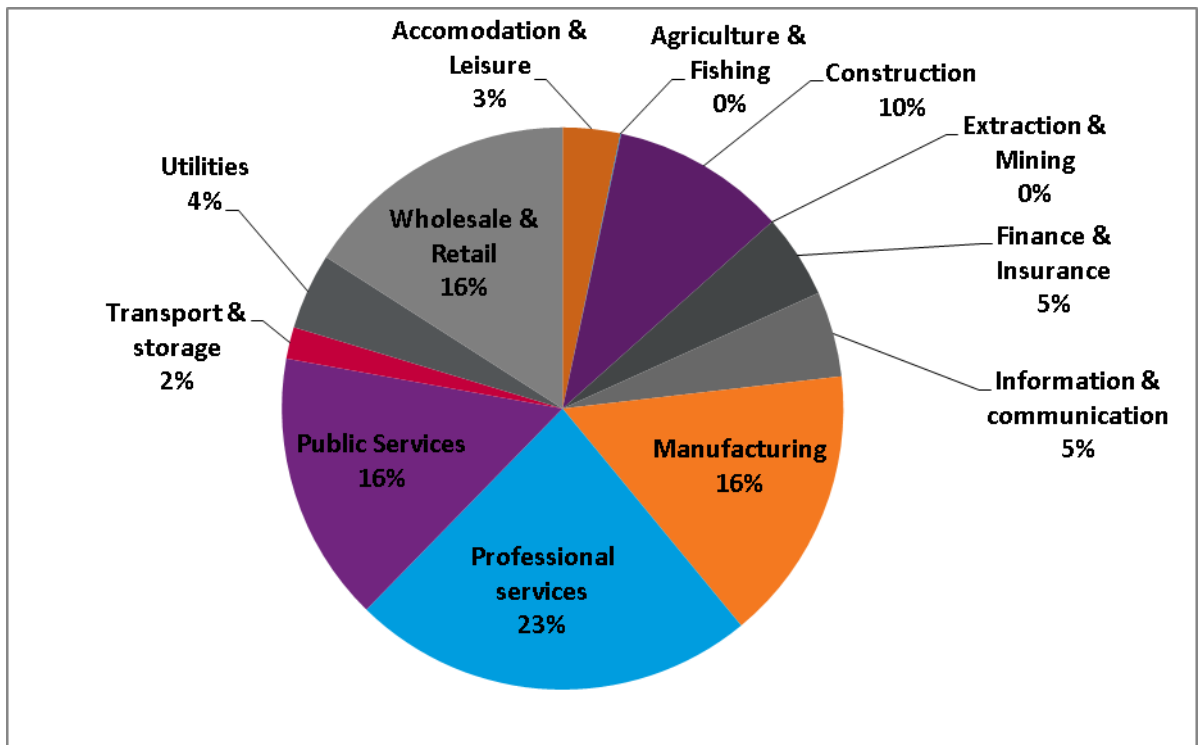


Source: Experian (2013)

GVA by Sector

3.31 The professional services sector provides the largest contribution to economic output in the District, contributing 23% of total output (Figure 8). It is thus particularly important to wealth creation. Four other sectors, public services, wholesale and retail, manufacturing and construction, each generates more than 10% of the District's output.

Figure 8: GVA by Sector (2013)



Source: Experian (2013)

3.32 Both the professional services and finance and insurance sectors have output significantly higher than their employment contribution. These are higher value-added sectors.

3.33 Despite employing 20.2% of the workforce, the wholesale and retail sector only produces 15.9% of the District's output. Similarly public services account for 23.2% of employment but 15.5% of output. This is perhaps unsurprising given that the latter is generally not run for profit.

GVA by Sub-Sector

3.34 At a sub-sector level real estate (9.3%) is the highest performing. This is followed by retail (8.5%) and professional services (8.3%). Despite being the largest sector by output, real estate still represents a lower proportion of economic output in Adur than West Sussex and the rest of the UK, although higher than the rest of the South East. The next seven largest sectors by output outperform the rest of West Sussex in regard to their contribution to wealth creation. Only retail and the manufacturing of machinery and equipment also outperform both the UK and the South East

Table 3: Top Ten Sub-Sectors by GVA in Adur (2013)

	Adur	Adur	West Sussex	South East	UK
	£Mil	%	%	%	%
Real Estate	77.4	9.3%	11.2%	7.1%	9.9%
Retail	70.7	8.5%	6.5%	5.5%	5.7%
Professional Services	68.9	8.3%	6.7%	9.0%	7.3%
Wholesale	61.8	7.4%	6.0%	7.5%	5.4%
Education	49.9	6.0%	5.3%	6.6%	6.4%
Machinery & Equipment (manufacture)	46.9	5.6%	1.0%	0.9%	0.8%
Health	41.3	5.0%	4.9%	5.0%	5.9%
Utilities	36.5	4.4%	2.5%	2.9%	2.4%
Administrative & Supportive Services	30.8	3.7%	5.4%	5.9%	5.2%
Specialised Construction Activities	30.5	3.7%	1.9%	2.8%	2.2%

Source: Experian (2013)

Labour Market Characteristics

Age Structure

- 3.35 The Population of Adur was just over 60,000 people in 2011. This comprises around 7.6% of the West Sussex population. 60.7% of the Adur population is aged between 16-64 (working age). This is slightly lower than West Sussex (61.4%), the South East (63.8%), and England and Wales (63.8%).
- 3.36 Adur has a low percentage of 15-29 year olds compared to the South East. This is likely to partly be linked to both the lack of further education facilities and nature of the area/ housing stock (which is relatively suburban in nature).

Figure 9: Population by 5 year age groups in Adur and the South East, 2011



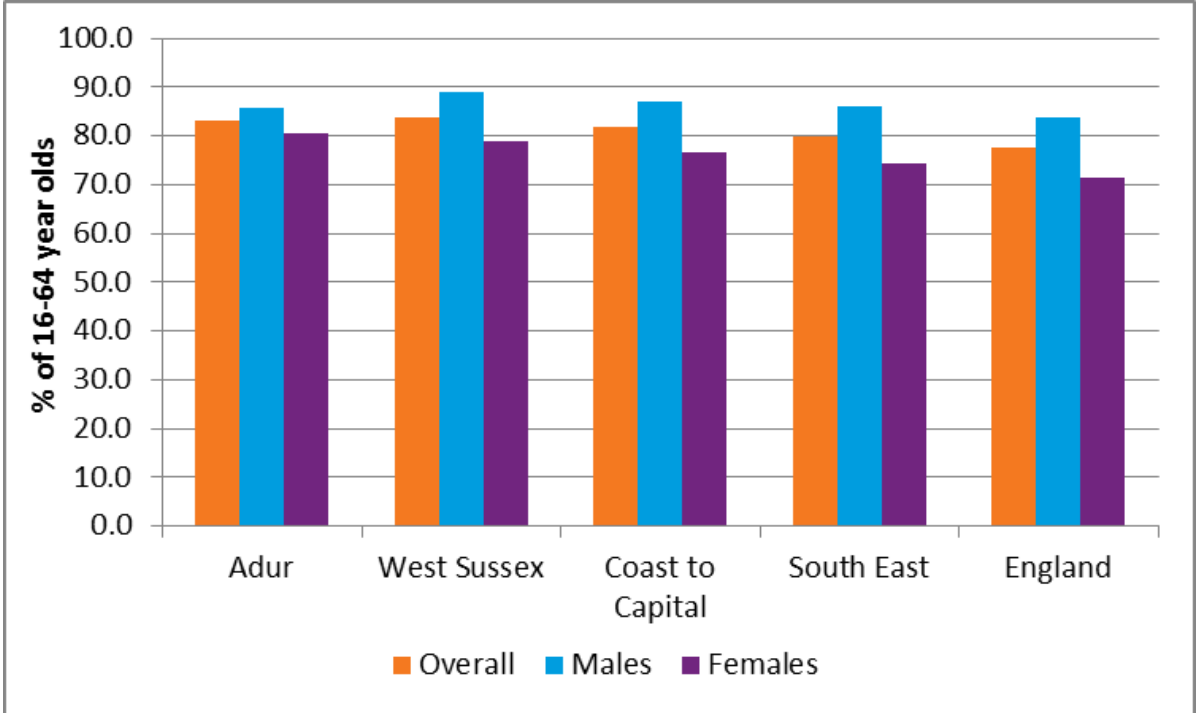
Source: Census (2011)

3.37 The largest age groups in the District’s population are of those aged 44-64. Over the 20 year plan period a proportion of these will move into retirement. The District also has a comparatively high percentage of those of retirement age, particularly those aged 65-74.

Economic Activity

3.38 Economic activity rates describe the proportion of people aged 16-64 who are economically active, either in employment, seeking employment or in full-time education. Economic activity rates in Adur (83.1%) are broadly similar to those in West Sussex (83.8%), slightly above the Coast to Capital LEP area (81.2%) and the South East (80.0%) but above those for England (77.6%). The male-female differential in Adur is only around half of that seen elsewhere. This is largely due to high levels of female economic activity.

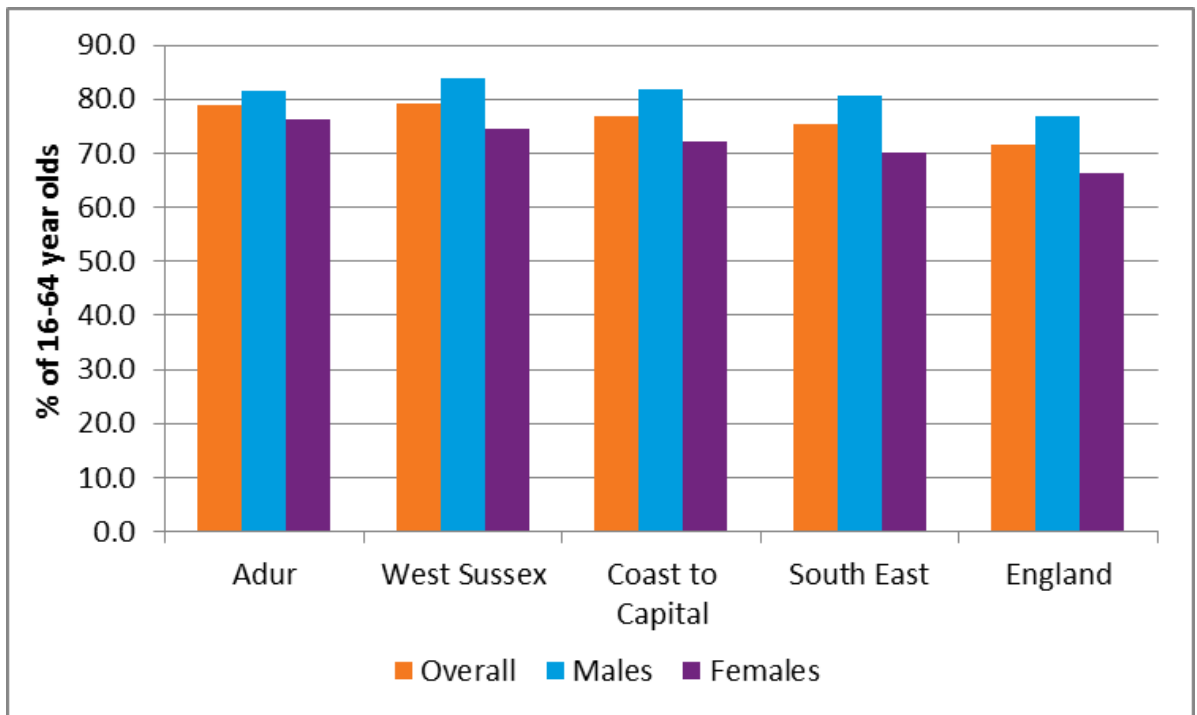
Figure 10: Economic Activity Rates (2013)



Source: Annual Population Survey (2014)

3.39 The District’s employment rate (78.9%), based on 2014 data, is slightly lower than that for West Sussex (79.1%) but above that for the LEP area (77.0%) and significantly higher than the South East (75.4%) and England (71.7%). Again this is driven by very high levels of female employment (76.3%), which is around 10 percentage points higher than the national figure.

Figure 11: Employment Rate (2013)



Source: Annual Population Survey (2014)

3.40 The Annual Population Survey indicates a high percentage of self-employment within Adur⁶. However, the proportion of 16-64 year olds working in full-time employment relative to the comparator areas is relatively low, although still slightly above the West Sussex figure. Whilst this might be a reflection of age structure, equally it could reflect limited availability at the current time of full-time jobs.

Table 4: Type of Employment (2013)

% of 16-64 Year Olds	Employees	Self Employed	Full-Time	Part-Time
Adur	82.1%	17.9%	70.1%	29.9%
West Sussex	84.4%	14.4%	69.9%	29.9%
Coast to Capital	82.3%	16.7%	71.9%	27.8%
South East	83.4%	15.8%	73.4%	26.3%
England	84.5%	14.7%	74.2%	25.4%

Source: Annual Population Survey (2014) . *Numbers may not add due to rounding

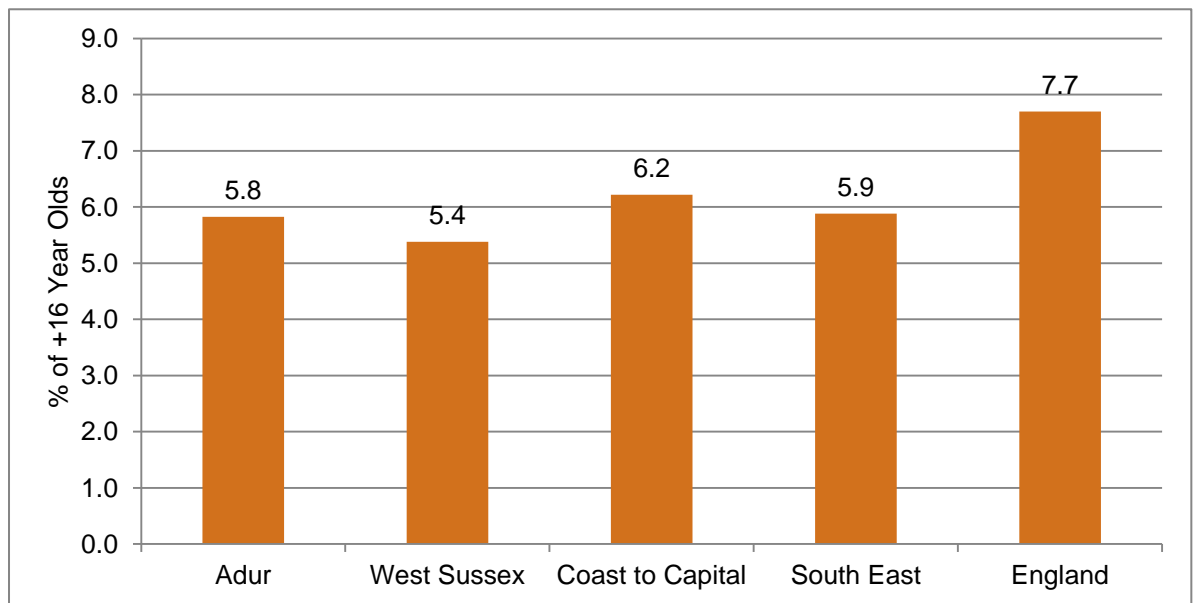
3.41 One of the features of the economic recession was a shift from full-time to part-time roles as companies sought to retain staff but to reduce costs. This may have influenced the employment profile.

⁶ The Annual Population Survey is statistically robust but does rely on a small sample survey size.

Unemployment

- 3.42 ONS Model-based Estimates of Unemployment indicate an unemployment rate (% of persons 16+) of 5.9% in Adur in 2013 compared to 5.7% across the South East region and 8.5% across Great Britain.
- 3.43 Unemployment levels can be quite volatile. If we use longer-term data to consider average unemployment levels over the 2009-13 period, unemployment in the District has been lower on average at 5.8% compared to the South East (5.9%), Coast to Capital LEP (6.2%) and the rest of England (7.7%). However, the District has seen a higher level of unemployment than the rest of West Sussex (5.4%) Using average figures over a longer term reduces the effect of short term changes in the statistics.

Figure 12: Unemployment Rate (Average 2009 - 2013)



Source: Annual Population Survey

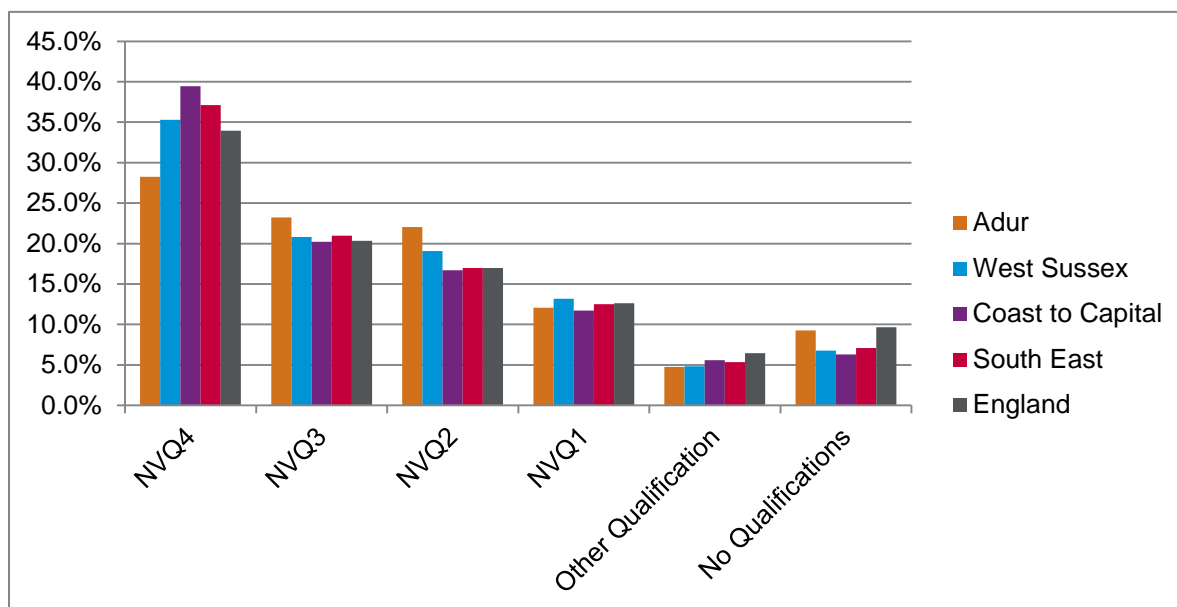
- 3.44 1.7% of economically active persons were claiming Job-Seekers Allowance (JSA) in April 2014, consistent with the level across the South East and below the national average of 2.7%.

Skills and Qualifications

- 3.45 Adur has a less skilled population than comparator areas, with less than 28.3% of 16-64 year olds residents educated to degree level (Level 4 or equivalent). In comparison, the England figure is 34.0%, West Sussex average 35.3% and South East 37.1%. The District has a higher proportion of

persons qualified to NVQ 2 (degree level or equivalent) and NVQ3 (5 A*-C GCSEs) levels. Overall there are lower levels of people with higher, degree-level qualifications resident in the District.

Figure 13: Qualification Level of Residents



Source: Annual Population Survey (Average, 2009-2013)

3.46 At the other end of the scale, 7.3% of the working age population in Adur have no qualifications. This is slightly higher than the rest of West Sussex (6.5%) and the LEP Area (6.1%) but lower than the national figure of 9.3%.

3.47 The focus on school and non-degree level qualifications is reflected to some degree in the occupation levels of employed residents. Only 33.4% of the District's residents are employed in the managerial and professional occupations. This includes directors and senior officials and technical occupations. This is significantly lower than the equivalent figures for West Sussex (45.2%), the Coast to Capital LEP area (48.7%), the South East (48.5%) and England (44.4%).

Table 5: Occupation Level

	Managers and Professionals	Skilled	Unskilled
Adur	33.4%	43.6%	23.0%
West Sussex	45.2%	33.6%	21.0%
Coast to Capital	48.7%	31.5%	19.5%
South East	48.5%	29.8%	21.4%
England	44.4%	30.2%	24.6%

Source: Annual Population Survey (2013) *Numbers may not add due to rounding

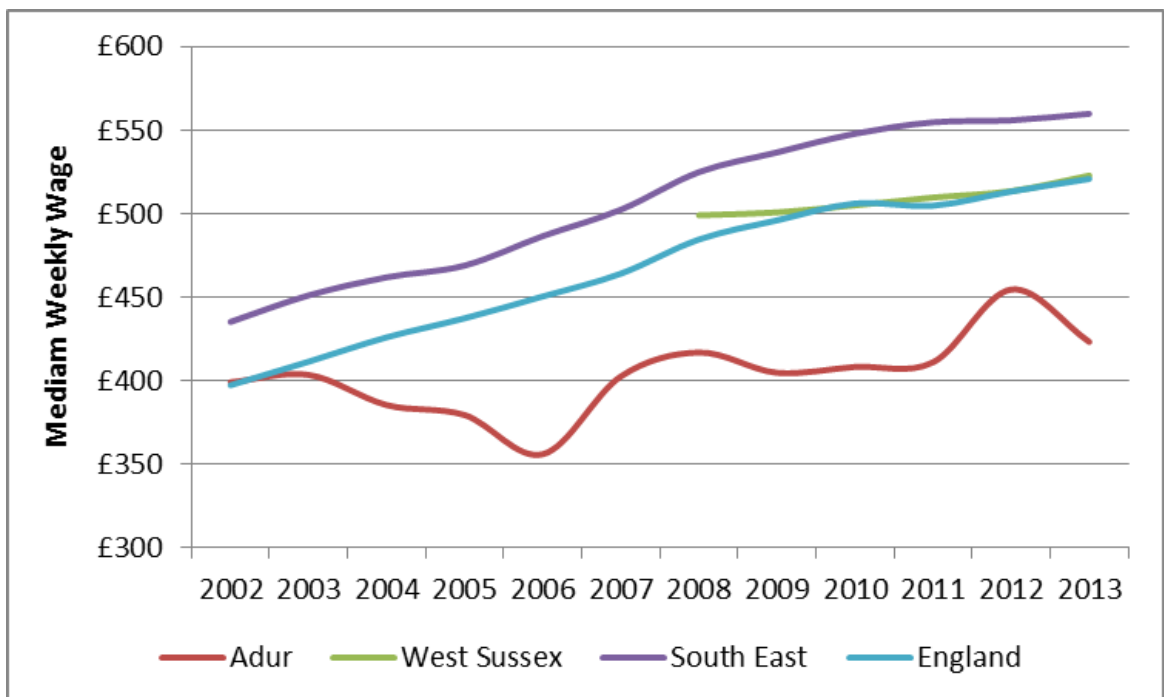
3.48 Conversely the percentage of workers in skilled occupations - including administrative and secretarial occupations, skilled trades occupations, caring, leisure and other service occupations - is much higher in Adur (43.6%) than elsewhere. The level of unskilled workers in the District at 23.0% is below the national average but above the other comparator areas.

