CHILMARK CONSULTING

Mid Sussex District Council
West Sussex County Council

BURGESS HILL EMPLOYMENT SITES STUDY

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EXECUTIVE SUMMARY

Introduction

Chilmark Consulting Ltd. (CCL) working with Prime Example Consulting (PEx) and Urban Delivery (UD) were commissioned in January 2015 by Mid Sussex District Council and West Sussex County Council to prepare an update to the Burgess Hill Employment Sites Study.

The aim of the commission is to review, update and evaluate evidence to support the proposed strategic allocation of up to 30 Hectares of B Use Class employment land at Burgess Hill along the A2300 strategic transport corridor.

It is necessary and timely to update and further assess the potential for an employment land allocation to the west of Burgess Hill as, since the completion of the Burgess Hill Strategic Employment Site study in 2012, there have been improving macro-economic conditions experienced nationally, in the south-east and within the Gatwick Diamond area. There have also been important changes to national planning policy and practice with the publication of the National Planning Practice Guidance in March 2014.

Planning & Economic Policy Context

There is a significant body of plans, policies and strategies relevant to the future potential allocation of employment land to the west of Burgess Hill.

The overarching emphasis of national planning in the NPPF and NPPG and economic policy is to support long term growth, sustainability and prosperity through new economic development, the expansion of existing businesses and new inward investment.

The Gatwick Diamond, Coast to Capital Local Enterprise Partnership and the Greater Brighton City Deal strategies clearly highlight the importance of providing suitable infrastructure, homes and commercial employment development sites in order to drive economic growth. The strategies are clear and unambiguous in this respect and are closely interlinked in terms of how public sector and private partners will work together to deliver economic infrastructure including land and floorspace.

One of the critical matters that each of the strategies outlines is tackling the shortage of suitable employment floorspace and particularly doing so in order to unlock the growth potential of the Greater Brighton, Gatwick Diamond and Coast to Capital LEP areas.

The City Deal identifies the potential for a new Science and Technology Park in Burgess Hill as part of the approach to promoting longer term Growth Centres. Similarly the LEP's Strategic Economic Plan highlights Burgess Hill as a spatial priority location for new employment floorspace, jobs, homes and associated infrastructure improvements (including capacity improvements on the A2300 connecting to the A23).

The Northern West Sussex Economic Growth Assessment (April 2014) (EGA) provides an up-to-date review and analysis of the employment demand and supply situation across the Northern West Sussex area, including Mid Sussex District and Burgess Hill specifically.

The EGA report confirms Burgess Hill as an established and successful industrial market, less so for office based occupiers, but critically identifies that diminishing supply of land and sites and the need to enhance the quality and choice of employment floorspace stock will impact on the future economic development potential of the town.

The EGA clearly identifies that new allocations of employment land proposed in the Mid Sussex District Plan will provide opportunities to meet the identified needs of businesses in quantitative and qualitative terms.

The Mid Sussex Consultation Draft District Plan establishes the principles and policies to support employment growth in the District as a whole and within Burgess Hill.

The Consultation Draft Plan has clear economic growth objectives to secure 7,600 net additional jobs in the period 2014-31 (some 447 new jobs per annum over the Plan's lifetime) and highlights development opportunities and proposes allocations of land to the west of Burgess Hill in order to assist in meeting the requirements.

The emerging local policy approach is therefore both reflective of the Government's national economic and planning policy objectives, but also accords with the sub-regional economic strategies of the LEP, Gatwick Diamond and the City Deal in seeking to create new employment floorspace in Burgess Hill.

Demand Assessment

Economic Forecasts

Mid Sussex has seen a steady economic recovery since the recession.

Forecasts are for an economic growth rate of 2.1% per annum between 2011 and 2031 (Experian, December 2014). This compares with a forecast economic growth rate of 2.35% per annum for West Sussex for the same period.

Employment growth in Mid Sussex between 2001 and 2011 was slightly above the West Sussex and South East average according to the ONS. However, economic forecasters indicate a reduction in employment in this period for Mid Sussex.

The latest economic forecasts for Mid Sussex from Experian (December 2014) show a different pattern of growth by industry sector compared with the May 2013 Experian forecasts. This has resulted in a slight reduction in the forecast number of total jobs between 2011 and 2031 (from, 10,425 in the May 2013 Experian forecasts to 9,563 in the December 2014 Experian forecasts, both on a workforce-basis). The latest forecasts for the period 2014-31 are for an increase of 4,790 jobs (FTE basis).

However, the level of growth of B Use Class sector jobs has reduced more markedly between the two sets of forecasts, reflecting the structural changes that have happened in the economy. The latest Experian forecasts (December 2014) indicate an increase of 676 B Use Class jobs on a workforce-basis and 205 B Use Class jobs on an FTE basis for the period 2014-2031.

Potential Land Demand

The B Use Class employment forecasts translate into a potential land demand requirement of 19.5 hectares under a Baseline Assessment.

Sensitivity analysis has been applied to this assessment, which indicates a potential range of 15.7 to 31 hectares across the period 2014-31.

Implications of Gatwick Airport

An assessment of the potential impacts of Gatwick Airport on employment land demand in Mid Sussex was carried out.

Under a 'No Second Runway' scenario, this could lead to an additional requirement for 4.7 hectares of land.

If a Second Runway was approved then the employment land demand requirement could range between 8.5 and 20.4 hectares.

The overall conclusion from the assessment is that there is a realistic demand requirement for approximately 25-30 hectares of employment land in Mid Sussex between 2012-31. This could increase to 40-50 hectares if a Second Runway at Gatwick Airport is approved.

Property Market Activity

Mid Sussex is not a major office location, although Haywards Heath is an important office-related centre within the area.

The total office stock has, in fact, reduced between 2000 and 2008. However, there is still a shortage of supply to meet general demand levels, especially in the Burgess Hill property market.

Manufacturing has been successful in Mid Sussex, with a small net increase in floorspace stock between 2000 and 2008.

Distribution activities have also seen growth, with a noticeable increase in the total amount of distribution floorspace between 2000 and 2008.

This industrial demand picture is supported by the supply/demand balance in the District, which shows a relatively tight market with just over 3½ years notionally supply. Most activity and demand is centred on Burgess Hill.

Burgess Hill Business Parks Association survey evidence from September 2014, coupled with discussions with developers and occupiers reinforces the constrained demand picture in Burgess Hill.

More than one in five businesses are planning to expand within the next 18 months. This may translate into the need for over 60,000 sq.m of commercial floorspace in total, if all plans come to fruition. This is unlikely, and the potential demand figure needs to be viewed as indicative, but it does highlight the scale of supressed demand in the area.

The wider stakeholder discussions have reinforced this position. Developers have indicated that any land that becomes available for development can be easily let within this area. The area is strategically well placed along the A23/M23 corridor, with access to both Gatwick Airport and Brighton, and is a natural location for absorbing demand over-spill from Brighton and Crawley. A key concern is securing the right type of business sectors to reinforce the attraction of the area.

Employment Land Supply

Existing and Pipeline Supply

The nature and characteristics of the employment land supply are critical factors to understand considering the extent to which a further, strategic employment land allocation may be appropriate in Burgess Hill.

The EGA identifies a total of 191.4 hectares of employment land in Mid Sussex, including a number of significant sites in Burgess Hill such as The Brow, Bolney Grange Business Park, Victoria Road Business Park, Sheddingdean and commercial floorspace in Burgess Hill Town Centre.

A number of additional employment developments have been consented in Burgess Hill or are subject to pending planning decisions:

- 15 hectares of new business park floorspace (up to 50,000 sq.m) to the south of the A2300 known as 'The Hub'. This resolution to grant permission provides a mix of B Use Class floorspace including B1, B2 and B8 Use Class employment space in modern, high quality facilities;
- Land to the west of Burgess Hill and adjacent to the A23/A2300 junction at Northlands Farm (See Figure 5.4 above) is the subject of a current planning application (ref: 13/04199/OUT) for the development of some 37,000 sq.m of employment floorspace principally for use as a regional distribution centre (B8 Use Class). At the time of writing the application has yet to be determined.

Analysis of the existing and pipeline supply of B Use Class employment sites and floorspace in and near to Burgess Hill shows:

- Employment floorspace is contained in a series of standalone industrial estates and business parks in Burgess Hill as well as a number of more rural locations where smaller estates have been created through the conversion and expansion of former agricultural premises and ad hoc growth of smaller rural commercial properties.

- Burgess Hill does not have a modern business park or campus style development that is capable of attracting new inward investment occupiers or for expansion of existing businesses. Demand evidence shows a strong requirement for new office, industrial and warehousing units, including mixed employment use schemes. The lack of new or refurbished flexible space to current occupier expectations and standards weakens the commercial offer available in Burgess Hill and the town's perception as a suitable location for business.
- There is very little un-developed employment land in Burgess Hill. Very recent permissions granted for new B Use Class floorspace such as at 'The Hub' offer the prospect of new, high quality stock, but this is not yet constructed and the market remains constrained. The lack of available sites for the creation of new design & build (purpose-built) specification employment floorspace and units for freehold sale to the end occupier is also notable.

Land to the West of Burgess Hill

Turning to the proposed employment land allocation west of Burgess Hill, there is little of a material nature that would restrict the development of the proposed location for employment purposes encompassing a mix of all of the B Use Class activities (i.e. offices, industrial and storage and distribution).

It is concluded that the proposed employment allocations site characteristics do reflect a realistic future part of Burgess Hill and Mid Sussex District's B Use Class employment land supply because it is:

- Well located in relation to strategic road links of the A23 and A2300;
- Contiguous to the proposed Northern Arc mixed residential development and would therefore help support the housing and employment balance proposed in the District Plan for Burgess Hill;
- An available and suitable area of land of substantial size relatively unencumbered by environmental, landscape or other physical constraints;
- Has an existing planning permission for B Use Class employment development on a substantial portion of the western area of the site;
- Is greenfield land used for agricultural purposes that is not the best and most versatile;
- An opportunity to create new, high quality employment floorspace to modern environmental and design standards within an appropriate landscape form;
- Evident that other alternative sites, especially within the existing supply of employment land in Burgess Hill (and surrounding

areas) are not capable of providing sufficient floorspace to meet revealed occupier demand or projected future employment growth;

- Clear that existing sites in Burgess Hill are fully developed or could only be expanded in future through significant refurbishment, renovation and intensification of existing stock.

Gap Analysis

The Demand Assessment indicated that there is a realistic demand for between 25-30 hectares of employment land in Mid Sussex between 2014- and 2031. This is on the basis of a 'minimum' expansion of Gatwick Airport, in other words without a Second Runway. If a Second Runway is approved then the employment land demand potential could be between 40-50 hectares.

Analysis of the level of 'unmet' employment land need of surrounding local planning authorities has been carried out. There is potentially approximately 72 to 74 hectares of unmet employment land need in surrounding local authorities. This is split broadly one- third office (B1a/b) land and two-thirds industrial land.

Mid Sussex is unlikely to be the most suitable or appropriate location for all this unmet employment land need and a cautious assumption range has been applied, which is based on between 25%-50% of other authorities unmet employment land needs being captured by Mid Sussex. This suggests that there could potentially be demand for an additional 18 to 37 hectares of employment land in Mid Sussex. This is in addition to the 20-25 hectares likely to arise from indigenous growth and a minimum expansion of Gatwick Airport, as well as the 40-50 hectares if there is an expanded Gatwick Airport with a Second Runway.

The potential employment land supply is approximately 30 hectares. This includes the additional 15 hectares that has been approved in the 'The Hub' development.

In total, therefore, the potential employment land supply in Mid Sussex is likely to be between 35-45 hectares, if the proposed *Consultation Draft District Plan* policy DP8 allocation is delivered (made up of the 30 hectares of identified potential land supply – which **includes** 'The Hub' – along with the residual proposed employment land allocations of 5 to 15 hectares – which **exclude** The Hub). This compares to a potential employment demand figure of 38 to 62 hectares.

The proposed employment land allocation to the west of Burgess Hill would therefore be needed to satisfy employment land needs within the District and support unmet needs arising in neighbouring authorities.

There are a number of important ingredients that the site satisfies from a business perspective. This includes access to the strategically important A23/M23 corridor, as well as a location to the west of Burgess Hill to avoid inappropriate traffic generation through the town centre.

The greenfield nature of the site would enable a high-quality and flexible business environment to be designed and developed, dealing appropriately with landscaping, car parking and supporting services.

The potential for providing the necessary supporting services for a modern business park environment, such as a crèche and supporting retail services, is important in ensuring the success of a scheme. Such a scheme would also be able to address particular concerns with the quality of existing stock in the area.

Science and Technology Park

The potential for a new Science and Technology Park (STP) has been considered in the report.

The proposal is to provide land for a STP scheme to the west of Burgess Hill, in addition to the employment land allocation considered in other sections of this report. It has been assumed that the STP could supply a potential 100,000 sq.m of floorspace, phased over a 20 year period.

Four core business sectors have been examined in terms of their potential employment growth, with the following demand potential over the next 20 years in relation to a Burgess Hill STP:

- Biosciences – 11,800 to 22,940 sq.m;
- Engineering and Advanced Manufacturing – 15,670 to 30,000 sq.m
- ICT/Telecoms – 21,190 to 43,855 sq.m
- Environmental services/technology – 10,200 to 16,180 sq.m)

The total 'core' knowledge-based businesses is therefore 58,860 to 122,940 sq.m.

In addition an STP it is also likely to attract tenants in the supply chain who do not fall into the four sectors. It is difficult to quantify this, but for planning purposes it is assumed that this would be less than 5,000 sq.m in total.

The potential knowledge-based property demand that could be available to a Burgess Hill STP over the period 2015 - 2035 could be between 58,860 to 122,940 sq.m, or a mid-point average of 90,900 sq.m.

There is a need to develop a strong and persuasive offer. This requires a suitable collaborating partner to anchor the STP, (a university or leading industrial or technology organisation). It also requires a focus on promoting innovation and creating high-technology and leading-edge economic development, along with the potential for the commercialisation or practical spin-out of research.

The characteristics of the STP must help define its 'USP'. This includes factors such as:

- Resource sharing of space and opportunities (incubator and enterprise space, collaboration initiatives and arrangements, exchange platforms, etc.);
- Security issues (site access arrangements and security

systems, uninterruptible power supply, telecommunication systems, etc.);

- Support facilities (reception and communal spaces, STP management offices, retail provision, hotel and leisure provision or arrangements, etc.);
- Landscape and layout (parking, internal transportation, landscape master-planning, quality and sustainability of design, etc.); and
- Lease and occupation arrangements (rental levels and lease terms, moving-on space, conference and meeting rooms/hire, utility costs and support, etc.).

Overall Conclusions

Overall, it is concluded that the proposed 30 hectare employment land allocation is appropriate and necessary in order to ensure that Mid Sussex District can meet its economic growth objectives, support existing businesses wishing to expand and to encourage inward investment within the District, the Gatwick Diamond and the Coast to Capital LEP area more widely.

15 hectares of the proposed allocation site has already been permitted for a mix of B Use Class employment floorspace to the south of the A2300 and this should form a key element of employment development at the proposed allocation site in the plan period.

It is further recommended that the potential for and feasibility of a Science and Technology Park should be investigated in greater detail through subsequent work in order to establish a more detailed prospectus and proof of concept for such development on land near Burgess Hill. There is a need for detailed feasibility work, concept and proposition development and masterplan preparation in order to support the opportunity.

1. INTRODUCTION

Overview

1.1 Chilmark Consulting Ltd. (CCL) working with Prime Example Consulting (PEx) and Urban Delivery (UD) were commissioned in January 2015 by Mid Sussex District Council and West Sussex County Council to prepare an update to the Burgess Hill Employment Sites Study.

1.2 The aim of the commission is to review, update and evaluate evidence to support the proposed strategic allocation of up to 30 Hectares of B Use Class employment land at Burgess Hill along the A2300 strategic transport corridor.

1.3 The conclusions of the report, based on the analysis and evidence evaluated, demonstrate that the proposed employment allocation is necessary in order to meet employment land and commercial market demands in Burgess Hill and more widely in Mid Sussex District and the Gatwick Diamond. The report's conclusions are that the proposed 30-hectare allocation to the west of Burgess Hill is suitable, available and achievable.

1.4 The report also considers the overarching potential for the development of a Science and Technology Park to the west of Burgess Hill south of the A2300. The report concludes that there is a range of potential demand from a variety of knowledge and high technology sectors and that Burgess Hill offers a good opportunity, subject to more detailed feasibility and analysis, to support a Science Park linked to an appropriate Higher Education institute or leading technology/industrial or research business.

1.5 This study follows on from and updates previous analysis of the potential for a strategic employment land allocation completed in October 2012 by consultants Henry Adams for Mid Sussex District Council.

1.6 It is necessary and timely to update and further assess the potential for an employment land allocation to the west of Burgess Hill as, since the completion of the Burgess Hill Strategic Employment Site study in 2012, there have been improving macro-economic conditions experienced nationally, in the south-east and within the Gatwick Diamond area. There have also been important changes to national planning policy and practice with the publication of the National Planning Practice Guidance in March 2014.

1.7 There has also been considerable new work undertaken by Mid Sussex District Council together with other authorities in West Sussex County to assess the future economic growth prospects of the area including the role and function of the Gatwick Diamond area (which includes Mid Sussex District and Burgess Hill).

1.8 The Coast to Capital Local Enterprise Partnership (C2C LEP) published its Strategic Economic Plan (SEP) in March 2014 identifying its vision, objectives and critical elements of land, property and infrastructure that are necessary to secure economic growth and to support new public funding from Government. Finally, the Greater Brighton City Deal (which includes Mid Sussex District) has secured a funding settlement with Government that supports a substantial programme of infrastructure and development investment aligned with the LEP's Strategic Plan.

Purpose

1.9 The purpose of the commission is in two parts:

- **Part I – Burgess Hill Strategic Employment Site Study** – to review and evaluate supply and demand evidence relating to the potential allocation of employment land to the west of Burgess Hill adjacent to the A2300 road and to draw conclusions on the suitability and deliverability of such an allocation.
- **Part II – Science and Technology Park Feasibility and Development** – to identify and assess the feasibility and development options for a potential new Science and Technology Park to be developed on the A2300 in close proximity to the proposed Strategic Employment Land allocation.