Earnings

3.49 According to the Annual Survey of Hours and Earnings, median residents’ earnings in Adur (£423 gross per week) are approximately 19% lower than the equivalent figure for West Sussex (£523) and England (£521) and 24% lower than the South East (£560).

3.50 While residents’ wages in West Sussex, the South East and England have continued to rise since 2007, earnings in the District stagnated between 2007 and 2012. Median earnings in the District have only grown by around 6% since 2002, which is significantly lower than South East (29%) and England (31%)⁷. However, mean average earnings have increased 16% in Adur over the same period, significantly higher difference than the rest of the country (28%) and region (30%). This indicates that the earnings of wealthier households have continued to grow as average earnings stagnated.

Figure 14: Median Gross Weekly Earnings



Source: Annual Survey of Hours and Earnings (2013)

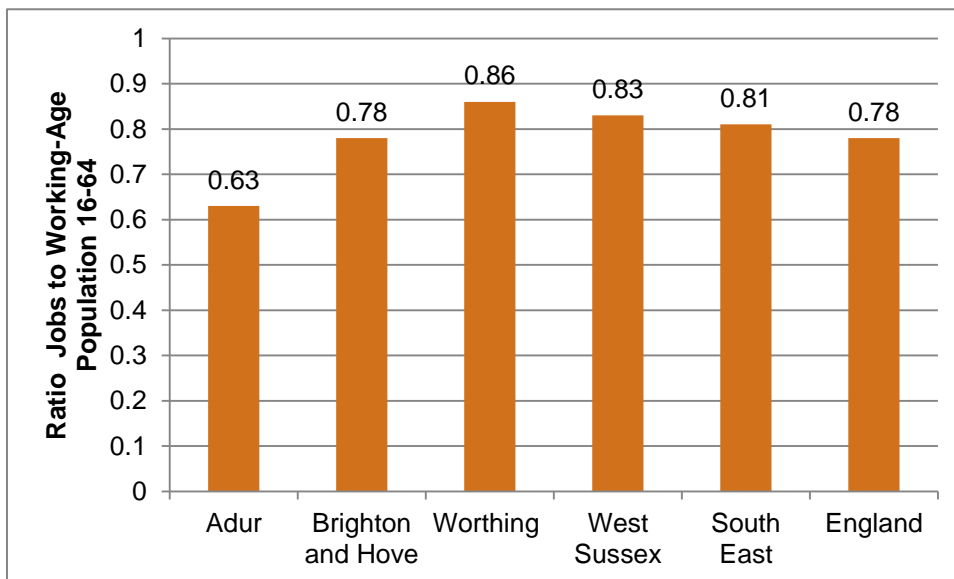
⁷ Data for West Sussex is only available since 2008

3.51 Workplace earnings (£438 gross per week) in the District are slightly higher than residents' earnings. The gap between residents and workplace earnings is also growing - workplace earnings have grown by 35% since 2002 compares to 6% for those of residents.

Commuting Patterns

3.52 Adur has a relatively low jobs density which in 2012 stood at 0.63 compared to 0.81 on average across the South East. Jobs density represents the ratio of jobs to the population of aged 16-64. Employment in Adur would need to increase by about 6,000 to achieve a jobs density around the national average and 7,000 to achieve a jobs density equivalent to the South East average. Jobs density in Worthing is above the regional average; whilst that in Brighton is slightly below but equal to the national average.

Figure 15: Jobs Density, 2012



Source: NOMIS

3.53 Adur's jobs density figures have varied slightly year-on-year, falling from 2005-9 but growing since 2010. Looking at the jobs density over the last decade, overall the level has remained fairly stable.

3.54 We have sought to analyse 2011 Census data to assess commuting patterns. This data was published by ONS in July 2014.

3.55 Adur shows a relatively high level of net out-commuting to work, with a net outflow of 7,191 persons per day recorded by the 2011 Census.

3.56 Overall of those living in the District and in work, 44% either work in the District, at home or have no fixed place of work. However the proportion falling within these categories or who work with the adjoining authorities of Worthing and Brighton and Hove rises to 81%, demonstrating the close inter-relationships of Adur's economy with that of these areas.

3.57 In total 92% of Adur's working residents work within West Sussex or Brighton and Hove. 2.7% of working residents commute to London to work, with a daily flow of 791 persons.

Table 6: Commuting Flows – 2011 Census

	Live in Adur, Work ...	% Adur Residents in Work	Work in Adur, Live ...	% People working in Adur	Net Commuting
In Adur	6972	23.6%	6,972	31.1%	
Elsewhere in UK	16465	-	9,355		
Mainly at/ from home	3055	10.3%	3055	13.6%	
No fixed place	3005	10.2%	3005	13.4%	
Outside UK	39	0.1%			
Offshore	42	0.1%			
Total	29578		22,387		-7,191
Brighton and Hove	6615	22.4%	3,077	13.7%	-3,538
Worthing	4237	14.3%	2,943	13.1%	-1,294
Horsham	995	3.4%	836	3.7%	-159
Mid Sussex	779	2.6%	334	1.5%	-445
Crawley	709	2.4%	102	0.5%	-607
Arun	559	1.9%	902	4.0%	343
Chichester	248	0.8%	107	0.5%	-141
Lewes	487	1.6%	345	1.5%	-142
Other East Sussex	157	0.5%	232	1.0%	75
Surrey	286	1.0%	74	0.3%	-212
London	791	2.7%	102	0.5%	-689

Source: 2011 Census (from NOMIS)

3.58 If we look at where those working in Adur live, 58% live within the District, work from home or have no fixed place of work. 85% of those working in Adur are from within the District or the adjoining areas of Brighton and Hove and Worthing. 3.7% of Adur's workforce is drawn from Horsham and 4.0% from Arun District. 1.5% respectively is drawn from Mid Sussex and Lewes Districts.

- 3.59 There is net out-commuting from Adur to Brighton and Hove (3,538 persons) and Worthing (1,294 persons); as well as to other parts of West Sussex (besides Arun), East Sussex, Surrey and London.

Business Base

Business by Size

- 3.60 There are approximately 1,990 businesses operating in Adur across 2,270 local units in 2013. Enterprises are classified as an overall business, made up of all the individual sites or workplaces. A local unit is an individual site (for example a factory or shop) associated with an enterprise. It can also be referred to as workplace. This information is taken from the UK business count data produced by ONS and as such the sector definitions differ from those used by Experian.
- 3.61 The vast majority (89%) of the enterprises based in Adur are micro businesses that employ less than 10 people. This is very slightly below the other comparator areas with the exception of England (88.3%). By contrast there is a slightly higher percentage (10.8%) of Small to Medium Enterprises (10-250 employees) based in the district.

Table 7: Enterprises by Size, 2013

Employment Sizeband	Adur #	Adur %	West Sussex %	Coast to Capital %	South East %	England %
0 to 9 Employees	1,770	88.9%	89.1%	90.0%	89.1%	88.3%
10 to 49 Employees	185	9.3%	9.1%	8.3%	8.9%	9.6%
50 to 249 Employees	30	1.5%	1.5%	1.3%	1.6%	1.7%
250 to 499 Employees	0	0.0%	0.2%	0.2%	0.2%	0.2%
500 to 999 Employees	0	0.0%	0.1%	0.1%	0.1%	0.1%
Over 1000 Employees	0	0.0%	0.1%	0.1%	0.1%	0.1%
Total	1,990	100.0%	100.0%	100.0%	100.0%	100.0%

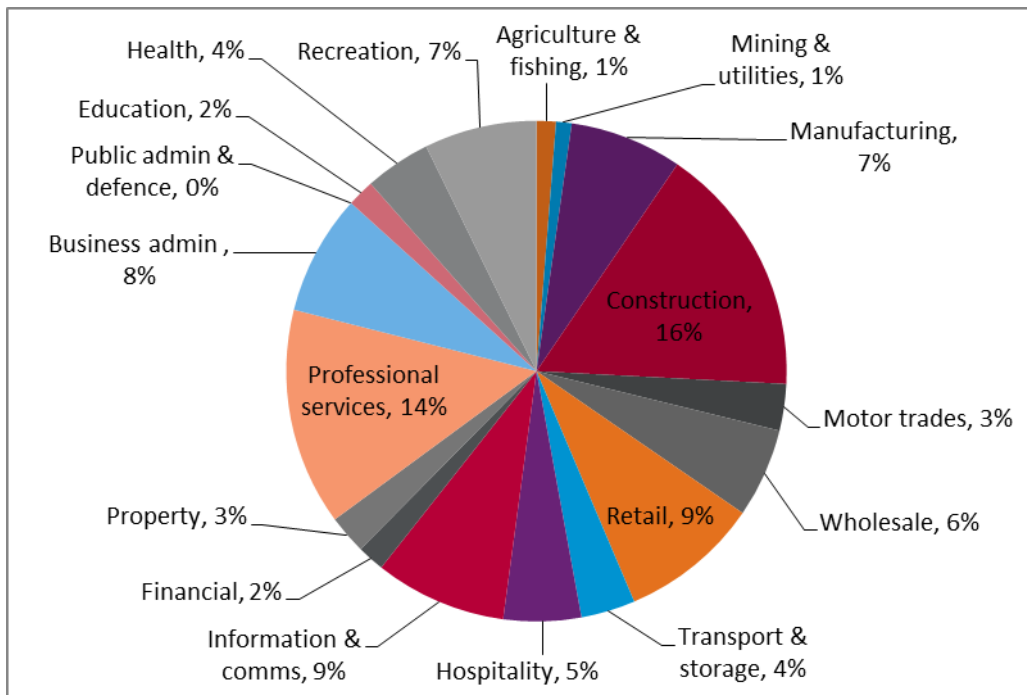
Source: UK Business Counts, Nomis (2014)

- 3.62 There are no larger companies that are based in the district (+500 employees), although 5 local units that employ between 250 and 499 people. Overall the business base is focused towards smaller and medium-sized enterprises (SMEs).

Sector Analysis

- 3.63 There are 325 construction enterprises operating from Adur. This equates to 16% of all enterprises in the District. The second largest numbers of enterprises are in the professional, scientific and technical activity sector, with 280 in total (14%).

Figure 16: Major Sectors by Enterprise Count in Adur, 2013



Source: UK Business Counts, Nomis (2013)

3.64 Both the retail and information and communications sectors equate to 9% of the total number of enterprises based in the District.

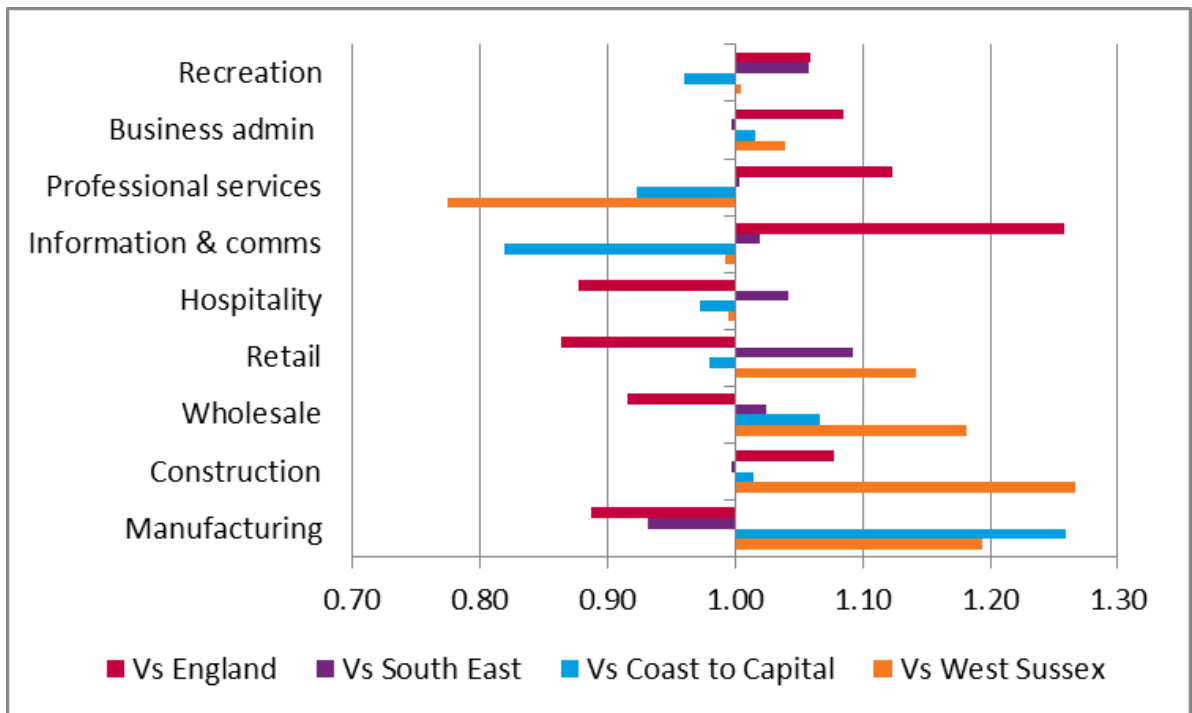
Location Quotient

3.65 The composition of enterprises in Adur has been analysed against the wider comparator areas. The analysis is illustrated in the Figure below. It indicates a mixed picture in comparison to the wider areas. Only two sectors with more than 100 enterprises located in the District have a positive location quotient against the other comparator areas - these were the construction and business admin sectors. In these sectors there is thus both a concentration of businesses and significant volumes.

3.66 Looking at the wider profile of businesses, Adur has a relatively high percentage of information & communications; real estate; professional, scientific and technical; and recreation enterprises compared to the wider areas.

3.67 Against the South East region there are no major sectors of strength in Adur. Against England the largest sector of strength is the information and communications sector; whilst against the LEP area it is the manufacturing sector and against West Sussex it is construction sector.

Figure 17: Location Quotient of Major Sectors in Adur, 2013



Source: UK Business Counts, Nomis (2013)

3.68 None of the major sectors are weaker in comparison to all of the wider comparators. However there is particular under representation compared to West Sussex as a whole of businesses in the professional services sector, against the LEP in the information and communications sector, against the region in the manufacturing sector and nationally against the retail and hospitality sectors.

Growth of Registered Businesses

3.69 Since 2011, 95 additional enterprises have been registered in Adur, a growth of around 5%. This compares to 2% in West Sussex and 4% in the LEP, South East and 5% in England. Almost all of the growth has been within private sector companies.

3.70 Of the major sectors, the number of information and communication enterprises operating in Adur has grown the most since 2011 (21%). This is despite only modest job increases in the sector. This most likely reflects a trend of people moving from or losing jobs in larger companies and setting up as self-employed.

3.71 Other notable sectors of growth include professional services (12%) and wholesale (10%) sectors. The largest decline in enterprise numbers have been in the property (-9%) and recreation sectors (-

6%) although employee numbers in both are growing. This would suggest a consolidation within the industry.

Summary

- 3.72 Adur is a small District operating in a wider sub-regional market along with Worthing and Brighton and Hove. Employment opportunities within the District are limited and, as a result, many of the residents commute to the larger, neighbouring commercial centres.
- 3.73 The District has a relatively weak skills base and as a result occupation levels are also low as is the productivity of the economic base. However levels of economic participation are higher than the rest of the region, buoyed by a particularly strong female workforce.
- 3.74 The local economy is diverse and is not overly-reliant on any single sector or employer. The construction and manufacturing sectors are well represented in the District in comparison to the wider South East. Improved housing market fortunes can be expected to support the construction sector. The manufacturing sector across the UK appears to be going through a short-term period of renaissance, and in Adur manufacturing employment has grown over the last few years.
- 3.75 Other growth sectors (in terms of both employment and business density) have been the information and communications, and accommodation and leisure sectors. Both these sectors are particularly under-represented in terms of total employees in comparison to the wider areas but exhibit opportunities for growth.

4 COMMERCIAL MARKET PERFORMANCE

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

MACRO ECONOMIC CONTEXT

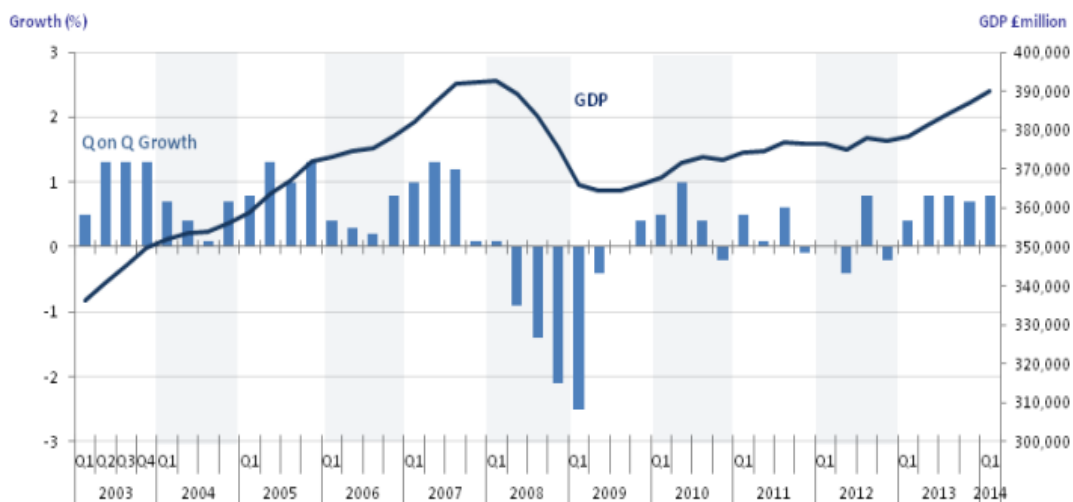
4.2 The Office for Budget Responsibility (OBR) published its Economic and Fiscal Outlook in March 2014 in which it was reported that GDP growth in 2013 was up 1.8% on 2012. The surprising level of growth in the latter half of 2013 has been attributed to spare capacity in the economy rather than indicating stronger underlying growth potential. Consumer confidence, credit conditions and the housing market have all improved since March 2013 but productivity and real earnings growth has remained weak. For the economic recovery to be sustained, productivity and real earnings growth needs to be realised – the unexpected strength of private consumption in 2013 has largely come from lower savings, not higher income. Looking forward, the GDP growth forecast is up to 2.7% in 2014 and 2.3% in 2015.

4.3 The Office of National Statistics reported in March 2014 that the Consumer Price Index (CPI) fell to 1.6% in March (below the Bank of England's target rate of 2%). The slowing rate of inflation is seen as a positive; for the past few years rising energy and food prices have resulted in a high level of inflation, which coupled with stagnant wage growth has squeezed the levels of disposable income but it is now expected that wage growth in the latter part of 2014 will exceed inflation.

4.4 The Bank of England base rate continues to remain at its historic low of 0.5%. Forward guidance provided by the Governor of the Bank of England in August 2013 stated that a rise in the base rate would not be considered until the rate of unemployment fell below 7%. It was expected that this level would not be reached until 2016 but unemployment levels are presently a fraction above this level. The Governor has recently announced that it would be too early to increase the base rate even if the official level of unemployment fell below 7%, expressing concerns that the official unemployment level is different to reality as the level has dropped due to more people having entered into part-time rather than full-time employment.

4.5 Growth in house prices has been supported by an improvement in the availability and a reduction in the cost of credit, partly as a result of the Government's 'Funding for Lending' and 'Help to Buy' schemes. Consumer confidence has increased significantly in recent months with signs that the UK economy is gathering momentum following consecutive quarters of GDP growth (Q1 2013: 0.3%, Q2 2013: 0.7%, Q3 2013: 0.8%, Q4 2013: 0.7%). The services sector, which represents three quarters of economic output, grew by 0.9% and is now operating at 0.6% above its pre-crisis peak in Q1 2008.