1.10 This Report is concerned with Part I of the commission. Part II will follow on from the completion of Part I and will be subject to a separate report.

1.11 In greater detail, the objectives of the Part I study are to assess:

- the size and type of employment allocation required to accord with the vision, strategic objectives and economic aims of the District Plan and to support the creation of 7,600 jobs (net) and be deliverable during the plan period;
- likely demand for employment floorspace, such as size and type of unit, economic sector and potential occupiers (expanding local businesses or new to the area);
- the implications of District Plan policies protecting existing employment sites, current demand for employment floorspace and jobs and the impact of permitted development rights changes on employment floorspace;

- meeting the needs for growth and expansion of existing Burgess Hill businesses, particularly on the Victoria Road Industrial Estate, and the scope to intensify the use of existing areas;
- the potential impact of a second runway at Gatwick Airport and related redevelopment of parts of Manor Royal Industrial Estate upon Burgess Hill;
- potential for assisting with meeting the unmet needs of other local planning authorities including Crawley, Adur/Worthing and Brighton and Hove;
- the potential economic impact of the business park and science and technology park allocations at Burgess Hill on comparable existing employment sites within the District boundaries and the wider Gatwick Diamond and Coast to Capital areas;
- the implications and potential benefits for local educational establishments, such as the University of Brighton, from the proposed employment sites; and
- current trends and risks associated with existing and proposed employment floorspace.

1.12 All of the work is to be undertaken in accordance with the requirements of the *National Planning Policy Framework* (March 2012) and the *National Planning Practice Guidance* (March 2014 and as updated).

1.13 The Report builds upon previous evidence and analyses undertaken as part of the District Local Plan preparation as far as possible. This is supplemented by updated and new research as necessary in order to ensure that the proposed allocation for employment uses is as up-to-date as possible.

Use of Existing Information

1.14 In accordance with the requirements of the NPPG and on the basis that Mid Sussex District Council has already invested in a significant body of economic and employment analysis and reports over the period of the Draft Plan's preparation and prior to that, this Report makes best use of available information as far as possible and as appropriate. Data sources and the use of existing information is identified in each of the relevant sections of the report.

Assumptions and Limitations

1.15 The analysis and findings of this Report must be read in the context of a series of assumptions and limitations concerning available information and data and the level of analysis possible at various geographic scales. The Report's key assumptions and limitations are recorded in each of the relevant sections.

Structure of Report

1.16 Following this introductory section, the Report is structured as follows:

- **Section 2** – sets out a summary of the relevant planning and economic policy context.
- **Section 3** – is concerned with establishing the likely demand for employment land through analysis of current economic forecasts, consideration of infrastructure developments and the future role of Gatwick Airport in stimulating economic growth and a review of key property market activity.
- **Section 4** – sets out an analysis of the current commercial property market. The section also includes analysis of a Burgess Hill business survey completed in 2014.
- **Section 5** – examines the supply of employment land and sites in Burgess Hill and surrounding areas. It also assesses the employment land potential of the proposed strategic employment allocation to the west of Burgess Hill in accordance with the criteria established in the National Planning Practice Guidance.
- **Section 6** – provides a gap analysis of the supply/demand position, the sectoral and business offer, and considers un-met demand implications arising from areas outside Burgess Hill and Mid Sussex District.
- **Section 7** – examines the overall opportunity and rationale for the potential Science and Technology Park.
- **Section 8** – draws the work together, summarises the principal conclusions and sets out the report's recommendations.

2. PLANNING AND ECONOMIC POLICY CONTEXT

Introduction

2.1 The employment land and wider economic policy context is an important component in assessing the effects and implications of the potential allocation of land in Burgess Hill for employment purposes.

2.2 This section sets out in summary the relevant economic and spatial planning policy context. It considers three levels of policy: national, sub-regional within West Sussex and local within Mid Sussex District.

National Planning Policy

National Planning Policy Framework

2.3 The *National Planning Policy Framework* (NPPF) has placed economic growth at the heart of its definition of sustainable development.

2.4 Paragraph 7 identifies the three dimensions to sustainable development: economic, social and environmental. This establishes the need for:

"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 co-ordinating development requirements, including the provision of infrastructure".

2.5 Paragraph 9 confirms that sustainable development involves seeking positive improvements in the quality of the built, natural and historic environment, including:

"making it easier for jobs to be created in cities, towns and villages".

2.6 Paragraph 14, 1st bullet point, describes what the presumption in favour of sustainable development means. For plan-making, it establishes a positive approach:

"Local planning authorities should positively seek opportunities to meet the development needs of their area".

2.7 Further clarification is provided through the core planning principles set out at Paragraph 17 of the NPPF. At the 3rd bullet point it includes the following important requirement that planning should:

"Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities".

2.8 The main economic development and business requirements of the NPPF are set out in paragraphs 20, 21 and 160. They can be summarised as:

- Planning proactively to meet the development needs of business and support an economy fit for the 21st Century;
- Setting out a clear economic vision and strategy for the area which positively and proactively encourages sustainable growth;
- Include the whole economy and up-to-date market demand/supply intelligence and evidence as the basis for the strategy;
- Include neighbouring areas through the Duty to Co-operate. Economic issues straddle and affect adjacent districts/boroughs and need to include other authorities and the relevant LEP;
- Engage with the business community to understand their changing needs and identify / address barriers to investment;
- Identify strategic sites for local and inward investment to match the strategy and meet anticipated needs in plan period;
- Consider the role of land for economic development purposes and review land availability for economic purposes as well as its ability to meet other functions; and
- Ensure that there is an emphasis on the viability of plans that must be deliverable.

2.9 The NPPF is concerned with far more than simply the supply of property, land and sites to support economic growth. It supports proposals that address the whole economy in a positive and proactive manner that encourages economic prosperity as part of sustainable development.

2.10 The emphasis of the Framework is on creating and securing jobs through the best use of land and sites that are most appropriate to foster economic development. The Framework recognises the importance of mixed use-development and the re-use, for other activities, of former employment land/sites that are no longer able to meet economic development needs.

2.11 The NPPF does not include a prescriptive approach with respect to the provision of B Use Class employment floorspace. Paragraph 38 for example encourages a mix of uses for larger residential schemes including opportunities to work on-site with the emphasis on offering a range of employment opportunities.

2.12 The NPPF identifies that supporting growing economic sectors includes removing barriers to sustainable growth including the quality of labour force, access to skills and education/training, accessibility to markets and the quality and choice of housing provision.

National Planning Practice Guidance

2.13 Following the NPPF, the *National Planning Practice Guidance* was published in March 2014 as an online resource offering advice and guidance on a range of planning and development matters.

2.14 Section 2a of the NPPG is concerned with housing and economic development needs assessments. A number of sub-sections and paragraphs are relevant to the consideration of potential employment land allocations and development, as follows.

2.15 Paragraph 008 recognises that there are economic market segments and that not all types of economic development will have the same appeal for different occupants. Effectively the NPPG is indicating the need to ensure that there is market choice.

2.16 In paragraph 030 of Section 2a, the Guidance notes that plan-makers should consider:

- recent patterns of employment land supply and loss to other uses;
- market intelligence and market signals; the existing stock of employment land indicating the demand for and supply of employment land and recognising that existing stock may not reflect the future needs of business; and
- take-up of sites and other data on availability and vacancies is to be used to understand the spatial implications of 'revealed' demand for employment land.

2.17 Paragraph 030 continues advising that the location and premises requirements of particular types of business will be important. The Guidance also highlights the need to identify over-supply or evidence of market failure (where physical or ownership constraints prevent employment sites from being used effectively).

2.18 Paragraphs 031 – 033 establish how employment land requirements should be considered based on historic, current and forecast future trends. In particular the Guidance anticipates that the available stock of land should be compared with the particular requirements of the area in order to reflect the increasing diversity of employment generating uses. The Guidance emphasises the importance of mixed-use development and the provision of a variety of employment sites.

2.19 Paragraph 033 is concerned with forecasting future economic trends with the key output being an estimate of the scale of future needs broken down by economic sectors. The available stock of employment land should be compared with the particular requirements of the area so that any gaps in provision can be identified.

2.20 Employment land requirements are to be considered through four key relationships according to paragraph 034, namely:

- Standard Industrial Classification (SIC) sectors to Use Classes;
- SIC to types of property;
- employment to floorspace (employment density); and
- floorspace to site area (plot ratio based on industry proxies).

2.21 Section 3 of the NPPG deals with housing and economic land availability assessments. Paragraph 001 highlights the importance of identifying a future supply of land that is suitable, available and achievable for housing and economic development uses over the plan period. The approach advocated includes assessing site suitability for employment development and the likelihood of development coming forward.

2.22 At Section 3, paragraph 3 the NPPG advises that previously allocated employment (and housing) land should be re-appraised as it may be necessary to assess whether circumstances have changed which would alter their suitability for economic development.