Figure 18: GDP (£millions) and quarter on quarter growth, Q1 2014



Source: ONS (2014)

4.6 An improving level of consumer confidence has been seen in the housing market. Indeed, the trend since the beginning of 2013/14 has been of a general month-on-month increase in transactions for the seasonally adjusted data until February 2014. This is a result of growth across the sector as opposed to a sharp rise in the number of higher value transactions skewing the market.

4.7 Turning to non-residential property, prime commercial property has seen a relatively healthy recovery in values, particularly in London and the key regional cities since 2010 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.

NATIONAL OFFICE AND INDUSTRIAL MARKET CONTEXT

4.8 The national office market has strengthened on the back of the revival of the economy. The up-turn in the economy is providing occupiers with increased confidence to not only increase their headcounts but also to pursue their relocation plans.

4.9 Turning to the industrial market, whilst UK manufacturing finally returned to growth in the second half of 2013, it has continued to lag behind the rest of the economic recovery with growth of 2.5% in 2013, compared with 2.8% for the wider UK economy. The distribution and retail sector, conversely, has been one of the key drivers of the recovery with growth of 4.7% in 2014.

Market Supply

- 4.10 Office supply has continued to decline in 2013 due to stronger take-up, little speculative development and loss of office space to residential conversions. The market stock remains dominated by second hand space with a limited supply of Grade A space, resulting in availability levels falling more drastically as take-up increases.
- 4.11 There is a shortage of supply of warehouse and distribution floorspace across all size categories, leaving occupiers with a lack of choice and good quality space according to Knight Frank. New supply of units above 100,000 sq ft now stands at 5.2 million sq ft, which is 82% down on the peak levels experienced in Q1 2008, when availability stood at c 28 million sq ft. There is currently only around one year's supply of stock available. Rental growth returned to the industrial sector in 2013 after five years of decline. The strength of the market has led to a return to speculative development.

Take-Up

- 4.12 Improving occupier sentiment and business confidence has led to take-up volumes increasing and demand for office space at its highest level since 2008. This positive market sentiment has resulted in continued market activity with demand for quality Grade A or refurbished Grade A space. Total national office take-up reached 8.6 million sq ft for 2013, according to CBRE, which represents a 21% increase from 2012.
- 4.13 Similarly, Jones Lang Le Salle reported that occupier demand rose significantly for industrial space in 2013 with 18 million sq ft of take-up in units over 100,000 sq ft compared with 11.4 million sq ft in 2012. The national industrial market has generally followed the progression of the economy over the last year. The distribution sector has benefitted from the steady growth of e-commerce with internet sales increasing. In November 2013, internet sales were at their highest levels of 11.9% of total sales, this figure is estimated to rise to 20% by 2020.

REGIONAL / LOCAL MARKET CONTEXT

- 4.14 Adur District is located in the South East of the UK. The market commentary below describes the current market situation in the South East region. It should, however, be noted that market reports tend to cover large and diverse areas and depict a generalised picture (for example, the South East covers rural, urban and coastal areas).
- 4.15 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 premium over other UK regions

as a result of its underlying economic prosperity, demand and supply imbalance, and proximity to London and the Continent.

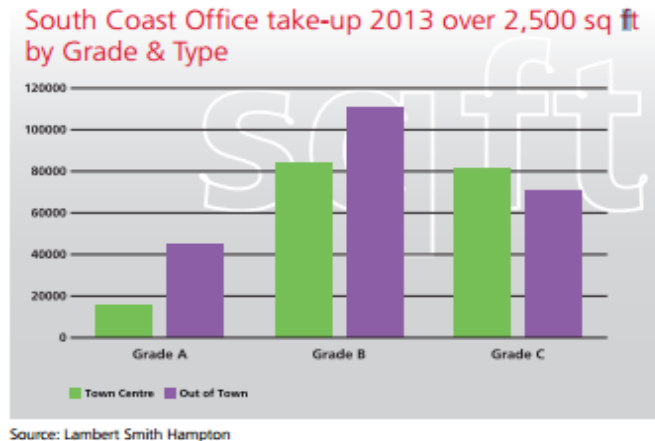
- 4.16 The commercial property market has significant premiums in relation to proximity to London. Occupier demand has recovered more quickly than in other region. As a result of this underlying premium, the base values for property in the South East start at a higher point than most other areas of the country. Consequently the recovery of markets in the South East has been faster and stronger than most other areas of the UK.

Market Supply

- 4.17 In the South East, the availability of grade A space has declined in all sub-markets of the office market. The up-surge in take-up has resulted in a reduction in market supply, which has been accentuated due to the limited speculative development that has taken place. CBRE reported that overall supply of office space was 3% down in Q3 from Q2 and 6% down from the start of 2013. Furthermore, CBRE stated that newly completed grade A space or space under construction accounted for only 22% of available space. Indeed, on the south coast the supply remains static but there are concerns over low Grade A stock levels.⁸ According to Knight Frank, this has left vacancy rates in the South East at a four year low, falling from 7.8% to 7.4% during Q3 2013. Vacancy levels are expected to steadily fall given the relatively minimal speculative development. The South East industrial market supply position reflects the national picture - there is a real shortage in prime space generally.
- 4.18 Looking more specifically at the South coast market, a report in Q4 2013 by LSH suggested that the limited supply of Grade A office supply is becoming a concern. 'Less than 16% of total supply is Grade A with a 4% / 12% split between city centre and out-of town. Consequently, Grade A offices in out of town locations have seen improved take-up in 2013 where occupiers are seeking better quality space. Pre-let enquiries and transactions are also starting to emerge.' This can be seen in Figure 19 below. The report also noted that the reduction in office supply has been affected by developers taking advantage of the relaxation in planning laws (office to residential) and mentioned that secondary offices have also been subject to interest from developers for alternative uses such as hotels and student accommodation. It should be noted that the South coast market report does not appear to include specifically Adur, Worthing or Brighton, focusing instead on the market around Southampton and Portsmouth.

⁸ <http://www.lsh.co.uk/regions/south-coast>

Figure 19: South East Coast Office Market Take up, 2013



Take-up

- 4.19 The office market in the South East experienced strong levels of take-up in Q3 of 2013.⁹ Take up specifically in the South coast area in Q1 2014 was less encouraging than this time last year but is expected to improve especially as there is strong demand evident from the insurance, recruitment, telecoms and construction sectors and the average requirement size of units is increasing.¹⁰
- 4.20 According to Knight Frank, there is a shortage of supply of warehouse and distribution floorspace across all size categories in the South East, leaving occupiers with a lack of choice and good quality space. Rental growth returned to the industrial sector in 2013 after five years of decline. The strength of the market has led to a return to speculative development. South East industrial take-up has strengthened during 2013 with demand levels returning as the economy recovers and firms bring back their turnover levels. Research suggests that the demand for industrial space is much less volatile than the office market.
- 4.21 Looking more specifically at the South coast, the LSH report on the South coast market reported that '2013 showed encouraging signs of an office market recovery after a flat 2012. The economy is showing signs of growth for the first time in three years and unemployment is also at its lowest rate for the same period. Confidence is returning in many sectors and businesses are expanding once more. This was reflected both in an upturn in enquiry levels and improved take-up figures, which have exceeded 300,000 sq ft for the first time since 2011.'

⁹ UK REGIONAL OFFICE MARKET BRIEFING Q4 2013, Cushman and Wakefield.

¹⁰ <http://www.lsh.co.uk/regions/south-coast>

4.22 Information on the commercial property markets in West Sussex are highlighted below:

- **Brighton / Hove** – It is reported that Cluttons has seen an increase in activity in the office market with take-up at around 185,000 square feet – its highest level since 2010. “As with most years the majority of office deals in the city involved space of less than 5,000 square feet.”¹¹ Some growth has been driven by emerging digital companies.¹² Steven Harvey at Oakley Commercial said “Woodingdean Business Park is thriving with a rush of sales and lettings to companies spanning a diverse range of sectors from healthcare to IT. Reflex Nutrition has taken a second unit in addition to its 35,000 sq ft headquarters on the site – one of Brighton’s largest ever design and build projects.” However, limited new development is taking place (due to cautious bank lending).
- **Chichester**- Development activity is stirring - a large industrial estate (Glenmore Business Park) is to provide 35 new starter units (1,000 sq ft to 2,000 sq ft) and two larger units of 10,000 and 23,000 sq ft - development should commence May 2014.¹³
- **Horsham** -¹⁴ Demand for industrial space in Horsham remains steady despite the District’s relatively small scale and localised market for manufacturing and distribution space. Local agents report a shortage of industrial space across all types and sizes, and a lack of surplus space to enable churn, intensification and upgrading of existing older sites.

4.23 Typical office rental levels in the South Coast area can be seen below:

Table 8: Prime Office Rents (/ sq.ft)

Location	Rent
Brighton and Hove	£20.00 - £23.00
Worthing	£7.00 - £16.00
Eastbourne	£8.00 - £14.00
Portsmouth	£17.00
Southampton	£18.50

Source: Brighton Employment Land Review (2012) and LSH South Coast Office Market Briefing (2013)

4.24 Typical prime industrial rents in the South Coast area can be seen in Table 9 below.

Table 9: Prime Industrial Rents (/ sq.ft)

Location	Rent
Brighton and Hove	£10.00 - £11.50
Worthing	£6.50
Eastbourne	£7.50
Portsmouth	£5.75
Southampton	£6.50

Source: Brighton Employment Land Review (2012) and LSH South Coast Office Market Briefing (2013)

4.25 Turning to Adur, over recent years, there has been a lack of growth in commercial markets in the South East’s 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. Adur’s relative peripherality within the region is (and is likely

¹¹ http://www.bsm.uk.com/upload/cmspage/downloads/3-02-14_16-01-12_rics_uk_commercial_property_survey_-_q4_2013.pdf

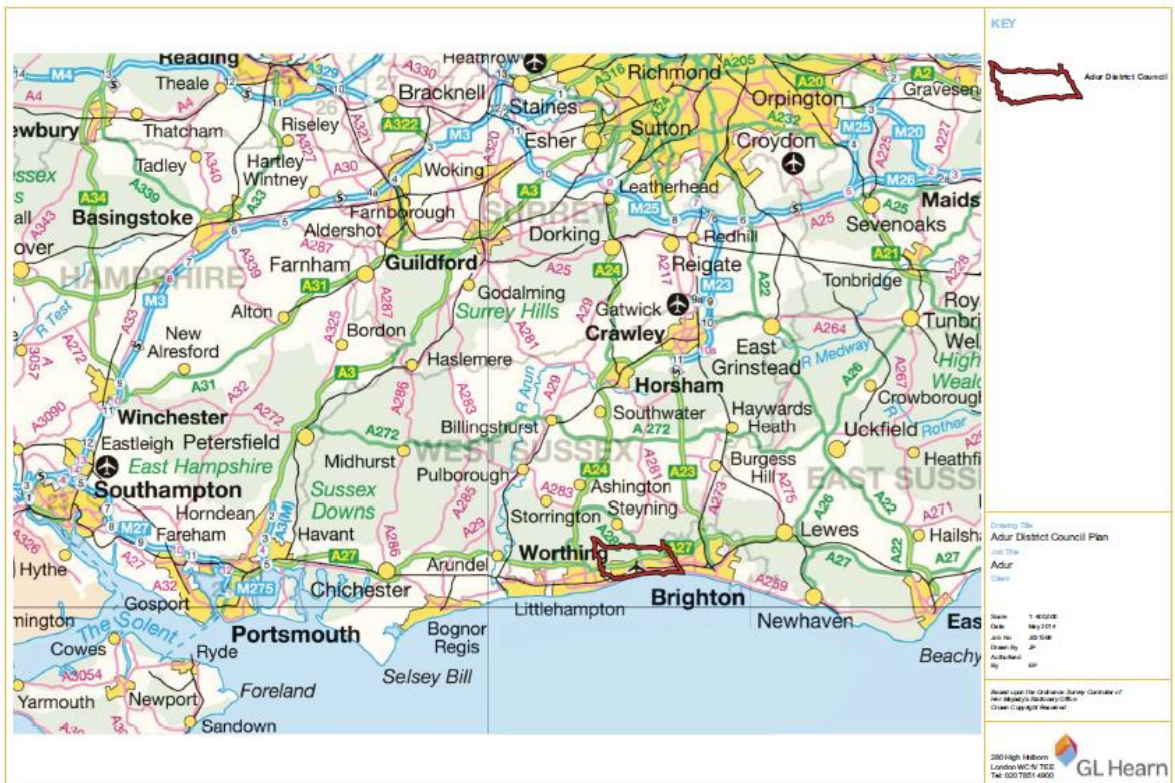
¹² http://www.theargus.co.uk/news/business/10918107.Brighton_and_Hove_s_commercial_property_sector_shows_potential/?ref=rss

¹³ http://www.bsm.uk.com/upload/cmspage/downloads/3-02-14_16-01-12_rics_uk_commercial_property_survey_-_q4_2013.pdf

¹⁴ Northern West Sussex Economic Growth Assessment : Horsham Emerging Findings Paper

to remain) a structural weakness (a map showing Adur’s location is below in Figure 20.) Conversations with commercial property agents show that headline rents for office space in Adur are typically £12.00 / ft – much lower than other South coast office markets (shown in the table above) although industrial rents in Adur are more comparable.

Figure 20: Adur and Surrounding Area



Source: GL Hearn

4.26 Through the recession, the industrial market in Adur has performed comparatively more strongly than that for office floorspace. Construction (and thus finance) costs are higher for office space. The development market for industrial and warehouse space has thus performed better than the office market and has been able to respond more quickly to reposond more quickly to specific occupier driven requirements.

COMPOSITION OF COMMERCIAL FLOORSPACE

4.27 The most recent Commercial and Industrial Floorspace and Rateable Value Statistics on the Neighbourhood Statistics website are from 2008 (showing the 2005 revaluation). This data is somewhat outdated but is the latest available published data.

4.28 The data set shows that Adur contains a total of 454,000 sq.m (GIA) of commercial floorspace of which 351,000 sq.m was in B-class uses. This represents 20% of B-class floorspace in the Adur-Brighton-Worthing area. The breakdown can be seen in Table 10 below.

Table 10: Breakdown of Commercial Floor Space

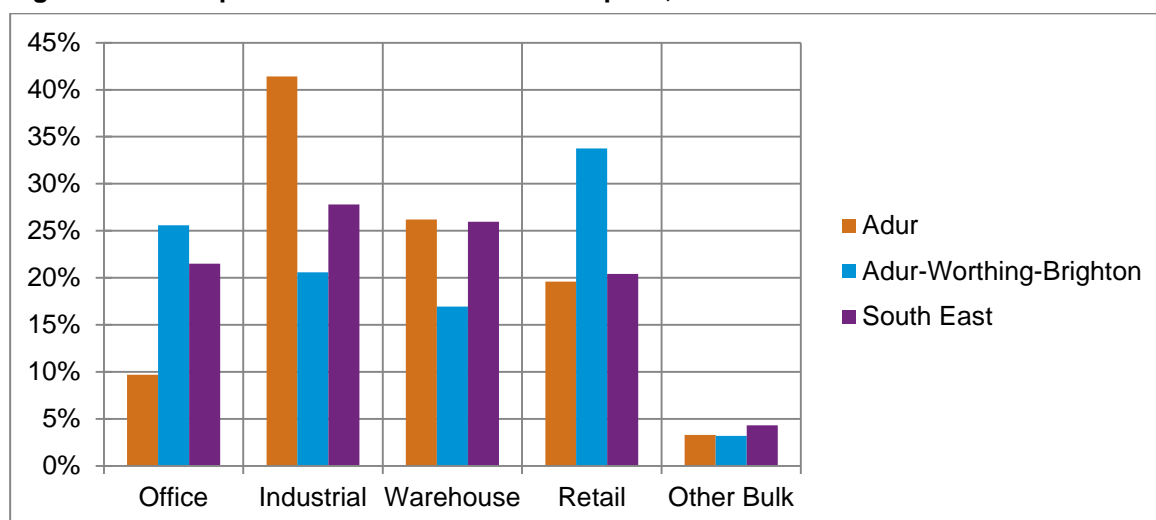
	Use Class	Sqm	%
Offices	B1(a and b)	44,000	10%
Industrial	B2 (and B1c)	188,000	41%
Warehouses	B8	119,000	26%
Totals	B Class Floor Space	351,000	77%
Totals	All Commercial Floor Space	454,000	100%

Source: VOA (2008)

4.29 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.

4.30 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 21: Composition of Commercial Floorspace, 2008



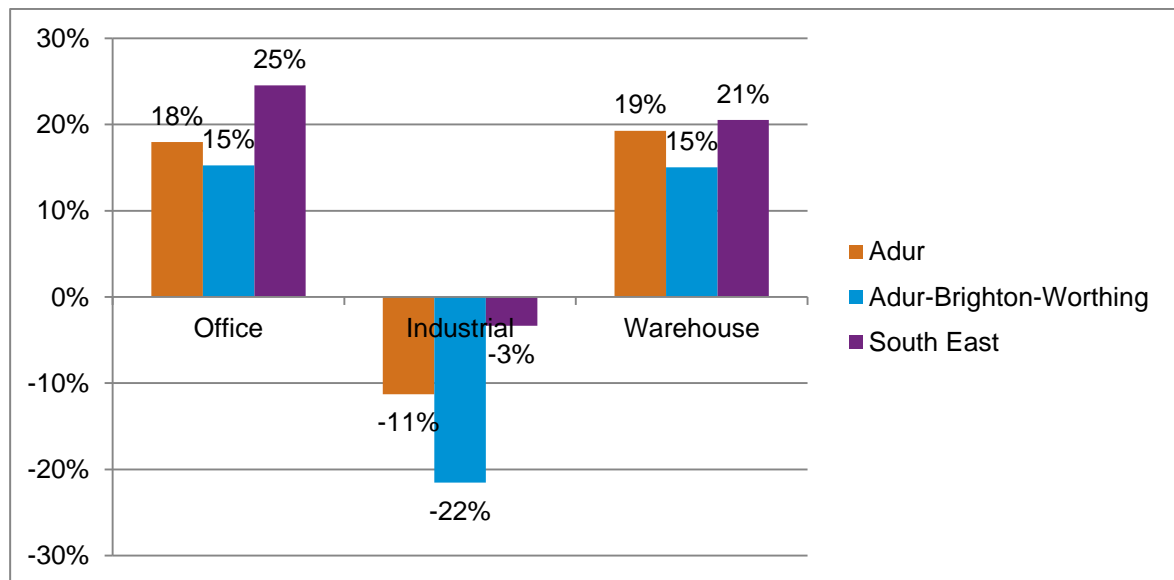
Source: CLG/VOA

4.31 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.

4.32 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.

4.33 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 by 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 22: Changes in Employment Floorspace, 1998 – 2008



Source: CLG/VOA¹⁵

4.34 To supplement the 2008 data, information on the composition and development of floor space in Adur since 2008 has been reviewed and is presented in the table below. The highest sq.m net

¹⁵ Analysis based on 1998-2004 and 9712005-8 periods, taking into account 2005 Revaluation

increase is in B2 (industrial) and B8 (warehousing) (both increasing by over 2,000 sq.m since 2008).Development of B1 (office space) over this period has been limited.

Table 11: Total Amount of Additional Employment Floorspace sq.m (net GEA) - by Type

	2008-9	2009-10	2010-11	2011-12	2012-13	Total (net) sq.m
B1 Offices	0	0	105	0	138	243
B1 Research and Development	0	0	0	0	0	0
B1 Light Industry	0	0	68	953	0	1021
B1 Mixed (Designed for Any B1 Use)	971	0	0	0	0	971
B2 General industry	2215	0	0	0	0	2215
B8 Storage & Distribution	2043	0	640	0	0	2683
Sui Generis (Employment Uses Not Covered by the Above Use Classes e.g. Motor Vehicle Sales)		0	0	0	0	0
Total (Net) sq.m	5229	0	813	953	138	7133

Source: Adur District Council

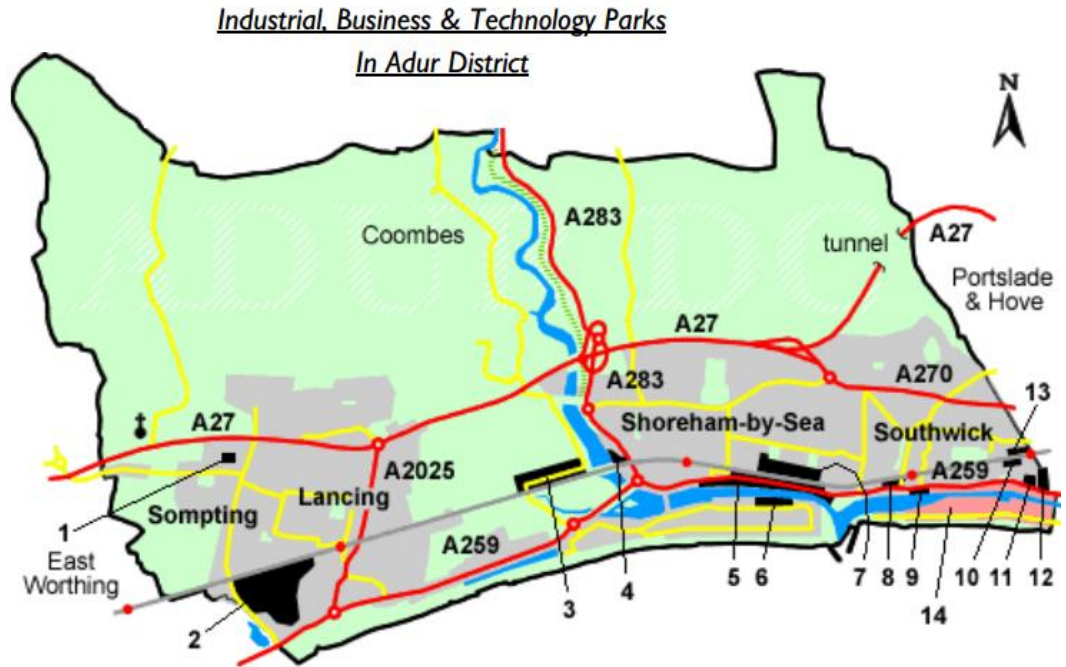
4.35 Details of recently developed employment space – for both office and industrial uses (gross from 2011) can be seen below¹⁶:

- 2010/2011 - New employment floorspace completed was provided at Lancing Business Park (702 sq.m) and Chapel Road, Fishersgate (640 sq.m).
- 2011/2012 - New employment floorspace completed was provided by Ricardos – Shoreham Technical Centre (600 sq.m of light industrial space), Chartwell Business Centre, Lancing and Chapel Road, Fishersgate (640 sq.m).
- 2012/2013 - New employment floorspace completed was provided at Fishersgate Terrace (138sqm of new office floorspace) and Chartwell Road, Lancing Business Park (204 sq.m of industrial floorspace).

4.36 A map showing the location of the main employment sites in Adur is shown below:

¹⁶ Information extracted from Adur AMRs

Figure 23: Location of Industrial, Business and Technology Parks in Adur



Based on the Ordnance Survey mapping. © Crown copyright and database right. Adur District Council and Worthing Borough Council, Ordnance Survey Licence 100024321 & 100018824. 201

- | | |
|---|---|
| <ul style="list-style-type: none"> 1. Rectory Farm Industrial Estate, Sompting Lancing 2. Lancing Business Park, Lancing 3. Shoreham Airport Technology Park, Shoreham-by-Sea 4. Riverbank Business Centre, Shoreham-by-Sea 5. Brighton Road, Shoreham-by-Sea 6. Harbour Way, Shoreham-by-Sea 7. Dolphin Road, Shoreham-by-Sea | <ul style="list-style-type: none"> 8. Grange Industrial Estate, Southwic 9. Lady Bee Industrial Park, Southwic 10. Gardner Road, Southwick 11. Chapel Road, Southwick 12. Mill Road, Southwick 13. Manor Hall Road, Southwick 14. Shoreham Harbour |
|---|---|

Source: Adur Commercial Property Register, Adur and Worthing (Winter 2013).

ADUR OFFICE MARKET

4.37 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 (as shown by the Table 12 below).

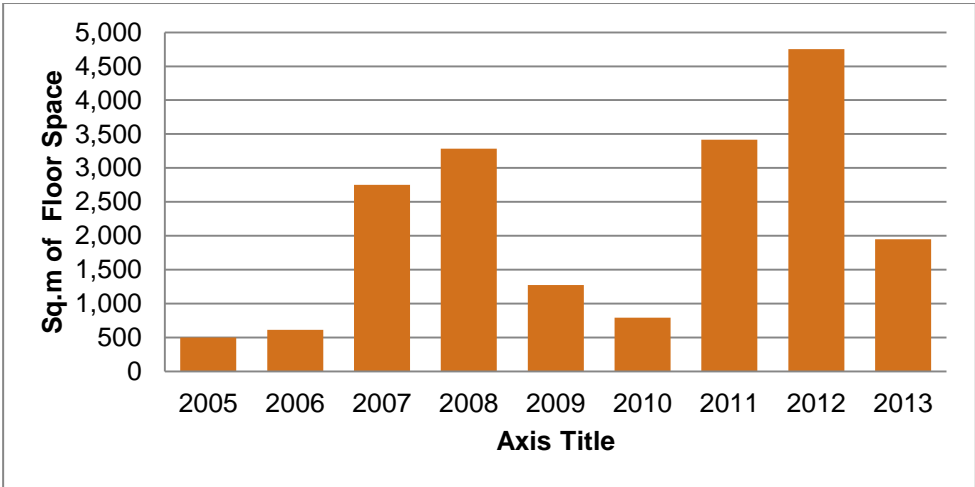
Table 12: Take-Up by Size Category of Office Floorspace, 2005 – 2013

	Take up 2005- 2013	Deals 2005-2013
< 185 sq.m	7070	73
185 - 465 sq.m	2849	10
465 - 1000 sq.m	4451	5
1000+ sq.m	4964	2

Source: GLH (based on EGi and Focus)

- 4.38 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 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 which was developed in 2007 and provides 9,076 sq.ft (843 sq.m) of serviced office space.
- 4.39 Elsewhere, office floorspace falls primarily within industrial estates such as at the Tungsten Building at Mill Road, Fishergate and the Parkland Business Centre and the Triangle and Quadrant in Lancing Business Park. There is also some office space at Shoreham Airport.
- 4.40 As shown above in Table 11 in the previous section, there has been limited development of office space in recent years with only 243 sq.m of (net) office space built since 2008.
- 4.41 GLH has analysed office take-up using data from commercial property databases Focus and EGi. We estimate take-up of office floorspace in the District of over 19,300 sq.m over the 9 year period for 2005 – 2013 which gives an average of just over 2,140 sqm per year).
- 4.42 While a high proportion of office deals are for suites of less than 185 sq.m, overall take-up figures are particularly influenced by the small number of deals for over 1000 sq.m of floorspace, as Table 12 and Figure 24 indicate.
- 4.43 Figure 24 indicates the take-up in sqm. It illustrates that there was a strong take up in 2011 and 2012. The year 2011 reflects increasing confidence in the market but 2012 has been due to a single letting of 2,249 sq m to an unknown tenant at Brooklands House on Lancing Business Park.

Figure 24: Office Take-Up, 2005 – 2013



Source: GLH (based on EGi and Focus)

4.44 Examples of recently completed medium to large office deals in the district are as follows:

- 2012 - An undisclosed tenant has taken 25,212 sq ft (2249 sq m) of office space on confidential terms at Brooklands House (Lancing Business Park). The quoting rent was £176,484 pa equating to £7.00 psf (£75.34 psm).
- 2013 - NHS (Sussex) Community Trust took 9,000 sq ft (836.1 sq m) of ground floor office space from Personal Hygiene Services Ltd on a sublease at Lancing Business Park expiring in September 2025 at £ 66,000 pa, equating to £7.33 psf (£78.93 psm).

4.45 Available units are small (typically under 185 sq.m). Much of the vacant space is second hand space / within older buildings. There is limited availability of high quality, modern floorspace.

4.46 The office space currently available in the district is shown in Table 13 below.

Table 13: Available Office Space – April 2014

Building / Park	Street Name	Town	Post Code	Sq.M Available
Rear of 1, Cecil Road, Lancing, BN15 8HN	Cecil Road	Lancing	BN15 8HN	138
Burrell Buildings, 36 Chartwell Road, Lancing, BN15 8TZ	Chartwell Road	Lancing	BN15 8TZ	177
12 Triangle Business Centre, 1 Commerce Way, Lancing, BN15 8UP	Commerce Way	Lancing	BN15 8UP	65
Triangle Business Centre, 1 Commerce Way, Lancing, BN15 8UP	Commerce Way	Lancing	BN15 8UP	82
The Quadrant, Marlborough Road, Lancing, BN15 8UW	Marlborough Road	Lancing	BN15 8UW	125
The Quadrant, Marlborough Road, Lancing, BN15 8UW	Marlborough Road	Lancing	BN15 8UW	251
48 - 50	North Road	Lancing	BN15 9AB	77
Nynex House	Gardner Road	Brighton	BN41 1QP	5,316
Unit 12 Tungsten Building	George Street	Brighton	BN41 1RA	200
6-8 High Street, Shoreham-By-Sea, BN43 5DA	High Street	Shoreham-By-Sea	BN43 5DA	159
84 High Street, Shoreham-by-Sea, BN43 5DB	High Street	Shoreham-by-Sea	BN43 5DB	38
Premier House 17-19	Cecil Pashley Way	Shoreham By Sea	BN43 5FF	259
Cecil Pashley Way, Shoreham-By-Sea, BN43 5FF	Cecil Pashley Way	Shoreham-By-Sea	BN43 5FF	1,039
Cecil Pashley Way, Shoreham-By-Sea, BN43 5FF	Cecil Pashley Way	Shoreham-By-Sea	BN43 5FF	106
63a	Brighton Road	Shoreham By Sea	BN43 6RE	100
2 Riverside Business Centre	Brighton Road	Shoreham By Sea	BN43 6RE	188
Total				8,320

Source: GLH (drawing on Focus and EGi)

4.47 There is approximately 8,320 sqm of office floorspace in the district (giving a vacancy rate of approximately 19%). This is higher than the ‘normal’ vacancy rate of 10%. When Nynex House (which may be suitable for conversion to residential uses) is removed, the vacancy rate reduces dramatically to 7%. To put this into context, the South East vacancy rate in Q3 2013 was 7.4%.

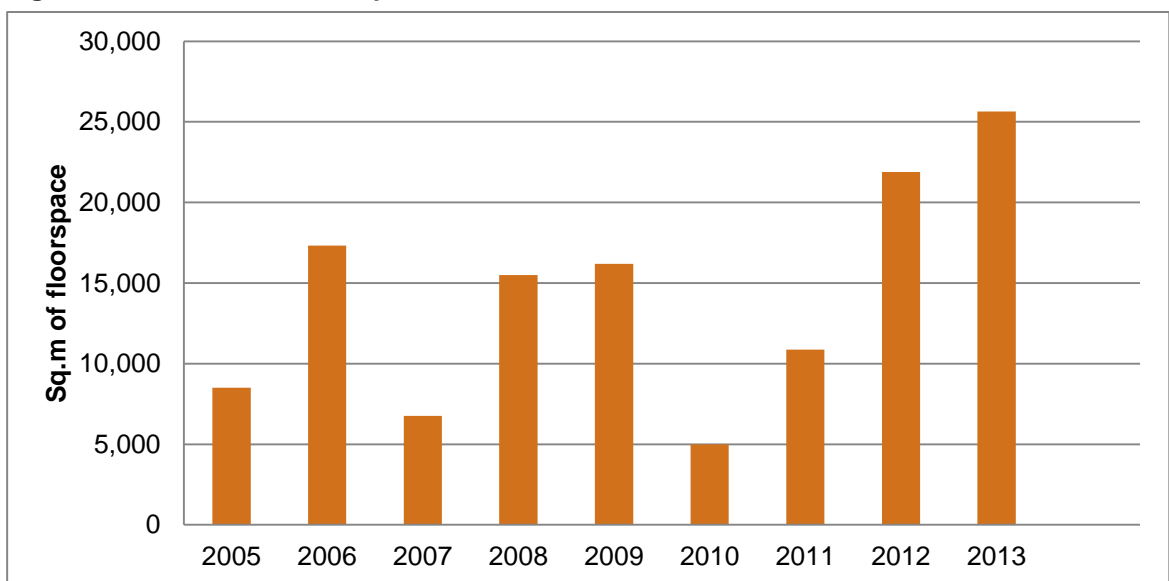
4.48 This is a reasonably high level of availability and this reflects the quality of space. Available units include units located at: The Triangle Business Centre (Lancing Business Park), Cecil Pashley Way (Shoreham Airport), the Riverside Business Centre (Shoreham) and the Tungsten Building (Mill Road / Chapel Road Industrial Estate, Fishersgate).

ADUR INDUSTRIAL MARKET

4.49 The industrial market in Adur is more strongly developed than the office market and benefits from good access to the A27. Whilst rents are subdued, demand is arising primarily from existing local occupiers (see information on specific deals below) and from occupiers moving from Brighton where rents are higher. Demand is focused on small and medium sized properties for both manufacturing/industrial and warehouse floorspace. The size of the industrial space does, however vary as there is some medium and larger industrial space, in addition to the small to medium sized units, in Adur occupied by regional and multinational occupiers, especially around the Harbour (this is detailed in the Site Assessment Section). Industrial space is focused at Lancing Business Park, Shoreham Harbour, Dolphin Road Industrial Estate in Shoreham and at Shoreham Airport.

4.50 GLH has analysed industrial take-up using data from commercial property databases Focus and EGi shown in Figure 23.

Figure 25: Industrial Take-Up, 2005 – 2013



Source: GLH (based on EGi and Focus)

4.51 As with the office sector, while the greatest volume of transactions in the market are for start-up / 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. The market focus within Adur nonetheless is on small and medium-sized properties for local businesses. Demand for large sheds from national occupiers is weaker, due to Adur's peripheral location. There has been around 127,660 sq.m of take up over the past 9 years an average of approx.14,185 sq.m per annum. Take up levels have increased significantly over the past three years, with the take up of over 20,000 sq.m in 2012 and 2013, which is in line with comments from agents reporting increased activity in the industrial market over the past couple of years.

Table 14: Take-Up by Size Category of Industrial Floorspace, 2005-13

	Floorspace (Sq.M)	No of Deals
< 185 sq.m	6932	74
185 - 465 sq.m	15095	74
465 - 1000 sq.m	13241	33
1000+ sq.m	51131	25

Source: GLH (based on EGi and Focus)

4.52 Examples of recently completed medium to large industrial deals are as follows:

- 2012 - Rayner & Keeler (Opticians) took 6,000 sq ft (557 sq m) of ground-floor industrial space at Rectory Farm Road at £36,000 pa, equating to £6 psf (£65 psm).
- 2012 - Interlink Express (provide express parcel delivery services) took 8,658 sq ft (804 sq m) of industrial/warehouse space at Harbour Way in Unit 1 on confidential terms.
- 2013 - Howden Joinery Properties Limited (manufacturers and suppliers of kitchens and joinery product.) took 12,220 sq ft (1,135 sq m) of ground floor industrial / warehousing space at Malthouse trading estate on Brighton Road on a 15 year lease at £81,540 pa, equating to £6.67 psf (£71.79 psm), subject to five yearly rent reviews and no option to break.
- 2013 - AMC Sheet Metal Fabrications Ltd took 6,336 sq ft (589 sq m) of ground-floor and mezzanine industrial/warehouse space at Marlborough Business Centre (Lancing Business Park) a five-year lease at £22,500 pa, equating to £3.55 psf (£38 psm) in year one, rising to £30,000 pa, equating to £4.73 psf (£51 psm) in year two.

4.53 Turning to available industrial space, there are a number of small to medium units which are currently available (under 450 sq. m), such as mixed industrial space at Dolphin Way and space at the Lancing Business Park (at Marlborough Road and Chartwell Road) and Chalex Works (Manor Hall Road). Whilst most of the available vacant stock comprises older buildings, there is also new build / refurbished space available as shown in Table 15.

Table 15: Available Industrial Space, April 2014

Building / Park	Street Name	Town	Post Code	Use Type	Sq.M Available
Chartwell Business Centre	Chartwell Road	Lancing	BN15 8FB	Mixed Industrial - B1, B2, B8	353
Chartwell Business Centre	Chartwell Road	Lancing	BN15 8FB	Mixed Industrial - B1, B2, B8	353
Unit 35	Commerce Way	Lancing	BN15 8UG	Mixed Industrial - B1, B2, B8	57
Unit 6	Commerce Way	Lancing	BN15 8UG	Mixed Industrial - B1, B2, B8	3,424
Unit 11b	Commerce Way	Lancing	BN15 8UP	Mixed Industrial - B1, B2, B8	62
Unit 1-5	Manor Hall Road	Brighton	BN42 4NH	Warehousing	85
Unit 1-5	Manor Hall Road	Brighton	BN42 4NH	Warehousing	85
Unit 1-5	Manor Hall Road	Brighton	BN42 4NH	Warehousing	85
Buildings 7, 7a & 8 Shoreham Airport	Cecil Pashley Way	Shoreham By Sea	BN43 5FF	Warehousing	268
Unit 18	Cecil Pashley Way	Shoreham By Sea	BN43 5FF	Warehousing	317
Unit 3, 27	Cecil Pashley Way	Shoreham By Sea	BN43 5PB	Warehousing	54
Units 1-5 Shoreham Airport	Cecil Pashley Way	Shoreham By Sea	BN43 5PB	Warehousing	139
Unit B4	Dolphin Way	Shoreham-by-Sea	BN43 6NZ	Mixed Industrial - B1, B2, B8	546
Unit A4	Dolphin Way	Shoreham-by-Sea	BN43 6NZ	Mixed Industrial - B1, B2, B8	309
	Dolphin Way	Shoreham-by-Sea	BN43 6NZ	Mixed Industrial - B1, B2, B8	548
	Dolphin Way	Shoreham-by-Sea	BN43 6NZ	Mixed Industrial - B1, B2, B8	538
Unit 6	Brighton Road	Shoreham By Sea	BN43 6RH	Warehousing	1,727
Unit 2 Malthouse Trading Estate	Brighton Road	Shoreham-by-Sea	BN43 6RJ	Mixed Industrial - B1, B2, B8	1,595
Unit 1 Malthouse Trading Estate	Brighton Road	Shoreham By Sea	BN43 6RJ	Warehousing	1,770
Former Graham Wood Site	Chartwell Road	Lancing	BN15	Mixed Industrial - B1, B2, B8	6,804
Total					19,119

Source: GLH (drawing on Focus and EGi) ¹⁷

4.54 There is approximately 19,119 of total vacant industrial space in Adur District, giving a vacancy rate for B2/B8 space of approximately 6%. A vacancy rate of 10% is considered normal for functioning

market when churn and other factors are taken into consideration. A 6% vacancy rate is therefore considered low (especially with large vacant sites e.g. the former Graham Wood on Lancing Business Park comprising 6,804 sqm of vacant space) and potentially indicates a shortage of supply. As shown in the section below, the low vacancy rate can be partially explained by landlords' flexibility with regards to lease terms. Landlords are willing to let units on less than preferable terms to avoid having vacant units.

4.55 Data from Focus shows most of the available space to be warehousing space.¹⁸

Commentary from Commercial Agents

4.56 There are few office (or industrial) agents focusing on the Adur area; most are based in Brighton. Across the office and industrial markets, the market was described as 'reasonable but not strong at all.' Agents thought that the demand / supply balance was in equilibrium and 'did not believe that demand would outstrip supply for a while' but there were comments that there is demand for small starter type units across the office and industrial sectors. High quality stock across both the office and industrial sector was said to be lacking – some agents also commented that the age of the existing commercial property stock is a potential cause for concern.

Office Market

4.57 Occupiers and deals are typically from local businesses. The office market was described by some agents as 'weak with limited stock and supply'. There is limited investor interest in the office market.

4.58 Agents believed that the number of enquiries for units had increased since 2013, reflective of improving economic conditions, but this is from a low base.

4.59 Adur is not thought to compete with the Brighton office market on the whole as the two areas provide different office space accommodation stock and rents. Office space in Adur located near Brighton tends to command a higher than average rent. Over recent years there have been some office relocations from areas such as Brighton, which has higher rental levels to Adur, which is less expensive. Worthing has a more established office market than Adur and offers comparably priced office space. However, agents do not believe the districts compete as, on the whole, the commercial property offer attracts different occupiers in the different districts.

4.60 The asking rent of available office units typically varies around £8.00 – £12.00 / ft depending on the quality and location of stock. Agents noted that office rents have been fairly static in recent years

¹⁸ Data from EGI was excluded from this statement as it does not differentiate industrial use classes (B1, B2/B8).

and that much of the existing office stock comprises second-hand, dated stock. Parking in the town centres (e.g. Shoreham) is also perceived to be limited.

- 4.61 Rental values are generally insufficient to support speculative development of office floorspace, taking account of the relative risk and return. To illustrate, one agent noted that despite macro-economic improvements ‘price wise the market [in the Adur/Worthing area] is still struggling as the market rents remain at pre 2006 rental levels’ and another said ‘current rents are not enough for development.’
- 4.62 However, demand is strong for small (to medium) serviced office units at the Adur Business Centre (in the Ropetackle building in Shoreham Town Centre), which is fully let with a waiting list. The centre comprises incubation units for small businesses. There is a variety of occupiers (comprising IT businesses, architects).
- 4.63 The Business Centre performed well in the recession but occupancy levels have increased over the past few years. It is believed that reasons for the success of the Business Centre include: its central location and flexible terms for occupiers (which include a monthly cost including a fully furnished office, internet, bills and a minimum term of only 1 month - which simplify financial planning for small businesses). Looking forward, it is likely that demand will continue for similar office space. Basepoint, the operators of the Business Centre, are understood to be looking for similar development opportunities.

Industrial

- 4.64 One agent reported that whilst the market is ‘better than it was’ there is limited demand in the area for large sheds. However, another agent commented that space that was previously empty (e.g. at Lancing Business Park) has filled up in recent years with landlords being prepared to cater for occupiers needs (by giving reasonable terms and by being flexible) and in the context of improving economic conditions. There is also a feeling that there is some demand for starter industrial units.
- 4.65 Rents are typically around £4 ps.ft (ranging from £2.50 to £6.00 for more desirable units in established estates in good locations.) Achieved rent can rise to just under £10.00 ps.ft, shown from deals recently recorded on Focus (e.g. £9.63 was achieved at Cecil Pashley Way (Highdown House) near Shoreham Airport in December 2012 and £9.57 was achieved more recently on Cecil Pashley Way in February 2014.) Industrial rents are similarly high on new build space at the Dolphin Enterprise Centre (c £9 ps.ft asking rent).
- 4.66 Agents noted that while a large proportion of demand for industrial space comes from local occupiers, larger occupiers are also located in Adur District (e.g. Mittal Steel at Shoreham Harbour and Higgidy at the Dolphin Road Industrial Estate). In Adur, some units are larger than in Brighton

(which results in a different type of occupier being attracted to Adur compared with Brighton). An agent noted that this is attractive to some occupiers as they can occupy one large unit in Adur, rather than a number in Brighton. Occupiers in some of the larger units have been located in Adur for a number of years, such as Pyroban (explosion protection products). Whilst some occupiers no longer occupy space in Adur (such as BOC Edwards (electronics who have transferred their manufacturing operations to South Korea and the Czech Republic), other larger occupiers have remained.