Sub-Regional - Northern West Sussex and Brighton

Greater Brighton City Deal, 2014

2.23 The Greater Brighton City Deal was approved by Government in March 2014. The City Deal area includes the coastal urban areas of Brighton and Hove, Shoreham, Worthing and Newhaven as well as parts of the South Downs National Park, Lewes District and Mid Sussex District (including Burgess Hill). Mid Sussex District Council is a member of the Economic Board and West Sussex County Council will be an observer to the Board.

2.24 The City Deal was agreed with Government on the need to address three matters:

- to build on the success of Brighton's tech cluster, and help its many small businesses translate their success onto a larger scale;
- to enable growth across other areas outside Brighton, by giving private sector investors the confidence and space they need to invest; and
- to create effective governance structures for Greater Brighton, so that local authorities, businesses and universities across the area can work together in a seamless fashion.

2.25 One of the critical matters is to tackle the shortage of suitable employment floorspace and business accommodation in Brighton's technology cluster and ensure that the most promising businesses are able to grow in the City Deal area.

2.26 Under the Deal agreed with Government £165 million of investment across Greater Brighton is envisaged in the medium term to create a network of Growth Centres in key locations. This is to allow the Brighton economy to expand beyond the limitations imposed by the City's physical restrictions and lack of available employment sites and floorspace.

2.27 The identified Growth Centres include a new Business and Science Park at Burgess Hill (as set out on page 8 of the City Deal agreement). The City Deal recognises the importance of ensuring that economic growth opportunities are captured within the local area and that there are distinct benefits arising for all partners to the City Deal.

Coast to Capital Local Enterprise Partnership: Strategic Economic Plan, 2014

2.28 The Coast to Capital Local Enterprise Partnership encompasses Brighton & Hove, Croydon, the Gatwick Diamond, East Surrey, Lewes and West Sussex. The area includes over 1.9m people and more than 85,000 businesses with 776,000 jobs.

2.29 The *Coast to Capital Growth Deal* was published on 7th July 2014 with the aim of encouraging growth across the Coast to Capital region through targeted investment in infrastructure and innovation. The Growth Deal totals £202 million from the Government's Local Growth Fund to deliver the *Strategic Economic Plan*. The Government investment is identified to stimulate a further £240 million of additional investment from local partners and the private sector.

2.30 Under the Growth Deal the investments will create at least 14,000 new jobs and allow 5,000 new homes to be completed contributing towards the 100,000 new homes over 25 year target.

2.31 The *Strategic Economic Plan* (SEP) was published in March 2014 and fully integrates with the Greater Brighton City Deal agreed with Government. The SEP sets out the vision and objectives for the LEP. The vision is that Coast to Capital will deliver exceptional growth and productivity gains to deliver economic performance to rival the best in Europe and the rest of the World.

2.32 Over a six-year investment programme, the SEP identifies that 60,000 new jobs, 27,000 homes and 970,000 sq.m of new employment floorspace will be delivered across the area.

2.33 The SEP establishes six strategic priorities:

1. Successful growth locations, including transport investment;
2. Successful businesses;
3. Building competitive advantage;
4. Skills and workforce;
5. Growth is digital; and
6. Housing and infrastructure.

2.34 Of these strategic priorities, the most relevant to the future allocation of employment land west of Burgess Hill are:

- **1. Successful growth locations and transport infrastructure** – this priority seeks to bring forward a programme of investment in transport infrastructure; to deliver interventions in brownfield and greenfield sites which will provide the capacity for employment and housing growth. The priority identifies that strategic business and employment locations are not homogenous and comprise a mix of strategic corridors, cities, towns and strategic sites. Burgess Hill is identified as one of these strategic business and employment locations.
- **3. Build competitive advantage** – this priority identifies that the LEP will focus on economic sectors where there is a competitive advantage. These are listed as: creative digital and IT; advanced engineering (including marine and automotive); environmental technologies (low carbon and renewables); business and financial services; and healthcare and life sciences. Food production and tourism are also noted as important sectors for some parts of the LEP.

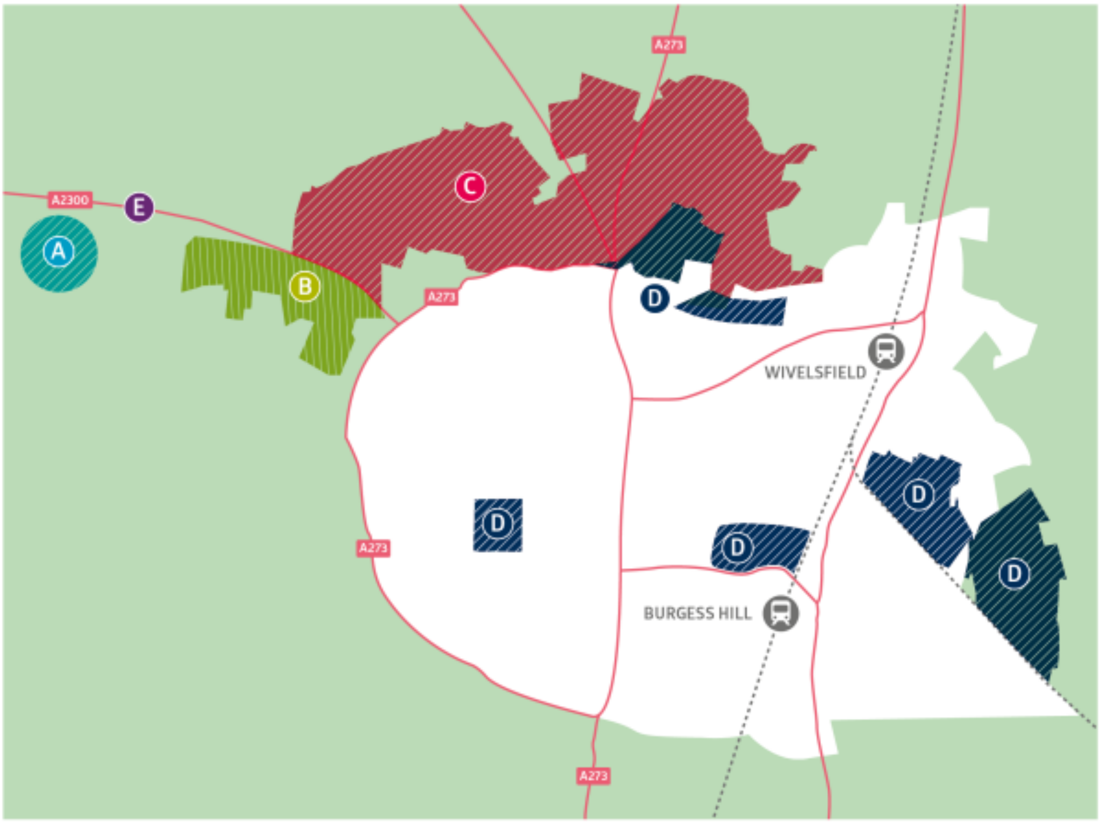
2.35 In Chapter 3, the SEP identifies the spatial priorities for economic growth that the LEP will support. Burgess Hill is identified particularly as a spatial priority as follows:

"a significant location of employment space and planned new homes, with associated infrastructure improvements and including City Deal commitments".

2.36 The SEP confirms the proposals for Burgess Hill that it bases its funding settlement with Government upon at page 48 in Chapter 3. It identifies five specific interventions/developments as shown in Figure 2.1 below:

- **A: Science and Technology Park** – a high technology research and development facility promoted by the University of Brighton on a 30 hectare site with potential for 100,000 sq.m of floorspace and 2,500 new jobs.
- **B: Business Park** – 30 hectare site allocation for employment uses (including The Hub). Overall employment development will create 2,500 new jobs.
- **C: Northern Arc Residential Development** – 3,385 new homes to the north and north-west of Burgess Hill town. The proposal is allocated in the emerging Mid Sussex District Plan.
- **D: Town Centre Residential Developments** – permission granted for 1,280 new homes on sites in Burgess Hill. The Neighbourhood Plan proposes a further 440 dwellings.
- **E: A2300 Corridor** – capacity improvements on the A2300 to the A23/M23. Delivery is required by 2017.

Figure 2.1: Extract from Coast to Capital LEP Strategic Economic Plan – Burgess Hill Spatial Priority



BURGESS HILL

Science and Technology Park — A

High tech research and development park promoted by the University of Brighton for business sectors including biosciences and ICT. Thirty hectare site with potential for 100,000 m² of floorspace creating 2,500 new jobs.

Business Park — B

Thirty hectare site allocation for business park (including The Hub) in Mid Sussex District Plan. Planning application submitted for 50,000 m² employment floorspace at The Hub. Overall employment development will create 2,500 new jobs. Completion of The Hub anticipated by 2019.

Northern Arc residential development — C

A total of 3,385 new homes will be unblocked north/west of the town by Wates, Gleeson and Rydon, drawing in £350 million private sector investment. Planning application anticipated summer 2014 and proposal allocated in the District Plan.

Town centre residential developments — D

Planning permission granted for three sites delivering 1,280 new homes. Burgess Hill Neighbourhood Plan allocates land for a further 440 houses. Development to commence 2015. Dependent on transport improvements.