- 4.67 It should, however, be noted that the quality of stock in Adur is mixed both across the district and in the estates themselves.
- 4.68 Agents also commented that Brighton tends to have higher quality stock and skills base than Adur and both districts have better quality stock than Worthing.
- 4.69 Another agent reported that there are landlords in Adur who attempt to let industrial space on flexible terms and try to ensure units have limited restrictions in planning terms - this has contributed to Adur's relatively low vacancy rate (one agent commented that 'there isn't much [industrial space] vacant' (in spite of Adur's reasonably peripheral location). The level of occupancy in Adur was described as 'good' and was said to have picked up over the last couple of years (the increased level of industrial take up is shown in Figure 23). This is perhaps surprising when the age of the stock is taken into account but can be understood when the flexible space and lease terms are considered.
- 4.70 Looking forward, the age of existing stock may become an issue for occupiers. It is feared that with refurbishment / development of aging buildings, the flexible lease terms attracting current occupiers may decrease and rents will increase causing occupiers to locate from Adur to less expensive industrial space found at Worthing.

Summary

- 4.71 To summarise, activity in and the outlook for the commercial property market is looking increasingly positive, linked to wider improvements in the economy (including a rise in GDP). London and the South East are outperforming other areas in the UK.
- 4.72 Specifically in the South East, market reports indicate that there is a shortage of supply of warehouse and distribution floor space and grade A office space in prime locations. However, Adur has a peripheral location and is therefore not considered to comprise prime commercial space in the South East. Market activity as a whole in Adur is reported by agents to be 'better than it was' but not performing as well as prime locations or even as well as neighbouring Brighton.

- 4.73 Given its geography, it is unsurprising that Adur's office market is focused towards smaller and medium units. Adur's office market is very small, with other larger and more established centres such as Brighton tending to attract larger office occupiers. That having been said, small, serviced office space is performing well with a 100% occupancy rate and waiting list at the Adur Business Centre. The overall level of vacancy rates for offices is 20% (and higher than the 'normal' vacancy rate of 10%) but this falls to 7% when Nynex House is removed from the data set.
- 4.74 Industrial / warehousing space dominates Adur's employment market (benefitting from access to the A27) and has performed better than the office market over recent years. The vacancy rate of industrial space in Adur in recent years has been low (currently around 6% and lower than the 'normal' vacancy rate of 10%). This is surprising when the age of the stock is taken into account but has been a result of flexible lease terms to some extent. In addition to the varying ages of the units, the size of the industrial space varies - there is some medium and larger industrial space in Adur occupied by non local occupiers e.g. Mittal Steel at Shoreham Harbour.
- 4.75 Since 2011, the number of instructions for office space has increased and occupancy levels of industrial space have reportedly increased since the 2011 ELR (which is demonstrated in the increased levels of take up over the past couple of years).
- 4.76 There has been limited development of commercial floorspace (both office and industrial) since the 2011 ELR. Looking forward, we expect market conditions to improve further but anticipate that demand will continue to come mainly from small occupiers for small to medium sized office and industrial space.

5 FORECASTING FUTURE DEMAND

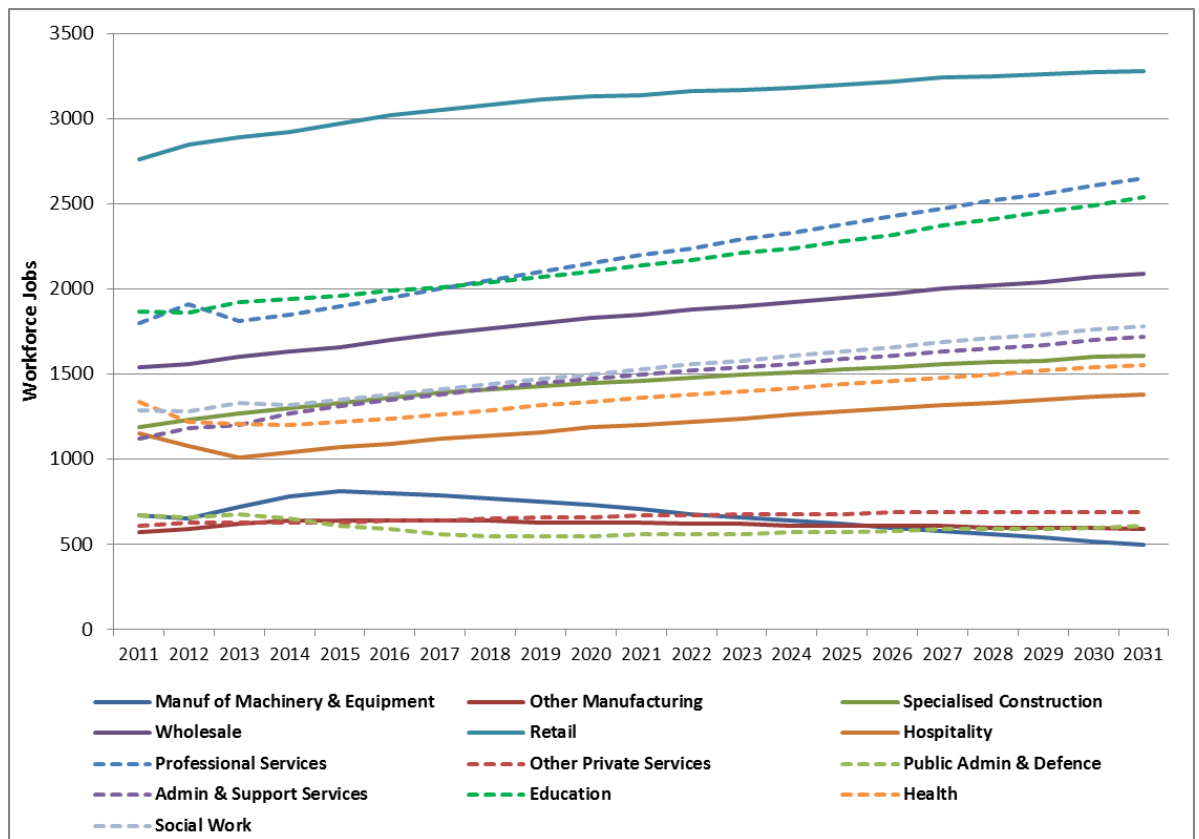
- 5.1 This section considers and quantifies the future demand for employment land/floorspace in the District.
- 5.2 The analysis considers forecasts of future growth in employment taking account of past growth in employment by sector and expected future performance of different sectors of the economy.
- 5.3 We also consider trends in net change in floorspaces – projections of future trends in levels of net floorspace development based on trends over the last decade.
- 5.4 There are inherent limitations of each approach: the economic forecasts assume that the different sectors in the district's economy will perform as well as they have in the past in comparison to the region/ UK. At a local authority level there a range of factors which may mean that these trends do not hold true including the impact of individual business investment/ disinvestment decisions. In contrast trends in net changes in floorspace can be affected by the availability (and quality) of land and sites for employment development.
- 5.5 There are a number of major development proposals for the District, the most notable of which are the plans for Shoreham Harbour, which is expected to deliver 16,500 sq metres of employment floorspace.

Labour-Demand Forecasts

- 5.6 This section firstly reviews employment forecasts produced by Experian. These provide a forecast of economic performance for the District's economy based on:
- Expectations of future performance of economic sectors at a national and regional level, taking account of macro-economic factors;
 - Historical relationships between relative performance of economic sectors between the District and the Region holding true moving forward.
- 5.7 The Experian Forecasts suggest a total net growth of 5,200 jobs in Adur between 2011 and 2031. This equates to 1.2% growth at an annual rate of 260 jobs. This is a higher rate of growth than experienced in the 1997-2011 period previous of 0.8% per annum.
- 5.8 On the one hand, this forecast 'feels' optimistic set against both past performance of the District's economy and the level of growth in labour supply which me might expect. The 24% growth in jobs forecast between 2011-31 in Adur is slightly higher than the rate of growth in jobs forecast across West Sussex by Experian (21%) over this period.

5.9 In terms of total job growth the most successful sub-sectors between 2011-2031 are expected to be Professional Services (850 additional jobs), Admin and Support Services (600 additional jobs) and Education (670 additional jobs).

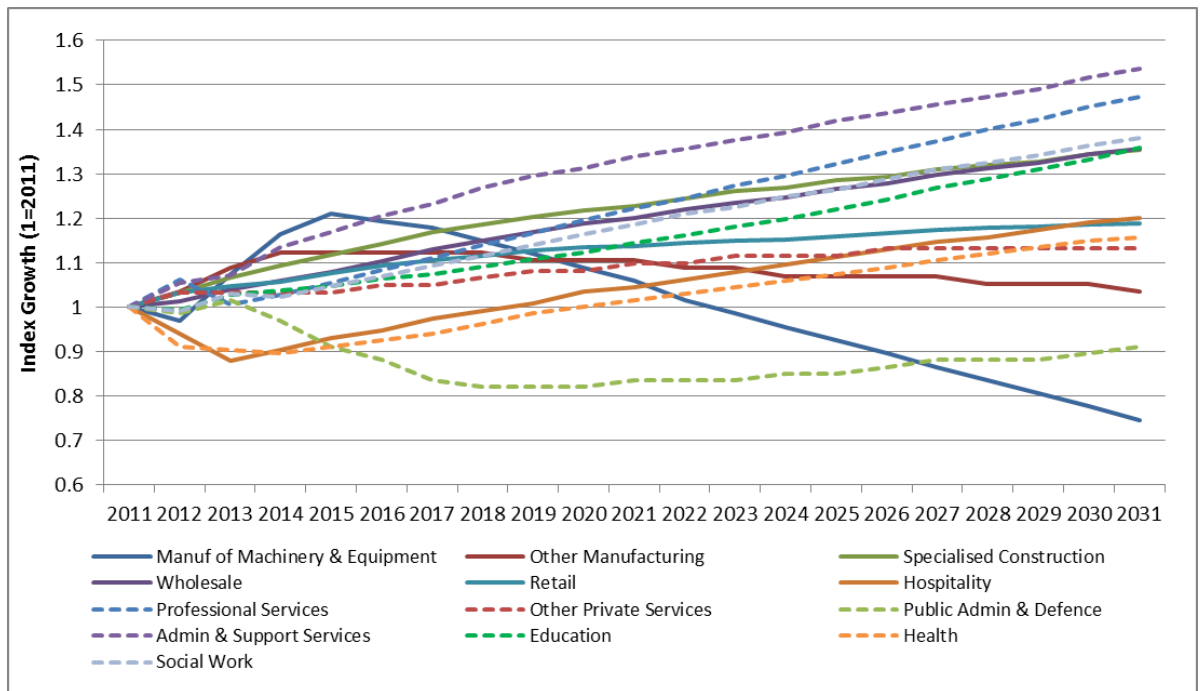
Figure 26: Job Growth in Major Employment Sub-Sectors in Adur (2011-2031)



Source: Experian (2013)

5.10 Of the major employment sub-sectors (with over 500 jobs), professional services (47%) and social work (38%) are both expected to grow significantly over the same period. There is expected to be continued decline in the manufacturing sectors.

Figure 27: Indexed Growth in Major Employment Sectors (2011 – 2026)

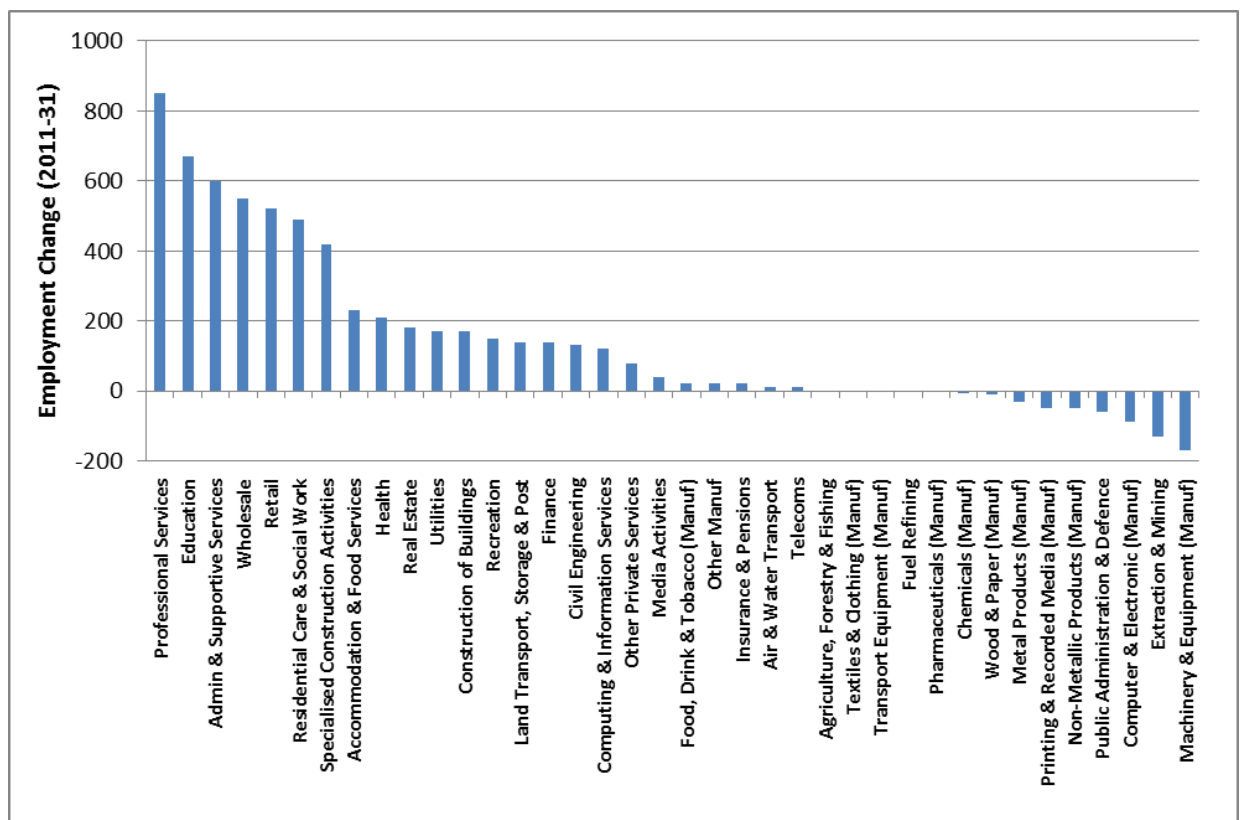


Source: Experian (2013)

- 5.11 More detailed sectoral analysis shows that mining and extraction and public admin and defence are also expected to see a net reduction in jobs. Of the other sub sectors in decline, eight of nine are some form of manufacturing. This suggests declining demand for B2 space, although some manufacturing businesses may see a decline in jobs which does not translate directly through to floorspace.
- 5.12 There are seven sub-sectors in Adur which are expected to grow by at least 400 jobs between 2011-2031. These are:
- Professional Services (850 jobs);
 - Education (670 jobs);
 - Admin & Supportive Services (600 jobs);
 - Wholesale (550 jobs);
 - Retail (520 jobs);
 - Residential Care & Social Work (490 jobs); and
 - Specialised Construction Activities (420 jobs).
- 5.13 Employment growth in four of these sub-sectors (Education, Retail, Wholesale and Residential Care and Social Work) are influenced, at least in part, by population growth.

- 5.14 The population growth element of the Experian projections is under-pinned by the 2010-based Sub National Population Projections. These suggested a growth of around 8,100 people in the District between 2011 and 2031.
- 5.15 However, in the Revised Draft Adur Local Plan, the Council identifies a housing requirement of between 2,797-2,947 dwellings over the period to 2031. This is based on part-meeting the objectively assessed need taking account of land supply and development constraints within the District. The latest demographic projections are set out in the Updated Demographic Projections for Sussex Coast HMA Authorities (August 2013). This report provides a range of population and household growth scenarios for the District. Based on this, a more realistic assessment of population growth over the 2011-31 period would be between 3,800 and 4,400 people.
- 5.16 We can therefore assume that the Experian projections over-estimate the District’s job growth. This is particularly the case in those sectors driven by population growth. Typically however these sectors do not tend to occupy B-class floorspace, although they do impact upon the Sui-Generis uses.

Figure 28: Gross Job Change in Sub Sectors in Adur (2011 – 2031)



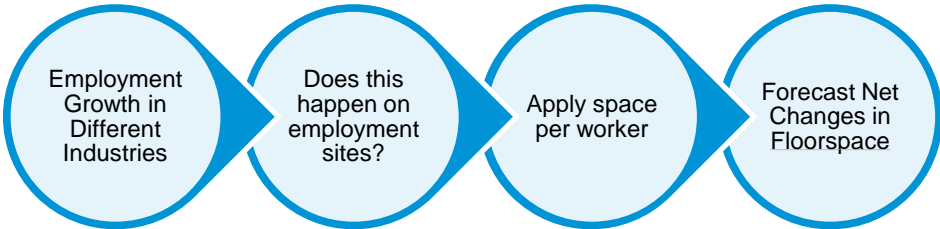
Source: Experian (2013)

5.17 Overall, we consider that the Experian projections are likely to over-estimate total employment growth. However, we would not expect there to be significant effect on the demand for B-class land.

Forecasting Need for Employment Land

5.18 The main stages of our calculation of the future need for employment floorspace in Adur are outlined in the figure below.

Figure 29: Converting Employment to Floorspace Forecasts



5.19 A key issue is how use classes will be related to floorspace demand. We have produced forecasts of B-Class employment floorspace (segmented by use B1, B2, B8 use-class) based upon our standard model which relates sectors to use classes.

Converting Employment Forecasts into FTE Employment

5.20 The employment forecasts indicate a total number of jobs for each sector. However this does not differentiate between full and part time employment. The first stage of the modelling therefore takes the forecasts for total jobs and converts the growth to a Full Time Equivalent (FTE) figure. This is required to firstly review the employment projections for each sector on a like for like basis. It is also required in order to apply employment densities consistent with the Homes and Communities Agency guidance (Employment Densities Guide, 2nd Edition, 2010).

5.21 Our conversion takes into account the ratio of full to part time employment in each of the sectors using locally derived evidence taken from the Business Register and Employment Survey. Full time Equivalent (FTE) Employment levels for each sector are calculated by assuming the following:

- Two part time jobs are the equivalent of one full-time job;
- A self-employed job is the equivalent of a single full-time job.

5.22 For example, there may be 150 employed in a given sector, 75 are full time employees and 50 are part time. We have assumed that the remaining 25 people are self-employed. By adding half of the part-time roles and including all the full time and self-employed roles the full time equivalent is calculated as 125.

5.23 For 18,700 jobs within Adur, approximately 63% are full-time employees, 33% part time and 4% are self-employed. This translates to a FTE equivalent of approximately 15,654 jobs or 84% of the total.

Relating Jobs by Sector to B-Class Uses

5.24 This study is interested in forecasting demand for B-class employment uses. The next stage is therefore to take the figures for forecast growth in FTE employment and to calculate the expected growth in employment by B-class use.

5.25 For some sectors 100% of employment is assumed to be in B-use class premises. For others, only a small proportion may be in B-use class properties.

5.26 We have analysed the composition of employment in different sectors, using data from the Business Register and Employment Survey. This breaks down employment in different economic activities using Standard Industrial Classification (SIC) Codes¹⁹. For each 2-digit SIC code we have approximated the percentage of employment that takes place in B-Class or Sui-Generis uses (such as waste or recycling) which commonly take place on employment sites. This is based on analysis of the composition of employment in each sector.

5.27 We have estimated for each of the 38 Experian sectors the proportion of FTE employment which is expected to occur in premises in the B1a/b, B1c/B2 or B8 use classes and in sui generis activities which typically take place on employment sites.

5.28 A working example in Adur is for administrative and support services, where we have assumed 40% would be in offices, 20% in factories and 10% in warehouses. The remaining 30% would be located in non-B class accommodation. Any growth in this sector is therefore apportioned to these uses classes.

5.29 The resultant estimates of job growth by sector over the period to 2031 are shown below.

Table 16: Job Growth in Adur by Use Class (2013-2026)

Use Class	2011-13	2013-16	2016-21	2021-26	2026-31
B1a/b: Office & R&D	99	221	383	359	328
B1c/B2: Industrial	119	150	- 133	- 195	- 184
B8: Warehouse & Distribution	55	115	158	121	108
Sui Generis Uses on Employment Sites	31	61	73	68	68
Total	304	548	481	353	320

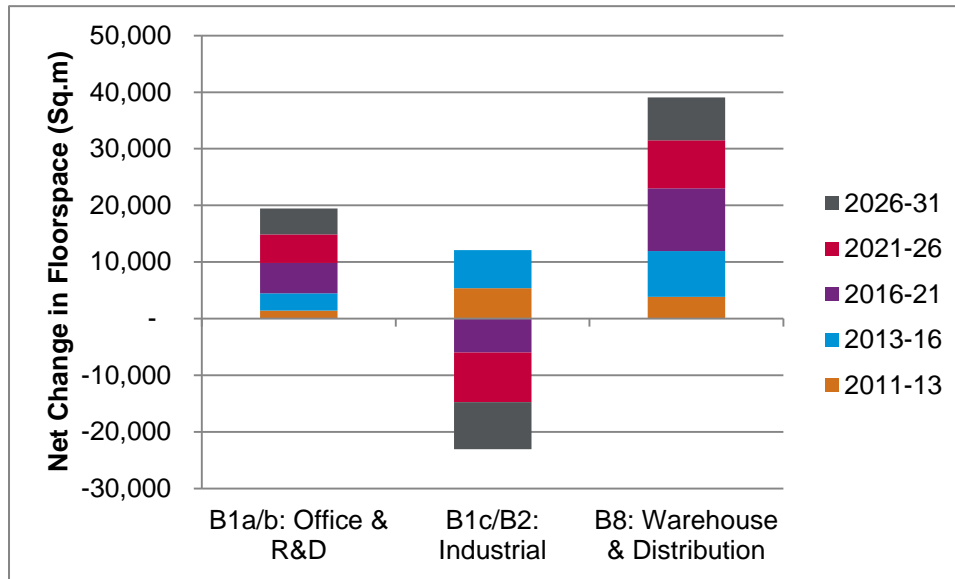
Source: GL Hearn and Experian (2014)

¹⁹ Details of these can be found at <http://www.ons.gov.uk/ons/guide-method/classifications/current-standard-classifications/standard-industrial-classification/index.html>

Relating Jobs and Floorspace

- 5.30 The final step converts the employment growth projections for B-class employment into a need for employment floorspace. This step uses the guidance on employment densities produced by the Homes and Communities Agency (Employment Densities Guide, 2nd Edition, 2010) to model a need for employment floorspace for the different types of B-class employment spaces.
- 5.31 The Employment Densities Guide provides a single figure as well as a range of densities for each uses classes. The range used is influenced on the type of stock in each use category. For example office (B1) employment densities range from 8 sq m per employee in Call Centres to 47 sq m per employee in IT/Data Centres.
- 5.32 An average B8 density of 70 sq metres per employee has been derived from their being a focus towards small scale warehousing in the District. This is in line with the Employment Densities Guide for General Warehouse and Distribution units.
- 5.33 The Employment Densities for B1a/b uses of 14 sq metres (GEA) per annum is derived from the Employment Densities Guide standard density for general office uses of 12 sq metres Net Internal Area (NIA) per employee. In order to reflect Gross External Area (GEA) we have included an additional 20% to the NIA figure. We have therefore used the following densities:
- B1a/b – 14 sq m GEA per employee;
 - B1c/B2 - 45 sq m GEA per employee;
 - B8 - 70 sq m GEA per employee; and
 - Sui Generis - 65 sq m GEA per employee;
- 5.34 These densities used are taken from the range as outlined in the Densities Guide and reflect the local employment floor space characteristics. These figures have then been used to forecast need for employment floorspace by multiplying the FTE employment forecasts in each of the B-class and Sui-generis space typologies by the relevant employment density. This resulted in a growth forecast in floorspace for each of the B-class typologies. The result of this calculation is outlined in Figure 30 below.

Figure 30: Projected Floorspace Requirement for Adur (2013-2031)



Source: GL Hearn (2014)

5.35 Whilst we have seen a strong performing manufacturing sector over the last few years, there is expected to be a decline in demand for B1c and B2 industrial units over the longer-term. However, this is more than offset by growth in demand for B1a/B1b and B8 use classes. Overall the net additional employment floorspace need for the District between 2011 and 2031 is 47,640 sq metres. In addition there is expected to be a growth of 19,522 square metres of Sui Generis uses on Employment sites which may need to be accommodated.

Table 17: Projected Floorspace Requirement for Adur including Sui-generis (2011-31)

Use Class	2011-13	2013-16	2016-21	2021-26	2026-31	2011-31
B1a/b: Office & R&D	1,384	3,094	5,365	5,033	4,590	19,466
B1c/B2: Industrial	5,374	6,750	-5,993	-8,781	-8,270	-10,919
B8: Warehouse & Distribution	3,851	8,073	11,074	8,501	7,593	39,093
B-Class Total	10,610	17,917	10,446	4,752	3,914	47,640
Sui Generis on Employment Sites	2,019	3,981	4,728	4,397	4,397	19,522
Total	12,629	21,898	15,174	9,150	8,311	67,162

Source: GL Hearn (2014)

5.36 The forecast demand for B1a/b accommodation is being largely driven by growth in the professional services which accounts for just under 50% of the B1a/b growth. The administration and support services are also a major driver of the demand for this type of employment floorspace. However,

current office rental values in the area are currently so low that development of significant additional office floorspace is likely to be unviable where occupiers are not willing to pay above market rents.

- 5.37 The continued decline in manufacturing employment underpins the modest fall in need for B1c/B2 space. There is a particularly noticeable fall expected in the manufacturing of Machinery and Equipment and Computer and Electronic Products.
- 5.38 B8 floorspace demand is being driven by employment growth in Wholesale and to a lesser extent Land Transport Storage and Post. Between them these two sub-sectors account for over 50% of the B8 floorspace demand.
- 5.39 The Sui-Generis growth in Adur is largely a result of wholesale uses (i.e. Trade Counters) and Utilities which typically take place in B-class employment land.
- 5.40 However these figures should be viewed cautiously due to the way the Experian Forecasts are distributed from national forecasts down to a local level based on current distribution. Experian assume that sectoral growth will occur primarily at locations where there is already a presence of that particular sector. The B8 based sectors are expected to grow nationally and as there is a small presence of B8 employment in the District. Experian have therefore apportioned a level of growth in these sectors to Adur. However, it does not take account of capacity or local demand.
- 5.41 Overall, taking account of the findings of the market analysis, we consider that in particular the forecast demand for B8 based on the Experian model is at the upper end of demand which we might expect for the District.

Projections Based on Net Changes in Floorspace

- 5.42 To provide an alternative means of considering future need, and to 'sense check' the Experian figure, we have additionally modelled a demand scenario based on projecting forward past net trends in employment floorspace drawing on industrial and office floorspace data.
- 5.43 We have reviewed how the warehouse, industrial and office floorspace in Adur has changed since 2004 and how this has changed on a per annum basis over the last five and nine years. This is taken from the Adur Annual Monitoring Reports. This is then projected forwards on a linear basis.
- 5.44 Unfortunately the data relating to net figures were not recorded in the AMR for years 2005/6 and 2006/7. We have assumed that all of the gross development was translated into net additional floorspace.

Table 18: Floorspace Trend Based Forecasts (2011-2031)

Net	5 Year Average (sq m)	10 Year Average (sq m)	20 Year Based on last 5 Years	20 Year Based on last 10 Years
B1a/b: Office & R&D	49	822	972	16,433
B1c/B2: Industrial	841	1,838	16,828	36,764
B8: Warehouse & Distribution	537	2,171	10,732	43,416
Sui Generis Uses on Employment Sites	-	-	-	-
Total	1,427	4,831	28,532	96,613

Source: VOA and GL Hearn, 2014

- 5.45 Based on the last five years the trend based projections show a significantly lower level of demand for B1a/b office and R&D accommodation, than those shown by the Experian based forecasts. However, based on the longer term trends since 2004 the demand projected is more in line with that outlined in the Experian projections. We can therefore assume that as a part return to trend the Experian based forecasts are suitable for use.
- 5.46 Both the short and long term take up trends in B1c/B2 Industrial floorspace are more positive than the Experian projections show. The Experian projections, also show a need for net additional industrial floorspace over the first five years, 2011-16 (of 12,124 sq.m). However beyond 2016 they suggest that the need for industrial floorspace will reduce, with a surplus of industrial floorspace shown.
- 5.47 The Annual Monitoring Reports also show a distinct slowing of demand for development of this type of property. Indeed, the equivalent figure based on demand over the last 4 years would only be around 5,000 sq metres for the 20 year period. Long term employment trends also indicate declining employment in manufacturing. We can therefore assume that the Experian forecasts are perhaps a more realistic assessment of future need than one based on past development trends to 2031.
- 5.48 The Experian based demand for B8 Warehousing (39,000 sq m) sits between the longer (43,416 sq m) and shorter term (10,732 sq m) delivery trends. We can therefore assume that as a part return to trend basis, the Experian based forecasts are suitable for use.

Conclusions on Future Need for Employment Floorspace

- 5.49 The above analysis has considered the need for employment floorspace using two forecasting methodologies – economic forecasts for labour demand; and past net changes in floorspace. There are advantages and disadvantages of each approach. The projections based on net changes in floorspace take account of commercial market dynamics, but could also be influenced by the

availability and suitability of the land supply. Equally the economic forecasts are based on past trends in employment in different sectors and assume that past trends in relative performance of different sectors compared to the regional or national picture hold true moving forwards.

- 5.50 We have sought to consider both sets of forecasts and the understanding of the local economy and commercial markets to derive conclusions regarding future employment land need.
- 5.51 The evidence points towards the following scale of net demand for employment floorspace over the 2011-31 period:
- B1a/b (Office and R&D): Demand for an additional 15,000 to 20,000 sq.m net;
 - B1c/B2 (Industrial): Surplus of up to 10,000 sq.m net;
 - B8 (Warehouse): Demand for an additional 35,000 to 40,000 sq.m net.
- 5.52 In addition we would expect a modest additional land requirement for sui generis uses such as waste/ recycling and car showrooms. West Sussex County Council's Waste Plan (adopted in 2014) does not identify a requirement for additional land for municipal waste purposes.
- 5.53 These conclusions relate to net changes in the stock of floorspace over the 2011-31 period. Arguably and in the absence of development constraints, provision could additionally be made to ensure that a choice of land is provided.
- 5.54 In identifying the amount of land to allocate for employment development, it may also be appropriate to consider potential losses of employment land and shortfalls in provision in adjoining areas. These are issues to which we return in section 7.

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 May 2014 which updated the June 2011 Employment Land Review (ELR), 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 Revised Draft Local Plan 2013 and 2011 ELR. 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 GL Hearn in May 2014 (updating the June 2011 site assessments) using a site assessment proforma which draws on best practice guidance²⁰. 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 on developability. GL Hearn advises that the Council liaise with landowners and developers to consider these issues in detail to inform any site allocations.

²⁰ South East of England Partnership Board (2010) Economic and Employment Land Assessments Guidance

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, 3 sites were classified as having good quality stock of employment premises. These were Shoreham Airport, Ricardo and South Quayside. Shoreham Airport and Ricardo, together with Shoreham Town Centre and South Quayside, 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.

Table 19: Quality of Stock and Environment

	Quality of Stock			Quality of Environment		
	> 70% Good	Average	> 70% Poor	Good	Reasonable	Poor/ Very Poor
Gardner Road, Fishergate		Y			Y	
Dolphin Road/ Way, Shoreham		Y			Y	
Rectory Farm Industrial Estate, Sompting		Y			Y	
Riverbank Business Centre, Shoreham			Y			Y
Chalex Industrial Estate, Fishergate		Y			Y	
Mill Road/ Chapel Road, Fishergate		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, Shoreham²¹		Y			Y	
Grange Industrial Estate		Y			Y	

Source: GLH Site Assessments (2014)

²¹ This site comprises land between the A259 and the Railway Line

- 6.9 The majority of sites (12) were considered to offer a reasonable quality of environment. The quality of stock on most of these sites (13) was considered average.
- 6.10 Those sites identified as having poor quality stock and environment were Riverbank Business Centre in Shoreham, Shoreham Cement Works, the Lock Gates & Southwick Waterfront and Western Arm areas of Shoreham Harbour.
- 6.11 Turning to look at the accessibility of sites, 4 sites benefit from strong accessibility from the A27. 14 sites are accessed from the A259 Coast Road. 12 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 Estate, Mill Road/Chapel Road, Shoreham Cement Works and a number of sites within Shoreham Harbour. This may impact upon their commercial attractiveness.

Table 20: Accessibility of Sites

Sites	Strategic Road Access		Internal Road Access		Public Transport Provision		
	A27	Coast Road	Adequate	Inadequate	Good	Reasonable	Poor
Gardner Road, Fishergate		Y	Y			Y	
Dolphin Road/ Way, Shoreham		Y		Y	Y		
Rectory Farm Industrial Estate, Sompting	Y		Y			Y	
Riverbank Business Centre, Shoreham				Y	Y		
Chalex Industrial Estate, Fishergate				Y	Y		
Mill Road/ Chapel Road, Fishergate		Y		Y		Y	
Harbour Way, Shoreham Beach		Y	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		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		

Source: GLH Site Assessments (2014)

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), the Riverside Business Centre in Shoreham and Chalex Industrial Estate in Fishergate.

- 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 the 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.

Table 21: Servicing and Access to Amenities for Adur Employment Sites

	Adequate Servicing		Access to Amenities		
	Yes	No	Good	Average	Poor
Gardner Road, Fishergate	Y			Y	
Dolphin Road/ Way, Shoreham	Y			Y	
Rectory Farm Industrial Estate, Sompting	Y			Y	
Riverbank Business Centre, Shoreham		Y	Y		
Chalex Industrial Estate, Fishergate		Y		Y	
Mill Road/ Chapel Road, Fishergate	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	

Source: GLH Site Assessments (2014)

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

SITE BY SITE ASSESSMENTS

- 6.16 This section provides a summary of a site by site assessment of the supply of employment land and premises in the District. It is based upon physical site surveys undertaken by GL Hearn in May 2014.

It assesses the suitability of current employment sites and premises within Adur, and identifies the supply of vacant land and premises. Where possible, this information has been cross checked with commercial property databases. Full details of vacant units can be seen in Tables 13 and 15 in the Commercial Market Performance section (Section 4).

1. Gardner Road, Fishergate

- 6.17 The site comprises a stand-alone two-storey office block (5,300 sq.m) with surface car parking on a 0.8ha plot. It was formerly occupied by NTL which subsequently became Virgin Media. However, the site has been vacant for several years 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 Fishergate 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.
- 6.19 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: Retain site, totalling 5,300 sqm/0.8ha, for provision of B1 employment floorspace.

2. Dolphin Road, Shoreham-by-Sea

- 6.20 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.
- 6.21 Major occupiers include: Pyroban (flame proofing), Gemini Digital and Higgidy (food production) and Infinity Foods Co-operative (food wholesalers). There is a mixture of large, medium and small industrial units. Small serviced office and industrial space is located in the Ham Business Centre.
- 6.22 At the time of inspection a development of four medium sized industrial/warehouse units (Units A1 – A4 – 1054 sq m) at Dolphin Enterprise Centre, Evershed Way was under construction. Three units have been let to Edgar's Water (bottled water suppliers) with one unit of 309 sq m remaining available.
- 6.23 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.

6.24 The age and quality of buildings varies, however the level of activity is high and occupancy levels are reasonable. The following vacancies were noted at the time of our inspection;

- Two small (modern warehouse / factory units) units (approximately 538 and 548 sq.m) on Dolphin Way being marketed by Hargreaves and Graves Son and Pilcher.
- Unit A4, Dolphin Enterprise Centre (as mentioned above) an industrial / warehousing unit (309 sqm) is under construction and is expected to be completed by July 2014. It is being marketed by Graves Son and Pilcher.

6.25 Although there are some access issues, this is generally a good quality employment site which is well used, and with potential opportunities for redevelopment/intensification.

Recommendation: Retain in employment use.

3. Rectory Farm Industrial Estate, Sompting

6.26 A local industrial estate of 0.9ha comprising light industrial units occupied by: R&L Pet Products who occupy 3 modern industrial units, Coverzone / Chart One Automotive who occupy 2 units and Rayner (design and manufactures intraocular lenses) who occupy one large unit. There is a remaining block of three industrial units of 1970s construction towards the west of the site which was vacant at the time of the 2011 Employment Land Review but has now been let to a single occupier for document storage.

6.27 We estimate total industrial and warehouse floorspace of 4,260 sq.m.

6.28 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.

6.29 The level of activity and intensity of use of the site is comparable with other employment sites within the District. It is located in a primarily residential area and there may be pressure in the future for residential development of the site, should vacancy levels increase.

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

Recommendation: Retain in employment use.

4. Riverbank Business Centre, Old Shoreham Road, Shoreham-by-Sea

- 6.31 This site of 2.69 hectares is located on the east bank of the River Adur 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.
- 6.32 The site contains c. 2,800 sq.m. of industrial floorspace which is largely vacant, with the exception of a plot on the Shoreham Road frontage occupied by M and S car sales and a single industrial unit occupied by Forac (manufacturers and distributors of pneumatic valve actuators). The industrial accommodation is in very poor condition. There are also a number of vacant railway arches. Currently only around 10 people are employed on the site.
- 6.33 Environmental quality is currently generally poor. There is an open storage yard on the site which is being used as storage space by the Rabbit Group (waste management and recycling). 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. The successful Ropetackle mixed-use development scheme is located close-by.
- 6.34 Planning approval was given in December 2013, subject to completion of a S106 agreement, for the redevelopment of the site for a mixed use scheme including 120 dwellings, a hotel, offices, light industrial space and retail. The proposed employment element comprises 992 sq m of B1 offices/light industrial, mainly located in the railway arches. These will provide small units aimed at start-ups and SMEs.
- 6.35 The implementation of the scheme will involve a loss of c 1,800 sq m of employment floorspace. However, the existing poor quality, obsolete stock will be replaced by refurbished railway arches and modern small office suites which will provide good quality accommodation for small businesses in Shoreham.

Recommendation: Support the provision of B1 office/light industrial accommodation as part of the mixed use redevelopment of this site.

5. Chalex Industrial Estate, Manor Hall Road, Fishergate

- 6.36 A smaller, poorer quality local industrial estate of 1.9 hectares located adjacent to Fishergate Station. Current occupiers include Autofit (car servicing/repair) and Dynorod. 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.

- 6.37 The site contains approximately 3,800 sq.m of employment floorspace comprising a mix of industrial and warehouse floorspace. The quality of environment is generally poor and the quality of internal roads is sub-standard. Properties are of varying ages, with some of recent construction and some older more dated workshop/ industrial units.
- 6.38 There is a warehouse unit located centrally which had been burned out and recently developed (since the 2011 ELR) into 6 light industrial units for a total of 923 sq.m (9960 sq.ft). It is being marketed by Oakleys and Michael Jones. 3 of the units have been let and 3 units (85 sqm each) remain.
- 6.39 While generally this is a poor quality site, 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. Despite its constraints, the site functions reasonably well as an employment site and there appears to be a low level of vacant units. 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.

6. Mill Road / Chapel Road Industrial Estate, Fishersgate

- 6.40 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, Southdown Construction, Vibetec, and Kew Electricals. A small business centre, the Tungsten Building, has recently been developed on the corner of George Street.
- 6.41 The estate comprises 18,600 sq.m of employment floorspace of which 35% comprises warehouse floorspace, 32% industrial floorspace and 29% office floorspace; with the remainder comprising car showrooms.
- 6.42 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 Fishergate Station. Residential use surrounds the estate.
- 6.43 There were no vacancies advertised at the time of the site visit (although there are is vacant office space advertised at the Tungsten Building on Focus comprising approximately 200 sqm in total).

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.

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

- 6.44 A local industrial estate of 0.6 hectares located on Harbour Way which comprises a larger (and older) industrial/warehouse unit and 3 units built during the 1990s. Existing occupiers include SRW (refrigeration products), Interlink Express and JTX Fitness (home-use gym equipment specialists).
- 6.45 Interlink Express appears to have taken additional floorspace since the 2011 ELR. The site provides approximately 4,500 sq.m of employment floorspace, with a mix of office, industrial and warehouse provision. There are no apparent vacancies on the site.
- 6.46 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.
- 6.47 The quality of buildings and environment is generally reasonable. Parking provision at the time of the site visit appeared adequate. 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 (Developed Area)

- 6.48 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;, and Direct Travel Insurance call centre, which occupies 950 sq.m floorspace. Other aviation-related occupiers include Fast Helicopters.
- 6.49 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.
- 6.50 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.

- 6.51 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.
- 6.52 A previously vacant 0.2 hectare plot at the western end of Cecil Pashley Way has been developed since the 2011 ELR to provide 5 small industrial units and is now fully occupied. There are a number of vacant units on Cecil Pashley Way including office space at Premier House and industrial space at buildings 7, 7a and 8, Units 1-5 and Unit 18.
- 6.53 Further 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.

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

9. Lancing Business Park

- 6.54 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
- 6.55 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.
- 6.56 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.

- 6.57 The estate is not located on an A-road, it is 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.
- 6.58 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.
- 6.59 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), and a VOSA Vehicle Testing Station.) There are a number of light industrial units at the Burrell Buildings, which despite its age (c. 1950s) is well occupied, with only one vacancy at the time of the site assessments. 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.
- 6.60 The age of properties varies, but with few of modern construction (2000+) in this area with 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.
- 6.61 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.
- 6.62 Land on the **south side of Chartwell Road** comprises more modern light industrial units including the recently developed Chartwell Business Centre (agents believe 2 units comprising 353 sqm each at the Chartwell Business Centre are currently vacant). Parkland Business Centre, a 1960s building, provides office suites and appears fully let. 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. (Focus Data indicates that there are a couple of vacant office units in the Quadrant (125 and 251 sq.m).
- 6.63 The former Graham Wood steel fabrication unit is now vacant following the firm's acquisition by Essex based Apex Steel Structures. This comprises a 6,804 sqm industrial / warehouse facility occupying a 1.7 ha site. The buildings are in a generally a poor condition and the site offers a fairly large redevelopment opportunity.