A2300 corridor — E

Key transport link between Burgess Hill and the A23/M23. The capacity of the link restricts further development in the town. Improvement works are essential to enable the proposed growth, with delivery required by 2017.

Source: Coast to Capital LEP: Strategic Economic Plan, March 2014 - Extract

2.37 The Growth Deal is expected to create 5,000 new jobs, 5,040 new homes and 200,000 sq.m of employment space in Burgess Hill. The investment profile to 2021 is £2.42m of public money, £334m private sector funding and £26m of Growth Deal funding.

2.38 For employment development, the Business Park and the Science and Technology Park together are expected to deliver 5,000 new jobs. The Hub proposals are for 50,000 sq.m of employment space on 15 hectares of land creating 1,000 jobs itself. A further 15 hectares of employment land is to be delivered as part of the Northern Arc creating an additional 1,500 jobs.

2.39 The Science and Technology Park opportunity is identified to create 100,000 sq.m of employment space and 2,500 new jobs (50% of which would be for new graduates).

2.40 The SEP identifies that there are identified interventions to highways and broadband infrastructure necessary to ensure the developments can come forward. In this regard, £17 million has been secured from the Local Growth Fund to support the necessary transport and highways improvements to the A2300 road corridor connecting Burgess Hill to the A23. The SEP notes that there are recognised viability difficulties associated with employment development arising since the economic recession. Support is therefore required from the Local Growth Fund to secure the developments.

Northern West Sussex Economic Growth Assessment, 2014

2.41 The *Northern West Sussex Economic Growth Assessment (EGA*) was prepared by consultants NLP for the Northern West Sussex local authorities (Crawley Borough, Horsham and Mid Sussex Districts). The Report was published in April 2014.

2.42 The purpose of the work was to define and consider the current position of the local economy and demand/supply considerations in respect of employment land; evaluate the options available for future growth including the testing of various scenarios; and provide recommendations as to the most appropriate option(s) setting out how the local authorities may best achieve economic growth.

2.43 The Report is focused on the employment space needs of the B Use Class sectors but also considered future projections for growth in non-B Class sectors (such as retail, leisure and healthcare) to show how the economy in each area could change in the future.

2.44 The EGA was predicated on an assumption that Gatwick Airport would develop to its maximum capacity of 45 million passengers per annum within its existing runway capacity. The continued safeguarding of land for the future expansion of the Airport in Crawley was, however, identified and considered as a key economic constraint through the EGA work.

Functional Economic Relationships

2.45 Section 2 sets out the extent of the Northern West Sussex sub-region and Figure 2.1 identifies the context for the area. All of Mid Sussex and Burgess Hill are encompassed within the Northern West Sussex area which itself forms part of the wider Gatwick Diamond and is within the Coast to Capital LEP functional economic area.

2.46 Functional economic relationships are explored in paragraphs 2.15 onwards and shown in Figure 2.3, based on the 2001 Census. This highlights a broad geographic footprint for Northern West Sussex but also a clear concentration along the A23/M23 corridor and in the A27 coastal West Sussex area. Crawley is noted to attract significant daily commuting flows from both Horsham and Mid Sussex, but there is also an important reverse flow from Crawley to Mid Sussex as Figure 2.4 demonstrates. With updated travel to work data from the 2011 Census now available, the flows and patterns of commuting work travel are shown to reinforce the net out-commuting flow from Mid Sussex District to other centres in Northern West Sussex, to Brighton & Hove and to London.

Employment Floorspace Stock and Market Conditions

2.47 The current stock of B Use Class employment floorspace is shown in Figure 2.6 totalling 2,570,000 sq.m of which 24% was in Mid Sussex District based on 2008 Valuation Office Agency (VOA) data. The EGA's commentary notes in the 2000-2012 period that Mid Sussex and Horsham saw the largest gains (18% and 13% respectively) in industrial space (B1c and B2 uses) while Crawley recorded a reduction of 7%. Mid Sussex recorded a decline of 4% in its B1 office stock.

2.48 The state of the commercial property market is also set out in Section 2. Paragraphs 2.32 and 2.33 emphasise that the property market in Northern West Sussex is relatively insular and self-contained. Enquiries for business floorspace tend to originate from within the sub-region. Crawley is the notable exception, particularly at Manor Royal. Burgess Hill is also identified as competing with other locations in the Gatwick Diamond and Coast to Capital LEP area for occupiers and investment.

2.49 The trends for commercial space in Northern West Sussex are identified as generally weak at paragraph 2.34, with the office market in particular being impacted by occupier uncertainty. However the EGA does report that there has been a recent upturn in enquiries for office space. The industrial market is stated to be static through the downturn continuing to attract demand from a variety of sectors and for a range of premises sizes.

2.50 At paragraph 2.36 the EGA records that there is a market view that the sub-region is running out of floorspace to meet the requirements of local companies looking to expand or relocate and also for new companies moving to the area. The harmful effect on the Northern West Sussex economy is identified, as jobs may be lost due to a lack of suitable employment space.

Gatwick Airport

2.51 In Section 3, the EGA Report identifies the influence that Gatwick Airport has on both the office and industrial market in Crawley. The Report states that there is some 23,000 sq.m of office accommodation within the Airport with about 4,000 sq.m of available floorspace (18% vacancy rate). The office space located on Airport is restricted to aviation-related users and vacancy levels are noted in the EGA to arise from structural changes to international aviation business demands.

Mid Sussex District and Burgess Hill

2.52 Turning to Mid Sussex District in Section 5, the EGA confirms that the proportion of B Use Class jobs in the District has remained constant over the last 16 years at between 38 – 45% of all jobs in Mid Sussex.

2.53 Business services, health, education, retail and accommodation/food services are the principal economic sectors in the District. 20% of jobs are in the public sector with strong representation especially from health and education sectors.

2.54 The commuting trips analysis in paragraphs 5.23 – 5.24 and Figure 5.7 (based on 2001 Census) illustrate Mid Sussex as a location with a high rate of out-commuting. Over 29,000 residents work elsewhere (mostly in Crawley) as well as in Brighton & Hove, Reigate & Banstead and Tandridge and Horsham. London accounts for some 25% of commuting trips from the District. Mid Sussex is described as a net exporter of labour with a net outflow of some 16% of the resident workforce.

2.55 The current stock of employment floorspace is 605,000 sq.m according to paragraph 5.25 with much of the supply formed of industrial (B1c and B2) and distribution and warehousing space (41% and 29% of the total stock respectively). The commercial office stock (B1) is stated at 181,000 sq.m, representing some 30% of all employment floorspace in the District.

2.56 The distribution of the District's office stock is primarily concentrated in Haywards Heath (31%), Burgess Hill (25%) and East Grinstead (24%) according to Figure 5.10.

2.57 The stock of industrial floorspace is noted to be concentrated around Burgess Hill (42%) and the A273 corridor.

2.58 Paragraph 5.30 identifies that 77% of all commercial office space was built before 1980 (50% before 1940) and is therefore relatively old. The proportions are considered to be significantly higher than the wider South East region (65% and 40% respectively). For industrial space, 70% is pre-1980, higher than the regional equivalent of 66%.

2.59 Mid Sussex vacancy levels are around 12% of total stock. Industrial floorspace vacancy is recorded as 8% in Burgess Hill. These levels of vacancy are considered normal for the market (10% is usually considered a reasonable average vacancy level).

2.60 Levels of new B Use Class floorspace are outlined in Figure 5.12 and paragraph 5.36 of the EGA which show that across the 2002-2012 decade an average of just over 9,550 sq.m per annum was completed, reflecting losses of B Use Class space through re-development for other uses. Losses of B1a/b office space and B8 distribution and warehousing space were considered to be relatively modest with a variable pattern year on year.

2.61 The market geography of Burgess Hill is described in paragraphs 5.45 – 5.47 of the EGA, where the Report identifies the town as an established and successful industrial market concentrated on Victoria Road Business Park, Sheddingdean Business Park and Bolney Grange. The supply of available land for development is concluded to be diminishing, although the report makes reference to a planning application (now a planning permission) for a new business park ('The Hub') on part of the proposed strategic employment allocation to the west of Burgess Hill.

2.62 The office market in Burgess Hill is concluded to be less well established compared to other locations in the sub-region at paragraph 5.47. This is suggested to be due to the relatively poor quality town centre environment and wider regeneration issues. The Brow, Church Walk and Victoria Road Business Park are noted as the main areas of office floorspace. Vacancies within these office premises are considered to be relatively high and agents are reported to receive very few requirements for office space in Burgess Hill. It should be noted that since the EGA was published, works have commenced to refurbish the Brow to allow American Express to re-occupy some 15,500 sq.m of floorspace that was previously vacant.

Employment Sites Supply

2.63 The EGA reviews the supply of existing employment sites and land in Section 6. Table 6.1 identifies a total of 31 sites in Mid Sussex representing 191.4 hectares of employment land. Existing employment sites in Mid Sussex relevant to the Burgess Hill area are described in the EGA as follows:

- **Bolney Grange Business Park** – a 9.6 Ha established business area to the west of Burgess Hill. The site benefits from good strategic links to the A23 but is isolated from local labour and services. Existing uses on the site comprise mixed manufacturing, light industry and automotive with some vacancy noted. Stock is larger footprint and average quality with dedicated access, parking and turning space. Scope for intensification is identified.