- 6.64 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.
- 6.65 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.
- 6.66 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. To the eastern end of the area, it also includes the Council Waste Transfer Station and offices.
- 6.67 Key occupiers within this area include Eschmann, Simplex, Pasante Health Management, Rochester Medical and Model Zone.
- 6.68 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. Focus data shows there are a couple of vacant units on the Triangle comprising 65 and 82 sq.m
- 6.69 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.
- 6.70 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 former Graham Wood unit located on the south side of Chartwell Road (1.7 ha) should be allocated for redevelopment for B1, B2 and B8 use.

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 related to internal combustion engines and systems.
- 6.72 The site provides a high quality environment in an attractive setting adjacent to the River Adur and with views to the South Downs National Park. It includes high quality modern buildings in a landscaped setting. There has been a recent 600 sq m extension to the front of the existing facilities over land formerly used for car parking. There is potential for further development on car parking land to the west of the existing facilities, providing 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 within the site, to the west of the existing developed area, to support further 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 falls within the boundaries of the 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 main office building within this area comprises Adur Civic Centre (4,700 sq.m) on Ham Road which is of 1970s construction. The Council is in the process of vacating this building and moving to new smaller premises in Pond Road, Shoreham town centre. The Civic Centre is an obsolete office building with maintenance issues. It is understood that the site will be marketed for development with scope for employment uses as part of a mixed use scheme.
- 6.80 The most recent office development of any scale in the District is the Adur Business Centre within the Ropetackle development, which opened in 2007. This was built with public sector support and provides 49 small serviced office suites, with a total floorspace of c.850 sq m. As previously mentioned, this scheme has proved very successful with small businesses and is fully occupied, with a waiting list.
- 6.81 Otherwise, office provision within Shoreham Town Centre also comprises small secondary/tertiary office suites generally of less than 200 sq.m and mainly located above shops. These include units on the High Street, Little High Street and Brunswick Road. There is limited evidence of vacant properties, with 2 units (159 and 38 sq m) advertised as vacant on the High Street on Focus.
- 6.82 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 and is considered further below.

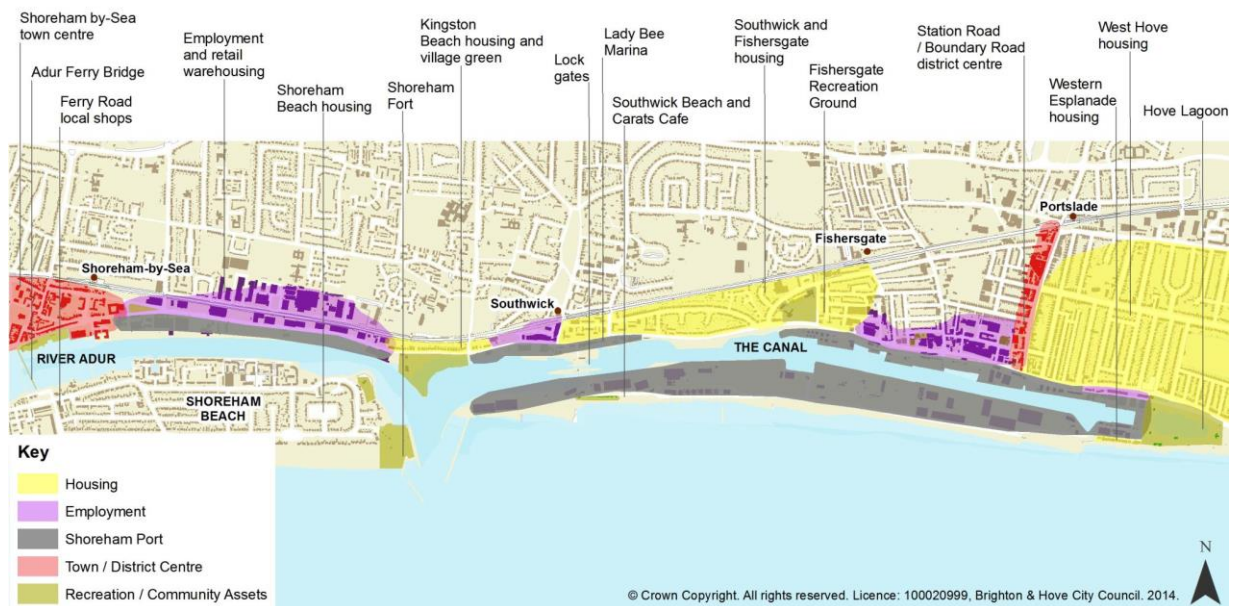
Recommendation: Planning policy should support the development of office floorspace within Shoreham Town Centre and encourage its provision as an important element within any mixed use development proposals

13. Shoreham Harbour

- 6.83 Shoreham Harbour is located between the western end of Hove seafront and the Adur Estuary at Shoreham-by-Sea. The harbour stretches for five kilometres of waterfront, bounded by the A259,

the railway line and the coastal communities of Shoreham-by-Sea, Kingston-by-Sea, Southwick, Fishersgate, South Portslade and Hove. It straddles the local authority boundaries of Adur and Brighton and Hove.

Figure 31: Extract from Shoreham Harbour JAAP showing extent of Shoreham Harbour



6.84 Shoreham Harbour contains the entirety of the working Trust Port of Shoreham. The current level of use at Shoreham Port is 700-900 ship arrivals per year, which results in a trading throughput of approximately 1.8 million tonnes per year. The main commodities that are imported and exported at the port are aggregates, timber, scrap metal, cereals, oil and increasingly steel. The Port Masterplan (2010) aims to provide the capacity for a 25% increase in trade by 2026.

6.85 The port is a significant local employer providing around 1,700 jobs. Employers range from large multinationals such as Cemex, national firms such as Travis Perkins through to a variety of small and medium sized firms including motorbike repairs and cheese suppliers. Delivery of the proposals identified in the Port Masterplan have the potential to create a further 500 local port-related jobs.

6.86 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.

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 Adur District Council,

Brighton and Hove City Council, West Sussex County Council and the Shoreham Port Authority 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 Port Authority (SPA) completed a Masterplan in 2010 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.
- 6.90 The Port Masterplan 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.
- 6.91 The Shoreham Harbour Regeneration Partnership commissioned Development Briefs for key areas of change – Western Harbour Arm, South Portslade Industrial Estate and Aldrington Basin – which were adopted in 2013. These briefs have informed the preparation of the draft Shoreham Harbour Joint Area Action Plan (JAAP) which will be the main planning document for the Harbour and sets the direction for the next 15-20 years. The draft JAAP has been published for consultation and is expected to be adopted in 2015, following examination.
- 6.92 The Shoreham Harbour Development Briefs and JAAP aim is to deliver a series of appropriately located, high quality, sustainable, mixed-use developments including new housing, employment floorspace, leisure opportunities, improved public space and associated infrastructure including flood defences and transport improvements. The draft JAAP proposals are summarised below:-

New housing:

- Up to 1,450 new homes to 2031;
 - 1,050 along the Western Harbour Arm in Adur District
 - 400 in South Portslade and Aldrington Basin in Brighton & Hove

Employment and Economy:

- Consolidation of Shoreham Port operations in the eastern arm and canal.
- Approximately 21,500 sq m of employment floorspace;
 - 14,000 sq m in Adur District
 - 7,500 sq m in Brighton & Hove
- Generation of 1,500-1,700 new full time jobs directly and creation of 500 jobs at the Port.

Local Environmental Improvements:

- Upgraded flood defence network integrated with a riverside walking/cycling route
- New and improved social and community facilities
- New and improved marine leisure facilities
- Improvements to local transport network
- Upgrades to public spaces and historic features and better connections with surrounding areas.

6.93 Employment sites within the Adur part of Shoreham Harbour have been assessed within three areas – South Quayside, Southwick Waterfront and Western Harbour Arm.

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, Parker Steel and 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 draft JAAP states that the long term spatial strategy for the harbour is dependent on consolidating port-related activities within the South Quayside area. As well as improving operating efficiencies for the port it will enable waterfront land to be released for alternative uses along the

Western Harbour arm. With the exception of the existing Power Station, and the Waste Water Treatment Plant, non-port operations will not be permitted in this area.

- 6.97 Opportunities for intensification of use include through more intensive use of open land currently devoted to storage.

Southwick Waterfront

- 6.98 The Southwick Waterfront and Lock Gates/Dry Dock area is located on the northern side of the Canal. It currently has a mix of vacant land, port operational use and other businesses, including a small industrial estate. It is identified in the Port Masterplan and draft JAAP for commercial and leisure development. A Development Brief is proposed for the Lady Bee Marina area which will include the following key elements;-

- Delivery of approximately 4,000m² employment floorspace
- Small business units suitable for marine-related industries
- Improved alignment of Nautilus House access road serving the local industrial / workshop units and the dry dock.

Western Harbour Arm

- 6.99 The Western Harbour Arm of the Port stretches between the Harbour Mouth and Shoreham Town Centre on the north side of the River Adur and the south of the A259. It currently contains a range of businesses across a number of sectors.
- 6.100 Moving east from Shoreham Town Centre, this includes the site of a former Parcellforce depot with planning consent for mixed use retail and residential redevelopment, the Surrey Boat Yard which provides moorings and brokerage services; and the Riverside Business Centre.
- 6.101 The Riverside Business Centre comprises 1990s two storey office and hybrid B1 accommodation and includes occupiers PTL Powertrain Technology and AMT Advanced Manufacturing. It provides a good quality environment and accommodation and adequate parking. Unit 2 is currently advertised as vacant (188 sqm of office space). All other units on the site are let.
- 6.102 To the east of the Riverside Business Centre is the 4 hectare Frost/Minelco site which currently includes Frosts, a car dealership; Minelco (minerals import); and a vacant office building. Planning approval was granted in 2013, subject to completion of a S106 agreement for the redevelopment of this site to provide a new Morrisons foodstore, residential dwellings, petrol filling station, replacement car showroom and other retail uses.

- 6.103 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 Waters 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 noisy and dirty. Most of the uses are non-port related and do not specifically need a waterside location.
- 6.105 The Port Masterplan, Western Harbour Arm Development Brief and draft JAAP identify the potential for any port-related uses within the Western Harbour Arm to be relocated within the retained port operational areas to the east, relocation of other non-port related uses elsewhere in the local area and redevelopment of the Western Harbour Arm for residential led mixed use development. 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 The draft JAAP and Western Harbour Arm Development Brief propose the following key elements for the development of the Western Harbour Arm;-

- Approximately 1050 new homes will be delivered on the south-side of the A259 within the plan period (with up to a further 500 on the north-side in the longer term).
- Approximately 10,500m² of new employment floorspace comprising predominantly B1 office space, retail outlets, food and drink. Smaller scale (preferably marine-related) leisure facilities are also encouraged.
- New developments should incorporate active uses along the waterfront. This may include the provision of parks, squares, play areas and active frontages such as cafes, shops and workspace.
- Major waterfront development schemes will be expected to incorporate features that improve open access to the waterfront and facilities for boat users such as additional moorings.

- 6.107 The development proposals contained in the draft JAAP and Shoreham Harbour Development Briefs will result in overall losses of employment land as sites are redeveloped for other uses. The overall employment objectives are stated as being;
- Renewing older and poor quality industrial stock and delivering quality workshop and industrial space to meet the needs of key creative/digital industries as well as emerging high-tech manufacturing and environmental technologies sectors.
 - Expanding Adur's under-developed office market through the provision of new office accommodation and thus supporting growth in higher value-added sectors in the district.

- 6.108 The relocation of existing occupiers displaced by new development should be assisted by the authorities in finding suitable premises within the local area and development proposals should provide an existing business relocation strategy, where relevant.

Recommendation: Redevelopment of land within the Shoreham Harbour area at Southwick Waterfront and Western Harbour Arm currently in employment use for mixed use development in accordance with the proposals contained within the Shoreham Harbour Development Briefs and draft JAAP. Proposals are for 16,500 sq m of new employment floorspace within mixed use developments. Relocation of existing business occupiers within the Port area, district or sub-region depending upon individual requirements should be supported.

14. Land North of the A259

- 6.109 Land on the north side of the A259 (and to the south of the railway line) between Shoreham Town Centre and Southwick comprises a mix of industrial, warehousing and trade counter uses of varying quality and age. The Dolphin Road industrial area lies immediately to the north of the railway line. Premises include 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 warehouse units, and Travis Perkins (buildings supplies). Occupiers further to the east comprise City Plumbing and Graffiti (warehouse).
- 6.110 The Malthouse Estate was largely vacant at the time of the 2011 ELR and was being marketed. It comprises four units totalling 5030 sq.m. Two units have now been let to Howdens Joinery and Screwfix. Unit 1 is occupied on a short term let and we understand that Units 1 and 2 may be currently subject to proposals for redevelopment into a supermarket.
- 6.111 The area north of the A259 does lie within Western Harbour Arm area of Shoreham Harbour. The draft JAAP identifies the potential for mixed use development of this area, but considers that this will come forward outside of the Plan period, although this will be subject to ongoing monitoring and review.

Recommendation: Planning policies should support the mixed use redevelopment of land north of the A259 for uses including employment activities which are complementary to the mixed use redevelopment proposals for land to the south of the A259.

15. Grange Industrial Estate, Southwick

6.112 Grange Industrial Estate in Southwick is a well occupied local industrial estate accessed from the A259. Key occupiers include Tile Source and Southover Food Co. It comprises predominantly 1980s light industrial units with some trade counter occupiers. It is well occupied with no vacancies, and benefits from good public transport accessibility. There are parking issues within the estate. There is an adjacent County Council car and lorry park which appears under-used and offers the potential for an expansion of the estate.

Recommendation: Planning policy should continue to support use of this site for employment activities in use classes B1, B2 and B8 uses. Consideration should be given to the allocation of the adjacent car/lorry park for further B1, B2 and B8 development.

Additional Potential Employment Land Allocations

6.113 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 green gaps.

6.114 Within the green gaps, three locations have been considered in terms of their potential allocation to provide employment land;-

- Shoreham Airport
- New Monks Farm, Lancing
- Shoreham Gateway, Shoreham-on-Sea

Shoreham Airport

6.115 Shoreham Airport is in the joint freehold ownership of Worthing and Brighton & Hove Councils but part of the site is leased by Albemarle (Shoreham) LLP, who have been promoting the development of additional business accommodation at the airport for several years as part of a commercial strategy for development and diversification, recognising that flight movements have been in decline.

6.116 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 further employment development, and one of the few locations within the District which offers the potential to attract higher value-added activities, building on the existing business cluster and key high profile employers, such as Ricardo.

- 6.117 However there are a notable number of constraints to further development at the airport, including the impact of development on the green gap, the visibility of development and impact on the setting of Lancing College, the National Park and the River Adur, and flood risk. Access arrangements are also problematic and depending on the scale of development, improvements may be required 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.
- 6.118 Albemarle have prepared a masterplan for the Airport which proposes development of c. 10 hectares of land for 30,000 sq m of new B1, B2 and B8 employment floorspace in two locations. 15,000 sq m is proposed at the north western part of the site and 15,000 sq m at the north eastern part of the site. The Revised Draft Local Plan supports Shoreham Airport as an identified allocation for employment growth. It identifies an allocation of 15,000 sq m of new employment floorspace in the north eastern part of the airport for B1, B2, B8 and aviation-related uses. The proposal by Albemarle for 15,000 sq m of employment floorspace in the north western part of the airport is not included in the Revised Draft Local Plan, due to the high landscape importance of this location within the green gap.
- 6.119 Development of land at the Airport is dependent on delivery of the Adur Tidal Walls flood defence scheme being delivered by the EA.
- 6.120 We understand that Albemarle have made representations in relation to the Revised Draft Local Plan, which state that the allocation of a further 15,000 sq m in the north western part of the airport, as they have proposed, could be accommodated without significant landscape impact and that if the employment allocation for the airport is restricted to a total of 15,000 sq m then it would not be viable to create a new access to the A27. They state that a full 30,000 sq m allocation is needed to provide a new access to the A27.
- 6.121 It is beyond the scope of this ELR update to review in detail specific highway improvement arrangements or costs or specific viability issues. The existing access arrangements to Shoreham Airport from the A27 at the Sussex Pad junction provide direct access to the airport and are an important factor for businesses locating at the airport. However, we understand that the junction has a poor safety record due to the presence of traffic lights on a 70 mph stretch of the A27 and that the Highways Agency will not allow significant development at the airport until this access is improved.
- 6.122 It will be critical for the expansion of the airport as an employment location that it offers good access from the A27, whether this is from an improved existing access or a new access. We understand that new access options being considered include improved access at the Sussex Pad junction or a new roundabout at New Monks Farm serving both the proposed development here (considered further below) and the airport.

6.123 If major highway improvements to the A27 are required, then the cost of these improvements is likely to be significant, in which case a substantial scale of development is likely to be required at the airport to fund these costs, in addition to other infrastructure works, such as improved flood defences. Without detailed information in respect of the highway improvements required and their costs, it is not possible to be specific about the scale of development needed for viability, but we do consider that it is possible that more than 15,000 sq m of employment development may be required if it is to fund substantial highway improvements to the A27. We would recommend that further highway design and testing and viability modelling is undertaken to demonstrate that an acceptable transport solution can be delivered and infrastructure investment can be funded by the level of development proposed in the Revised Draft Local Plan.

6.124 Access arrangements which are more convoluted or restrictive than the current arrangements will negatively impact on the attractiveness of the airport as a high quality business location. Having said that, both of the current proposed options would appear to improve on the existing access arrangements. Whilst the New Monks Farm option would not directly access the airport from the A27, it is only a short distance away and providing the airport has its own spur from the roundabout and the new link road is direct, well sign-posted and of appropriate quality, we do not consider this would have a detrimental impact on the airport.

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 site has been identified for some time as having potential for residential led development. It is identified in the Revised Draft Local Plan as a strategic allocation providing c. 10,000 sq m of employment-generating floorspace as part of a wider scheme comprising 450-600 homes, a neighbourhood centre and a primary school. The total site area is c 25 hectares.

6.126 The site provides generally flat land and is more enclosed than land at Shoreham Airport. It has low landscape sensitivity and is less visible than other parts of the green gap from key viewpoints. It benefits from proximity to the A27. The land to the south is currently being developed as a new training facility for Brighton & Hove Albion FC.

6.127 Development of this site will require a new access from the A27. Initial proposals show a new roundabout in the north east of the site, which could also provide a joint access for Shoreham Airport (as described above). The two proposals are inter-linked as the Highways Agency has indicated that only one new roundabout on the A27 at this location would be acceptable.

6.128 From a commercial perspective, employment development at this location is likely to be less attractive than at Shoreham 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.

Shoreham Gateway

- 6.129 Shoreham Gateway is a recently identified site located immediately to the west of the A283, adjacent to the River Adur and to the south of the A27 and flyover. It is located opposite the Ricardo site. The site is within a short distance of Shoreham Town Centre and its amenities. It comprises c. 2.5 hectares and is currently being used as grazing land.
- 6.130 The site is located on the eastern edge of the green gap. It is not identified in the Revised Draft Local Plan for development due to concerns regarding the impact on the National Park and the River Adur. There is currently a marketing board on the site, advertising the land for sale.
- 6.131 Commercially, the site is potentially attractive for employment development. It has good accessibility, visibility and prominence. Its location on the edge of Shoreham provides it with good access by car and public transport as well as fairly easy accessibility to local services.
- 6.132 However, the site does sit within the green gap and its development may negatively impact the surrounding area visually. The site is also located immediately to the east of the River Adur and has a high probability of flooding.
- 6.133 Putting landscape and flood risk issues aside, we consider that this site has employment development potential of up to c. 8,000 sq m. of B1, B2 or B8 floorspace
- 6.134 In addition to the above three sites located within the green gap, the following site in Southwick has also been identified as a potential employment land allocation.

Eastbrook Allotments

- 6.135 Eastbrook Allotments is a vacant site located to the south of the A270 and to the west of Hadrian Avenue, in Southwick. It abuts the district boundary with Brighton & Hove. The site is surrounded by residential uses to the south, east and west. It is crossed by power lines and appears to contain electricity infrastructure. The site has an area of 1.67 hectares and is owned by Brighton & Hove City Council.
- 6.136 Part of the site is identified in the Revised Draft Local Plan as having potential for mixed use development, with development of the northern part for employment purposes. A development brief is proposed.

- 6.137 The site has good road frontage and good access by car and public transport. It is also reasonably close to local facilities.
- 6.138 We consider that the site has potential for commercial redevelopment at the north of the site subject to suitable access from the A270 and resolution of any issues related to the proximity of electricity infrastructure.

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. We also consider the inter-relationship between the forecast levels of employment growth (which inform the needs analysis herein) and expected growth in labour supply.

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 May 2014. Vacant floorspace recorded by the site survey has been assessed using VOA floorspace data.

Vacant Floorspace

7.1 As we have previously commented in Section 4, we estimate vacant office floorspace in Adur at 8,230 sq m. Adding 20% to convert NIA to GEA, in accordance with HCA guidance, this equates to **9,984 sq m GEA of vacant office floorspace**. This comprises premises as set out below.