- **Former Sewage Treatment Works, Burgess Hill** – a 12.1 Ha site north of Burgess Hill. The site is largely vacant with the benefit of a dedicated access and good strategic links to the north of the District. It was, at the time of writing the EGA report subject to a planning application for 325 dwellings, which has subsequently been granted planning permission.
- **Church Road Walk/Burgess Hill Town Centre** – is the primary retail destination in the south of the District and comprises some small office units as well as some larger individual office buildings. There is some vacancy. Further employment development within the centre is constrained by layout and built form and the lack of available sites. The EGA concludes that the centre is a weak employment location but with some scope for comprehensive re-development in the medium term.
- **Sheddingdean Industrial Estate** – a 3.2 Ha established industrial estate north of Burgess Hill. Largely occupied and comprising average quality stock with evidence of office, light industrial, storage and distribution uses. There is limited potential for intensification of the site due to the lack of vacant plots the EGA concludes.
- **The Brow, Burgess Hill** – is an office site on the edge of the town centre with American Express as the major occupier (moving back into the accommodation later in 2015 when refurbishment work is complete, having left the site previously). The site is considered to have good strategic links and access to services/facilities given its urban location.
- **Victoria Business Park East and West** – is one of the largest employment sites in Northern West Sussex according to the EGA. The site includes a range of occupiers in good quality stock some of which is modern and with limited vacancies. The eastern element of the area comprises a range of larger B Use Class units and some smaller manufacturing/light industrial units. The stock in the eastern area is noted to be of lower quality than the western portion of the site with greater vacancies. There is some scope noted for new employment development on a vacant plot, but the opportunities are generally concluded to be for upgrade and refurbishment of stock.

2.64 Although not assessed in the EGA, the role of a new strategic employment site to the north and west of Burgess Hill is identified in the EGA at paragraph 6.105. An application for 15 hectares (50,000 sq.m) of B Use Class employment to the south of the A2300 known as 'The Hub' is also identified in the report (now with planning permission).

2.65 None of the existing Burgess Hill employment sites surveyed in the EGA are ranked as 'poor' and some such as Victoria Way and Sheddingdean are considered 'good' overall by the EGA.

Future Economic Growth and Employment Floorspace Requirements

2.66 Section 7 of the EGA considers the future economic growth and employment floorspace requirements for Mid Sussex District. It identifies at paragraph 7.49 a need for 148,250 sq.m of employment floorspace under the baseline job growth scenario to 2031; this equates to an estimated 30.7 hectares of additional employment land. Under the higher growth scenario the requirement increases to 242,080 sq.m (52.8 Ha).

2.67 Existing undeveloped employment allocations, sites and outstanding planning permissions (excluding any allocations proposed in the Draft Plan such as land to the north and west of Burgess Hill) provide 29.9 hectares of employment land in the District but with a focus on industrial (B1c, B2 and B8 uses) accounting for 70% of that supply. Office and mixed B Use Class land represents the other 30% of potential existing undeveloped supply. Half of the space is concentrated in Burgess Hill.

2.68 On this basis the EGA shows that under the 'baseline' economic growth scenario Mid Sussex would have a slight shortfall of -0.8 hectares in available employment space.

2.69 In paragraph 8.42 the EGA notes that under the more aspiration 'higher growth' economic growth scenario (resulting in a requirement for 52.8 hectares of new employment land to 2031) the shortfall of available floorspace would be some 10.4 hectares, necessitating the allocation of new employment land.

2.70 The need for a mix and choice of employment sites is also important and the EGA considers this for Mid Sussex in paragraphs 8.43 – 8.45 concluding that there would be a shortfall of office space of circa 2.9 hectares.

2.71 Qualitative factors are then considered and the EGA highlights the relatively old and limited new development of office stock in Mid Sussex resulting in a shortage of top quality, Grade A space. The EGA notes that a lack of readily available land for new office and industrial development is beginning to divert enquiries outside of the District, as requirements cannot be met. The EGA concludes in paragraph 8.51 that without intervention there is a risk that the ability of Mid Sussex to accommodate indigenous expansion and new inward investment will become increasingly undermined.

2.72 The EGA determines in paragraph 9.43 that new allocations identified through the draft District Plan, particularly land at north west of Burgess Hill, will provide sufficient new employment land to meet the identified requirements in overall quantitative terms, but also help to address some identified qualitative needs of the District.

West Sussex County Council – Five Bold Ideas, 2014

2.73 West Sussex County Council has set out five bold ideas that, if successful, should catalyse economic activity and help overcome economic challenges. The ideas build upon West Sussex's existing economic assets to draw more high value jobs into the area. They also leverage West Sussex's proximity to London to pull the Capital's current and future wealth creators into the county.

2.74 The five bold ideas can be summarised as:

- Developing a leading bioengineering centre of excellence – establishing a major bioengineering cluster in West Sussex by developing a world-class campus. This is the most relevant of the five ideas to Burgess Hill as a proposed location for a Science and Technology Park;
- Doing more with Gatwick Airport – create new economic assets to the south of the airport to encourage more people to travel to Gatwick and stay in West Sussex;
- Bring high-end finance to Chichester – attract high-end finance companies to relocated to Chichester and the surrounding areas;
- Make Bognor Regis better – focusing on the use of a concentrated area of empty commercial and retail properties to establish a new artistic and creative centre; and
- The beautiful outdoors – encouraging West Sussex as a preferred destination for young professionals by getting people to experience the area directly leading to them being more likely to move to the area.

2.75 The successful delivery of all five ideas is to be supported by improvements to the County's infrastructure and skills.

Supporting Economic Growth in West Sussex 2012 – 2020

2.76 West Sussex County Council has published its economic strategy for the County covering the period 2012 to 2020. The Strategy sets out a high level approach to supporting sustainable economic growth. It builds on the work undertaken by each of the Districts and Boroughs and recognises the importance of the Spatial Area Partnerships in delivering what is needed to support economic growth.

2.77 The Vision is set out on page 6 and highlights an economy with a thriving entrepreneurial culture that actively supports and promotes sustainable living and working communities. The Vision includes attracting, retaining and growing well connected businesses producing high value goods and services.

2.78 A series of Strategic Priorities are set out. Of greatest relevance to the Burgess Hill employment land allocation are:

- Deliver the transport and communications infrastructure that businesses and residents need – with an outcome of improved levels of business and resident satisfaction with transport and communications infrastructure; and
- Make best use of land and property to support a robust and sustainable economy – offering a range of sites and premises to meet local needs and attract high quality new investors; a co-ordinated approach to infrastructure investment; and a planning culture that supports sustainable economic development.

2.79 Employment land provision is considered in pages 38 – 39 across the County. Improvements to the Victoria Road Business Park in Burgess Hill are particularly identified. Elsewhere in the Gatwick Diamond, the Strategy notes that there is a significant volume of good quality employment floorspace in Crawley but a need to improve the quality of the town centre. Horsham's industrial sites are stated to be generally well occupied but with an over-supply of older office accommodation.

The Gatwick Diamond Strategy - Local Strategic Statement, 2012

2.80 Much of Mid Sussex District, including Burgess Hill, is situated within the Gatwick Diamond area. The Area's definition is now long established (although it does not have formally defined boundaries) from its original inception in the former South East Regional Development Agency (SEEDA) Regional Economic Strategy. The Gatwick Diamond Initiative was set up in 2003 as a public/private partnership to work on strategic issues pertinent to the Diamond's local authorities.

2.81 In March 2012 the Gatwick Diamond Local Authorities endorsed a *Local Strategic Statement*. The Statement has four main objectives:

- to provide a consistent strategic direction for the Gatwick Diamond area on planning and economic issues which cross local authority boundaries;
- to set out, for the shorter term, how that strategic direction will be translated into change and development;
- to establish effective mechanisms for inter-authority co-operation on strategic issues so that longer term decisions made through the local plan-making processes are well informed; and
- to identify those areas where joint working will be prioritised.

2.82 In paragraph 2.4 the Statement identifies a series of strategic challenges for the Diamond. These include the need to secure an on-going supply of suitable land and premises to meet the demands of a changing economy; and the need for investment in transport links that have become increasingly congested.

2.83 The Gatwick Diamond vision is to shift the structure of the economy with an increasing emphasis on higher skilled businesses, enterprise and entrepreneurship. Paragraph 4.3 of the *Local Strategic Statement* acknowledges that there continues to be strongest demand for employment floorspace from the warehousing and distribution sector (B8 Use Class). Interventions over a sustained period are therefore required to shift the economy and to address some of the weaknesses such as the availability of high quality sites and premises and the transport infrastructure.

2.84 Business development opportunities are explored in paragraph 4.6 to allow for new business development within the built-up areas across the Diamond and from extensions to existing employment areas. Manor Royal at Crawley and the corridor between Gatwick Airport and Redhill are specifically identified. In addition the Statement notes the importance of regenerating existing employment areas and creating business environments that are attractive to a range of knowledge based companies.