Table 22: Vacant Office Floorspace, April 2014

Building / Park	Street Name	Town	Post Code	Sq.M Available
Rear of 1, Cecil Road, Lancing, BN15 8HN	Cecil Road	Lancing	BN15 8HN	138
Burrell Buildings, 36 Chartwell Road, Lancing, BN15 8TZ	Chartwell Road	Lancing	BN15 8TZ	177
12 Triangle Business Centre, 1 Commerce Way, Lancing, BN15 8UP	Commerce Way	Lancing	BN15 8UP	65
Triangle Business Centre, 1 Commerce Way, Lancing, BN15 8UP	Commerce Way	Lancing	BN15 8UP	82
The Quadrant, Marlborough Road, Lancing, BN15 8UW	Marlborough Road	Lancing	BN15 8UW	125
The Quadrant, Marlborough Road, Lancing, BN15 8UW	Marlborough Road	Lancing	BN15 8UW	251
48 - 50	North Road	Lancing	BN15 9AB	77
Nynex House	Gardner Road	Brighton	BN41 1QP	5,316
Unit 12 Tungsten Building	George Street	Brighton	BN41 1RA	200
6-8 High Street, Shoreham-By-Sea, BN43 5DA	High Street	Shoreham-By-Sea	BN43 5DA	159
84 High Street, Shoreham-by-Sea, BN43 5DB	High Street	Shoreham-by-Sea	BN43 5DB	38
Premier House 17-19	Cecil Pashley Way	Shoreham By Sea	BN43 5FF	259
Cecil Pashley Way, Shoreham-By-Sea, BN43 5FF	Cecil Pashley Way	Shoreham-By-Sea	BN43 5FF	1,039
Cecil Pashley Way, Shoreham-By-Sea, BN43 5FF	Cecil Pashley Way	Shoreham-By-Sea	BN43 5FF	106
63a	Brighton Road	Shoreham By Sea	BN43 6RE	100
2 Riverside Business Centre	Brighton Road	Shoreham By Sea	BN43 6RE	188
Total				8,320

Source: GLH (drawing on Focus and EGi)

- 7.2 We have undertaken a similar exercise with industrial/warehouse floorspace. We estimate a total vacant industrial floorspace of 19,119 sq m GIA. Adding 5% to this, we estimate that this equates to **20,075 sq m GEA of vacant industrial/warehouse floorspace.**

Table 23: Vacant Industrial/Warehouse Floorspace, April 2014

Building / Park	Street Name	Town	Post Code	Use Type	Sq.M Available
Chartwell Business Centre	Chartwell Road	Lancing	BN15 8FB	Mixed Industrial - B1, B2, B8	353
Chartwell Business Centre	Chartwell Road	Lancing	BN15 8FB	Mixed Industrial - B1, B2, B8	353
Unit 35	Commerce Way	Lancing	BN15 8UG	Mixed Industrial - B1, B2, B8	57
Unit 6	Commerce Way	Lancing	BN15 8UG	Mixed Industrial - B1, B2, B8	3,424
Unit 11b	Commerce Way	Lancing	BN15 8UP	Mixed Industrial - B1, B2, B8	62
Unit 1-5	Manor Hall Road	Brighton	BN42 4NH	Warehousing	85
Unit 1-5	Manor Hall Road	Brighton	BN42 4NH	Warehousing	85
Unit 1-5	Manor Hall Road	Brighton	BN42 4NH	Warehousing	85
Buildings 7, 7a & 8 Shoreham Airport	Cecil Pashley Way	Shoreham By Sea	BN43 5FF	Warehousing	268
Unit 18	Cecil Pashley Way	Shoreham By Sea	BN43 5FF	Warehousing	317
Unit 3, 27	Cecil Pashley Way	Shoreham By Sea	BN43 5PB	Warehousing	54
Units 1-5 Shoreham Airport	Cecil Pashley Way	Shoreham By Sea	BN43 5PB	Warehousing	139
Unit B4	Dolphin Way	Shoreham-by-Sea	BN43 6NZ	Mixed Industrial - B1, B2, B8	546
Unit A4	Dolphin Way	Shoreham-by-Sea	BN43 6NZ	Mixed Industrial - B1, B2, B8	309
	Dolphin Way	Shoreham-by-Sea	BN43 6NZ	Mixed Industrial - B1, B2, B8	548
	Dolphin Way	Shoreham-by-Sea	BN43 6NZ	Mixed Industrial - B1, B2, B8	538
Unit 6	Brighton Road	Shoreham By Sea	BN43 6RH	Warehousing	1,727
Unit 2 Malthouse Trading Estate	Brighton Road	Shoreham-by-Sea	BN43 6RJ	Mixed Industrial - B1, B2, B8	1,595
Unit 1 Malthouse Trading Estate	Brighton Road	Shoreham By Sea	BN43 6RJ	Warehousing	1,770
Former Graham Wood Site	Chartwell Road	Lancing	BN15	Mixed Industrial - B1, B2, B8	6,804
Total					19,119

Source: GLH (drawing on Focus and EGi)

Development Pipeline

- 7.3 Adur has a relatively limited development pipeline of employment floorspace. It comprises 3,701 sq m gross floorspace, but a loss of 3,322 sq m of existing employment floorspace, resulting in a net gain of only 379 sq m. We estimate that this will result in a **net loss of industrial/ warehouse accommodation of 1,207 sq m and a net gain of office floorpace of 1,586 sq m.**

Table 24: Schemes with Planning Permission or previously allocated for B Class development

	Gross sq.M	Use Class	Sq.M Lost	Site Area
Unit 1 Elm Business Units Chartwell Road, Lancing	64	B1a	0	0.04 ha
Ricardo - Old Shoreham Road, Lancing	375	B1c	0	0.04 ha
Unit 11, Peter Road, Lancing Business Park	1,070	B1 Mixed uses	530	0.20 ha
Spencer Road Churchill Industrial Estate, Lancing	800	B2	0	0.20ha
Shoreham Airport Lancing	400	B8	0	0.10 ha
Riverbank Business Centre 39 Old Shoreham Road Shoreham-By-Sea West	992	B1	2792	02.69 ha
Total	3,701		3,322	

Source: WSCC Commercial Development Survey 2012- 2013 and ADC.

Shoreham Harbour Relocations

- 7.4 The regeneration proposals for Shoreham Harbour will result in losses of B2 and B8 floorspace as sites are redeveloped for other uses. Assessments undertaken in support of the preparation of the Shoreham Harbour Development Briefs and JAAP indicate that there will losses of B class floorspace from the Western Harbour Arm and Southwick Waterfront areas of c. 25,000 sq m. It is expected that some of these businesses would move to other areas in the Port both within and outside Adur. We estimate that 75% of this floorspace – **18,750 sq m** – will need to be relocated to other locations within the District or in adjoining areas. This needs to be added to the projected requirements for industrial/warehouse floorspace.

Net Completions

- 7.5 Net completions of employment floorspace and sui generis floorspace in employment use over the 2011-12 and 2012-13 monitoring years comprise 953 sq.m (net) of B1c light industrial floorspace and 138 sq.m net of office floorspace.

Overall Quantitative Balance

- 7.6 Drawing together the above factors, the table below considers the overall quantitative supply-demand balance. This considers the balance between land/ floorspace supply and the identified development needs of the District. It does not consider unmet needs from adjoining areas at this stage. On the supply-side it takes into account the potential supply from reoccupation of current vacant floorspace. It should however be recognised that in reality, not all floorspace is going to be suitable for occupation; and a level of vacant floorspace is common in properly functioning commercial markets to facilitate churn.
- 7.7 On the need side, the table includes the requirement to accommodate relocations from Shoreham Harbour. The reality is that some firms are likely to relocate to other sites within the wider Brighton-Adur-Worthing area, rather than necessarily within Adur District specifically.
- 7.8 Taking these factors into account, the analysis indicates a net need for between 47,000 – 57,000 sq.m of employment floorspace to 2031.

Table 25: Quantitative Supply-Demand Balance, 2011-31

Sq.m GEA		Office (B1a/b)	Industrial (B1c/B2)	Warehouse (B8)	Sui Generis	Total
Identified Need	Low	15,000		35,000		60,000
	High	20,000	-10,000	40,000	20,000	70,000
Relocations from Shoreham Harbour				18,750		18750
Completions 2011-13		138	953	0	0	1091
Vacant Floorspace, 2014		9984		20,075		30059
Sites with Planning Permission, 2014		1,586	-1,207		0	379
Future Requirement	Low	3,292		43,929		47221
	High	8,292		48,929		57221

- 7.9 Against this we can consider the potential supply from land which could potentially be allocated for employment development. In total these sites provides the potential for provision of 41,500 sq.m of employment-generating floorspace. This may potentially include some retail and sui generis uses which support job creation.

Table 26: Capacity of Strategic Allocations

Site	Potential Capacity (Sq.M GEA)	Potential Uses
Shoreham Airport	15,000	B1, B2, B8 and other appropriate employment generating uses.
New Monks Farm	10,000	B1 and other appropriate employment generating uses.
Shoreham Harbour	16,500	B1 and other appropriate employment generating uses.
Total Potential Supply	41,500	

- 7.10 In addition to the above sites, a number of other locations have been considered in this report which have modest potential for development of employment floorspace.
- 7.11 Overall the analysis confirms that the potential supply of land for employment is “tight.” Meeting identified needs in full is dependent on the reoccupation of current vacant floorspace, reducing vacancy from already modest levels. In reality however it is likely that part of the provision for ‘relocations’ of occupiers from Shoreham Harbour will need to be to employment sites located outside of the District.

RELATIONSHIP TO PLANNED HOUSING GROWTH

- 7.12 In considering the qualitative assessment of supply and demand, there are a number of further considerations which should be borne in mind. Our analysis in Section 5 appraised future needs on the basis of Experian econometric forecasts and net past changes in floorspace.
- 7.13 At one level the Experian projections for growth in employment are relatively bullish compared to past economic performance and wider benchmarks.
- 7.14 We have also sought to consider what impact labour supply might have on economic growth and thus employment floorspace demand.
- 7.15 Based on our Autumn 2013 demographic projections²² and the level of housing provision proposed in the Revised Draft Adur District Local Plan, we estimate that labour supply within the District will increase by around 700 – 800 persons (2.6%) between 2011-31. This assumes an increase in the employment rate of those aged 16-64 from 76.4% to 78.6% as unemployment falls and associated

²² GL Hearn (Aug 2013) *Updated Demographic Projections for Sussex Coast HMA Authorities*

with changes in pensionable ages. This takes account of the potential residential land supply within the District.

- 7.16 The Experian economic forecasts which indicate net growth in employment of 5,200 jobs between 2011-31 do not take account of development constraints. The Planning Practice Guidance on *Housing and Economic Development Needs Assessments* (CLG, March 2014) is clear that assessments should be undertaken in this way. None the less, there is potential for the expected growth in labour supply to influence the ability to achieve the levels of employment growth envisaged in the Experian forecasts.
- 7.17 We consider that the Experian forecasts are likely to over-estimate economic growth potential over the 2011-31 period. A notable proportion of overall employment growth is forecast in sectors where population growth is expected to be a demand driver. We would however expect population growth to be notably lower than assumed in the Experian econometric model.
- 7.18 However in looking more widely at economic growth potential, we should bear in mind the close labour market interactions between Adur District and both Brighton and Hove and Worthing. As the commuting analysis in Section 3 indicates, there is a net out-commuting from Adur of just under 7,200 persons daily.
- 7.19 There is thus some potential for economic growth to be supported by changing commuting dynamics. However the potential for this needs to be considered taking account of dynamics across the wider area.
- 7.20 A constrained supply of land for development is an issue which affects both Brighton and Hove and Worthing as well as Adur, as evidenced in the *Housing (Duty to Cooperate) Study* (GL Hearn, May 2013 for *Sussex Coast HMA Authorities*). Brighton and Hove's City Plan Part I is likely to identify a housing target of between 13,000 – 14,000 relative to its Objectively-Assessed Need of 20,000; and a need between (broadly) 16,000 – 20,000 based on economic projections. Worthing's current Core Strategy also proposes housing provision below current identified needs, and although additional supply may be identified we consider it unlikely that needs will be able to be met in full. These factors may influence levels of growth in labour supply, and could influence economic performance and changes in commuting dynamics.
- 7.21 On the basis of the available evidence, we would suggest that potential growth in jobs in the District over the 2011-31 period is likely to be above the growth in labour supply of around 700-800 persons indicated over this period – and thus we would expect some reduction in net out-commuting. This in particular reflects the location of key proposed employment sites such as New Monks Farm and Shoreham Airport close to the A27; together with public sector support for regeneration at

Shoreham Harbour. However it is probably appropriate to regard the Experian figures for growth of 5,200 jobs between 2011-31 as 'optimistic' and we would expect employment growth to be more moderate. Employment growth of between 2,000 – 4,000 jobs (2011-31) is probably more likely.

QUALITATIVE BALANCE

- 7.22 Additionally, it is important to consider the supply/demand balance of employment land provision from a qualitative perspective i.e. how well the supply of employment premises and land matches current and future needs, taking into account property market requirements and economic development objectives.
- 7.23 The current office stock in the District comprises a comparatively small proportion of total employment space. It is focused on Shoreham Town Centre and comprises mainly small units occupied by local and sub-regional occupiers. Shoreham Airport provides an additional cluster of office occupiers in an attractive semi-rural setting. Relatively low office vacancy levels (if we exclude Nynex House) along with full occupancy of the Adur Business Centre provide evidence of strong market demand for this type of accommodation.
- 7.24 The economic development policy objectives of the Council are aimed at encouraging higher quality jobs in the District within the following sectors
- Creative, digital and IT;
 - Advanced engineering;
 - Environmental technologies and low carbon and environmental goods and services
 - Finance and business services; and
 - Healthcare, medical technologies and life sciences.
- 7.25 The growth of these sectors of the economy will require provision of high quality B1 office and light industrial accommodation in attractive, accessible locations, close to facilities. Shoreham Town Centre, Western Harbour Arm and Shoreham Airport provide opportunities for the development of this type of accommodation to meet these needs.
- 7.26 Adur has an established, active industrial property market which has performed relatively well during the recession and is emerging strongly, with strengthening occupier demand and low vacancy levels. The need for general industrial accommodation is likely to decline in the longer term, although in the shorter term continued need remains along with a growing need for warehousing and distribution accommodation. There is a limited current supply of good quality industrial stock in the District

- 7.27 Some opportunities exist for redevelopment and intensification within existing industrial areas, such as Lancing Business Park. Further opportunities exist within proposed allocations at Shoreham Airport, New Monks Farm and Eastbrook Allotments. We have also recommended that Shoreham Gateway is considered as a further allocation for industrial development.
- 7.28 The major redevelopment proposals for Shoreham Harbour will require the relocation of existing occupiers, particularly from the Western Harbour Arm. These businesses are mainly traditional industrial uses in old, poor quality accommodation. We anticipate that whilst it may be possible to accommodate some relocations within the Harbour area and others within existing vacant industrial stock within the District, some of these businesses will relocate outside of the District

8 CONCLUSIONS

- 8.1 The ELR Update has considered need and demand for employment floorspace in the B-class uses and sui generis uses which typically take place on ‘employment sites.’ It has considered past development trends, and forecasts for future economic performance prepared by Experian.
- 8.2 The Experian forecasts indicate employment growth between 2011-31 of 5,200 jobs, representing a forecast of 24% growth in total employment over the plan period. This is significantly stronger than the growth in employment of 2,100 jobs forecast in the 2011 Employment Land Review.
- 8.3 There are a number of reasons for the difference. Firstly recent economic performance over the last few years has been more positive than was being forecast in 2010. The economy has seen a stronger recovery in employment from the recession than was being forecast at this time; and is growing more strongly than was previously anticipated. It is thus to be expected that the updated economic forecasts are more positive than those developed in 2010.
- 8.4 However, taking account of the dynamics of the local economy and our wider understanding of potential population dynamics; we consider that the Experian forecasts are likely to over-estimate economic growth potential over the 2011-31 period. A notable proportion of overall employment growth is forecast in sectors where population growth is expected to be a demand driver. We would however expect population growth to be notably lower than assumed in the Experian econometric model.
- 8.5 Given the existence of a sub-regional labour market, we do not however consider that labour supply will necessarily unduly constrain growth in employment in sectors which typically seek employment land.
- 8.6 Based on the updated forecasts, and past employment development trends, we consider that the Local Plan should make provision for the following scale of change in employment floorspace (in net terms) over the 2011-31 period:
- B1a/b (Office and R&D): Demand for an additional 15,000 to 20,000 sq.m net;
 - B1c/B2 (Industrial): Surplus of up to 10,000 sq.m net;
 - B8 (Warehouse): Demand for an additional 35,000 to 40,000 sq.m net.
- 8.7 These are based on net changes in the stock of floorspace and represents our assessment of need. They are demand based and do not take account of labour supply constraints. Arguably, there is a case for additional provision to ensure that a choice of land is provided. However land supply issues are relevant in this respect.

- 8.8 In addition we would expect a modest additional land requirement for sui generis uses such as waste/ recycling and car showrooms. West Sussex County Council's Waste Plan (adopted in 2014) does not identify a requirement for additional land for municipal waste purposes.
- 8.9 In addition to the above there is a need to accommodate c. 18, 750 sq.m of employment floorspace which is expected to be relocated from Shoreham Harbour. We would expect this to partly be met within Adur.
- 8.10 Taking account of employment development with planning consent and past completions, there is need to identify land capable of accommodating over 50,000 sq.m GEA of employment floorspace.
- 8.11 The analysis continues to indicate that 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 employment sites is assessed as sub-standard. There is a need in particular for high quality sites to meet market demand.
- 8.12 There is an opportunity particularly for delivery of office floorspace within Shoreham Harbour Western Arm, and of high quality commercial floorspace at Shoreham Airport. At other locations, employment development is more likely to be similar to the existing business/ employment profile.

Potential Allocations

- 8.13 The Employment Land Review Update supports the allocations proposed within the Revised Draft Adur Local Plan 2013.
- 8.14 The Revised Draft Local Plan proposes the allocation of land for 15,000 sq.m of B1, B2, B8 and aviation-related floorspace at Shoreham Airport. Our analysis indicates that this location will be an attractive location for employment activities which relate to the existing cluster of higher value-added businesses, particularly Ricardo. From a market perspective it is also potentially a suitable location for B8 warehouse accommodation subject to landscape and access issues, taking account of its proximity to the A27. The Employment Land Review supports the draft policy.
- 8.15 The regeneration proposals for Shoreham Harbour are expected to support delivery of around 16,500 sq.m of employment-generating floorspace, which is expected to include B1a office accommodation. This location provides the potential to support growth in key sector strengths including the digital technologies, IT and communications, creative/ cultural and professional services sectors. The wording of the Local Plan needs to be amended to show a level of capacity (16,500 sq.m employment floorspace) which is consistent with the draft Joint Area Action Plan (JAAP) being prepared.

- 8.16 New Monks Farm provides the potential for delivery of 10,000 sq.m of employment-generating floorspace. Delivery of employment development at this location may be more challenging than at other sites within the District, as although the site is located close to the A27, it is not an established employment location and the focus of new development proposed is on residential use. The ELR thus supports the broad definition of employment-generating uses proposed for this site.
- 8.17 The potential for mixed use development on the Eastbrook Allotments site is identified in the Revised Draft Local Plan. We estimate the employment development potential of this site to be of up to 7,000 sq.m of floorspace. It is suitable for B1 and B2 uses subject to further feasibility analysis concerning utilities infrastructure constraints and access. The Local Plan could be amended to quantify the employment floorspace potential for up to 7,000 sq.m.
- 8.18 Our analysis identifies a number of potential additional sites which could be considered for allocation for employment development. These comprise:
- Shoreham Gateway – We consider that this 2.5 hectare site may provide potential for development of up to c. 8,000 sq.m of B1, B2 and B8 floorspace, although it is subject to significant landscape impact, access/ highways and flooding constraints;
 - Car/Lorry Park adjacent to Grange Industrial Estate, Southwick – We consider that this 0.3 hectare site provides potential for c. 1,200 sq.m of B1c and B2 development.

Development Management Policies

- 8.19 Revised Draft Policy 25 in the Revised Draft Local Plan sets out policies for protecting and enhancing existing employment sites and premises in the District. We consider that the wording of the policy is appropriate, and consistent with the National Planning Policy Framework.
- 8.20 The Council may wish to consider the protection of land at the Harbour Way Industrial Estate, Shoreham Beach.

Wider Actions to Support Economic Success

- 8.21 To maximise the benefits of investment at Shoreham Harbour we would recommend that the Council and partners develop a formal relocation strategy, to provide a framework and process for engaging with existing businesses to understand their accommodation needs; which is followed through by working proactively with businesses to source and secure them alternative sites. Consideration should also be given to ensuring a clear phasing strategy as part of the redevelopment programme to support retention of occupiers and business continuity. Effective communication with the business community will also be fundamental to maximising the positive economic benefits of regeneration, and in managing and reducing uncertainty.

8.22 More widely there are opportunities for developing business clustering and supply-chain linkages in the District, particularly in emerging sectors such as digital, IT and communications; creative/cultural activities; and environmental technologies. The delivery of high quality employment space and initiatives (led by the Coastal to Capital Local Enterprise Partnership) to support business-to-business links will help to support growth in these areas.