2.85 The longer term economy is also considered in the Statement. Paragraph 9.3 highlights the emphasis continuing on 'smart' growth (increasing productivity of business) and identifies that there may be opportunities for strategic development at various sustainable locations in the Gatwick Diamond.

2.86 The Statement specifically recognises the lack of a modern, flagship science or technology park that are seen as particularly attractive to national international investors. Such a facility would need to be complementary to what can be provided from within the existing or extended business areas. The longer term economic strategic direction therefore includes support for the feasibility of a science/technology park or parks; and work to assess the scale, nature and location of any further new employment opportunities that may be needed.

Local - Mid Sussex District

Mid Sussex Local Plan, 2004

2.87 The Local Plan was adopted on 7th May 2004. A number of policies were saved by direction of the Secretary of State in September 2007, however none of the saved policies are relevant to the proposed strategic employment land allocation west of Burgess Hill.

Consultation Draft Mid Sussex District Local Plan, 2031

2.88 The *Mid Sussex District Plan* 2014 – 2031 was published for consultation in November 2014.

2.89 The draft Plan sets out the vision for the District to 2031 with 14 Strategic Objectives in four priority themes:

- protecting and enhancing the environment;
- promoting economic vitality;
- ensuring cohesive and safe communities; and
- supporting healthy lifestyles.

2.90 The most relevant Strategic Objectives are grouped under the Protecting and Enhancing the Environment and the Promoting Economic Vitality theme as follows:

- SO6. To ensure that development is accompanied by the necessary infrastructure in the right place at the right time that supports development and sustainable communities. This includes the provision of efficient and sustainable transport networks;
- SO7. To promote a place which is attractive to a full range of businesses, and where local enterprise thrives;
- SO8. To provide opportunities for people to live and work within their communities, reducing the need for commuting.

2.91 The overall strategy is set out in Chapter 3 of the Plan. Paragraph 3.8 identifies the location of Mid Sussex within the Gatwick Diamond as offering the potential to enhance the economic prosperity of the area. It states that the Draft Plan promotes strategic development at Burgess Hill and includes proposals for high quality employment floorspace to enable the towns of Mid Sussex to become more sustainable and to boost the area's economy.

2.92 Paragraph 3.14 notes that the strategy will seek to locate homes and employment opportunities as part of development at Burgess Hill. Work has progressed to develop 3,500 – 4,000 new homes to the north and north west of the town alongside new employment development.

2.93 The following draft policies are relevant:

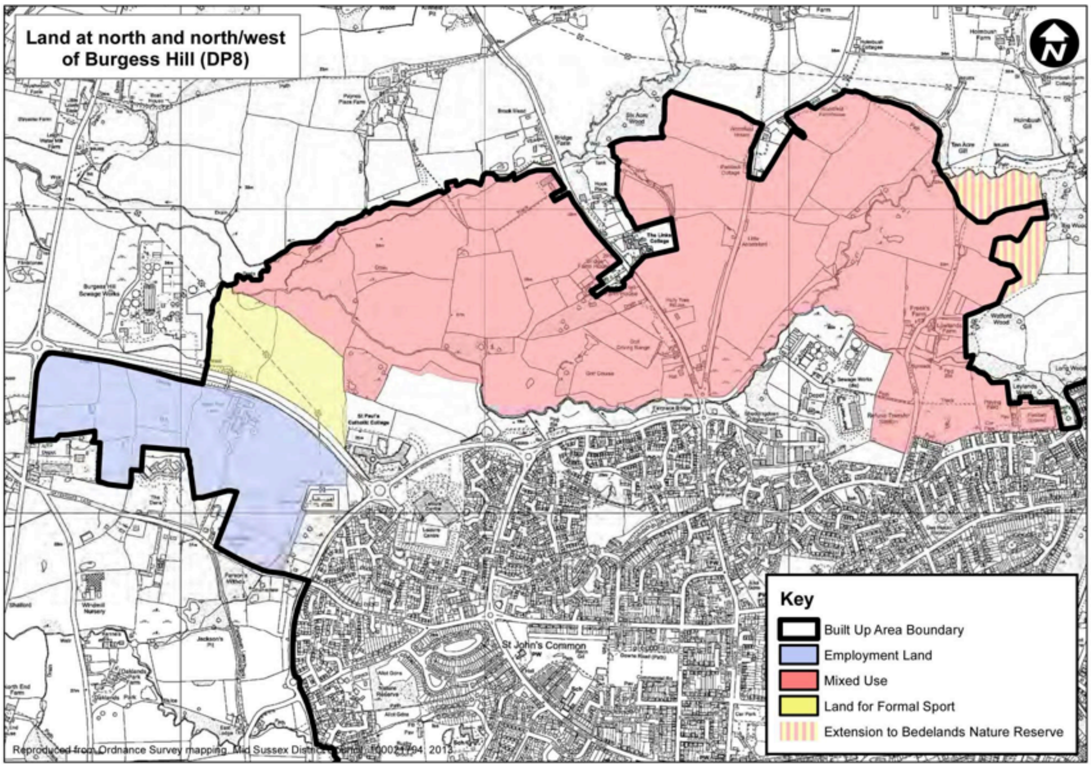
- Policy DP2 (Sustainable Economic Development) – this policy supports the creation of 7,600 new jobs (some 447 per annum) in the plan period. This is to be achieved through: encouraging high quality development of land and premises; supporting existing businesses and allowing them room to expand; encouraging inward investment and the promotion and expansion of clusters/networks of knowledge, creative and high technology industries; seeking the provision of infrastructure to support business growth. In particular, the policy identifies the allocation of 20-30 hectares of land as a high quality business park at Burgess Hill to the east of Cuckfield Road. The policy also notes that interest has been expressed in developing a science park to the west of Cuckfield Road to support research and development and provide employment for the wider area (the Inset 6 Policies Map shows the broad location for a Science and Technology Park).

- Policy DP6 (General Principles for Strategic Development at Burgess Hill) – this policy is concerned with establishing the over-arching principles for growth and development in Burgess Hill. It sets out a range of principles, including: the provision of additional, high quality employment opportunities including business and science park developments; improvements to public transport, walking and cycling; transport improvements that take account of the wider impact of the development on the surrounding area; and highway improvements in and around Burgess Hill to address limitations of east-west movement through the town.

- Policy DP8 (Strategic Allocation to the North and North-west of Burgess Hill) – is concerned with the strategic allocation of greenfield land to the north and north-west of Burgess Hill. The site is noted as an essential location for the delivery of the overall housing numbers of the District Plan and the infrastructure needed in Burgess Hill. The scale of development proposed requires a phasing strategy that shows the delivery of housing and employment and infrastructure. The plan confirms that in May 2014 the Council resolved to grant outline planning permission for the development of up to 50,000 sq.m of employment floorspace to the north-west of Burgess Hill that will form part of the proposed business park.

  The policy allocates north and north-west Burgess Hill for some 3,500 new homes, two neighbourhood centres; 20-30 hectares of land for a high quality business park; two new primary schools and a secondary school campus; and a centre for community sport. The policy sets out the detailed requirements for the mixed-use development to come forward. Figure 7 of the Draft District Plan (reproduced below in Figure 2.1) shows the extent of the proposed strategic allocation and the individual land components that comprise the whole allocation. The area of employment land to the south of the A2300, west of Burgess Hill is clearly identified together with a larger mixed use residential and employment area to the north of the town.

Figure 2.2: Proposed Allocation – Land North /West of Burgess Hill (DP8)



Source: Figure 7, Mid Sussex Consultation Draft Local Plan, 2031

- Policy DP18 (Transport) – this draft policy establishes that new development will be required to support the objectives of the West Sussex Local Transport Plan. The Plan's objectives include the provision of a high quality transport network that promotes a competitive and prosperous economy; and a network that affords access to services, employment and housing.

Burgess Hill Town Wide Strategy, 2011

2.94 Burgess Hill Town Council has adopted the *Burgess Hill Town Wide Strategy* (August 2011) as part of its leading role in the future development of the town and its economy.

2.95 The Town Wide Strategy sets out a 20-year vision for the development of Burgess Hill. The Strategy was subject to consultation during its preparation and adoption.

2.96 The vision for Burgess Hill includes the driver that the town's existing and future population should be supported by the necessary community facilities, employment opportunities and access to green open space. The objectives of the Town Wide Strategy are proposed to be funded primarily by the strategic housing developments and a self-financing business park.

2.97 The relevant objectives for the proposed employment land allocation west of Burgess Hill to achieve the vision are:

- improved public transport, walking and cycling links as well as better roads; and
- additional high quality and suitably located business park development.

2.98 Section 5 of the Strategy (page 34) establishes that Burgess Hill's existing employment offer comprises the town centre and two industrial estates: Victoria and Sheddingdean. Additional employment space is needed in the town. The Town Council consider that the best location for a new employment park would be on the A2300 to the west of the town.

2.99 The Strategy identifies preferred locations for new housing in Section 9. The Northern Sector is described at page 51 as a mixed-use development with up to 3,500 new dwellings.

2.100 The preferred location for a business park is identified in the town wide strategy diagram (section 12, page 61) to the west of and adjoining the Northern Sector stretching west to the junction of the A2300 with the A23/M23.

Burgess Hill Submission Neighbourhood Plan, 2015

2.101 A submission draft of the *Burgess Hill Neighbourhood Plan* was published in January 2015 and is currently in a period of public consultation starting on 12th February. The Neighbourhood Plan covers the existing built area of Burgess Hill including the existing employment and industrial areas of the town. The Plan does not extend to cover the location of the proposed employment land allocation to the west of Burgess Hill as Map 1 on page 8 identifies.

2.102 The Neighbourhood Plan has been prepared with inputs from a range of partners led by Burgess Hill Town Council. The submission draft aligns with the *Burgess Hill Town Wide Strategy* 2011.

2.103 The Plan sets out the vision and core objectives for the town over a 20 year period from 2015 – 2035:

- to deliver improved civic and community facilities;
- to protect and enhance existing open spaces; and,
- to improve the residential environment.

2.104 Key infrastructure and developments to be delivered through the Town-wide Strategy include a new, suitably located business park development. In addition the following objectives are set out:

- a better town centre with a greater range of shops, leisure and entertainment facilities and a more attractive pedestrian environment;

- improved public transport, walking and cycling links as well as better roads;
- new and improved community and cultural facilities;
- new, improved and well connected sports, recreation and open space in and around Burgess Hill; and
- a vibrant green infrastructure and increased biodiversity.

2.105 Core Objectives are set out under paragraph 3.1 and include CO.2 that seeks to promote Burgess Hill as a place for businesses to locate to and where existing business can thrive and to enable local people to live and work within the town.

2.106 At paragraph 2.11 the Neighbourhood Plan identifies the proposed allocation of strategic residential and employment development to the north and west of Burgess Hill and therefore seeks to protect the countryside elsewhere within the plan area.

2.107 Also of relevance is the draft policy S1 concerning a new residential and community neighbourhood on part of Victoria Road Industrial Area. The policy is set out on page 43 and supporting evidence text and Map 10. The policy envisages the change of land use and promotion of redevelopment of a part of the Victoria Road Industrial Area for residential use. Victoria Road, York Road and Consort Way broadly bound the area in question. The policy supports the change to residential and mixed retail/residential development where employment development is shown not to be deliverable. The area identified includes the Maltings that was identified as the last remaining available employment land site in the Victoria Road Business Park area. Chapter 5 of this report discusses the supply of employment land in greater detail.

Conclusions on the Policy Context

2.108 There is a significant body of plans, policies and strategies relevant to the future potential allocation of employment land to the west of Burgess Hill.

2.109 The overarching emphasis of national planning and economic policy is to support long term growth, sustainability and prosperity through new economic development, the expansion of existing businesses and new inward investment.

2.110 The Gatwick Diamond, Coast to Capital Local Enterprise Partnership and the Greater Brighton City Deal strategies clearly highlight the importance of providing suitable infrastructure, homes and commercial employment development sites in order to drive economic growth. The strategies are clear and unambiguous in this respect and are closely interlinked in terms of how public sector and private partners will work together to deliver economic infrastructure including land and floorspace.

2.111 One of the critical matters that each of the strategies outlines is tackling the shortage of suitable employment floorspace and particularly doing so in order to unlock the growth potential of the Greater Brighton area. The City Deal identifies the potential for a new Science and Technology Park in Burgess Hill as part of the approach to promoting longer term Growth Centres. Similarly the LEP's *Strategic Economic Plan* highlights Burgess Hill as a spatial priority location for new homes and associated infrastructure improvements (including capacity improvements on the A2300 connecting to the A23).

2.112 The *Northern West Sussex Economic Growth Assessment* provides an up-to-date review and analysis of the employment demand and supply situation across the Northern West Sussex area, including Mid Sussex District and Burgess Hill specifically. It confirms the strategic economic relationships with the wider Gatwick Diamond area and also with the A27 coastal West Sussex centres. The EGA report confirms Burgess Hill as an established and successful industrial market, less so for office based occupiers, but critically identifies that diminishing supply of land and sites and the need to enhance the quality and choice of employment floorspace stock will impact on the future economic development potential of the town. The EGA clearly identifies that new allocations of employment land proposed in the Mid Sussex District Plan will provide opportunities to meet the identified needs of businesses in quantitative and qualitative terms.

2.113 The emerging Mid Sussex *Consultation Draft District Plan* establishes the principles and policies to support employment growth in the District as a whole and within Burgess Hill. The Draft Plan has clear economic growth objectives to secure some 447 new jobs per annum (7,600 in total) over the Plan's lifetime and highlights development opportunities and proposes allocations of land to the west of Burgess Hill in order to assist in meeting the requirements. The proposed allocations have been assessed through Sustainability Appraisal and through the consideration of alternatives (as this report explores further in Section 5) and identify the area of land subject to this Report for new employment floorspace.

2.114 The emerging local policy approach is therefore both reflective of the Government's national economic and planning policy objectives, but also accords with the sub-regional economic strategies of the LEP, Gatwick Diamond and the City Deal in seeking to create new employment floorspace in Burgess Hill.

Summary

National

- The National Planning Policy Framework (NPPF) supports proactive planning to meet 21st Century business needs. The Framework expects a clear economic vision and strategy for an area to be supported by market demand and supply intelligence and through engagement with the business community.
- The Framework requires consideration of the role and function of land for economic development purposes and particularly expects that such land should be fit for purpose.
- There is an emphasis on the viability and deliverability of developments, including employment uses.
- National Planning Practice Guidance (NPPG) offers relevant guidance to the assessment of employment land needs and supply. It recognises that there are economic market segments and that not all types of economic development will have the same appeal for different occupants.
- Paragraph 30 advises that the location and premises requirements of particular types of business will be important. It highlights the need to identify over-supply or evidence of market failure (where physical or ownership constraints prevent employment sites from being used effectively).
- The Guidance anticipates that the available stock of land should be compared with the particular requirements of the area in order to reflect the increasing diversity of employment generating uses. The Guidance emphasises the importance of mixed-use development and the provision of a variety of employment sites.
- The importance of identifying a future supply of land that is suitable, available and achievable for housing and economic development uses over the plan period is clearly stated. The approach advocated includes assessing site suitability for employment development and the likelihood of development coming forward.

Regional

- The Greater Brighton City Deal was approved by Government in March 2014. The City Deal area includes Mid Sussex District and Burgess Hill.
- One of the critical matters is to tackle the shortage of suitable employment floorspace and business accommodation in Brighton's technology cluster and ensure that the most promising businesses are able to grow in the City Deal area. The identified Growth Centres include a new Business and Science Park at Burgess Hill.

- The Coast to Capital Local Enterprise Partnership encompasses Brighton & Hove, Croydon, the Gatwick Diamond, East Surrey, Lewes and West Sussex. The area includes over 1.9m people and more than 85,000 businesses with 776,000 jobs.
- The Growth Deal totals £202 million from Government's Local Growth Fund to deliver the Strategic Economic Plan. The Government investment is identified to stimulate a further £240 million of additional investment from local partners and the private sector. Under the Growth Deal the investments will create at least 14,000 new jobs and allow 5,000 new homes to be completed contributing towards the 100,000 new homes over 25 year target.
- The Growth Deal is expected to create 5,000 new jobs, 5,040 new homes and 200,000 sq.m of employment space in Burgess Hill.
- For employment development, the Business Park and the Science and Technology Park together are expected to deliver 5,000 new jobs. 'The Hub' proposals are for 50,000 sq.m of employment space on 15 hectares of land creating 1,000 jobs itself. A further 15 hectares of employment land is to be delivered as part of the Northern Arc creating an additional 1,500 jobs.
- The Northern West Sussex Economic Growth Assessment (April 2014) focused on the employment space needs of the B Use Class sectors but also considered future projections for growth in non-B Class sectors.
- The EGA emphasises that the property market in Northern West Sussex is relatively insular and self-contained. Enquiries for business floorspace tend to originate from within the sub-region with Crawley the notable exception, particularly at Manor Royal. Burgess Hill is also identified as competing with other locations in the Gatwick Diamond and Coast to Capital LEP area for occupiers and investment.
- For Mid Sussex District, the EGA concludes that business services, health, education, retail and accommodation/food services are the principal economic sectors. 20% of jobs are in the public sector.
- The distribution of the District's office stock is primarily concentrated in Haywards Heath (31%), Burgess Hill (25%) and East Grinstead (24%). The stock of industrial floorspace is noted to be concentrated around Burgess Hill (42%) and the A273 corridor.
- The EGA describes Burgess Hill as an established and successful industrial market concentrated on Victoria Road Business Park, Sheddingdean Business Park and Bolney Grange. The supply of available land for development is concluded to be diminishing and the office market is concluded to be less well established compared to other locations in the sub-region.
- The EGA concludes that there is a need for 148,250 sq.m of employment floorspace under the baseline job growth scenario to 2031; this equates to

an estimated 30.7 hectares of additional employment land. Existing undeveloped employment allocations, sites and outstanding planning permissions (excluding any allocations proposed in the Draft Plan such as land to the north and west of Burgess Hill) provide 29.9 hectares of employment land in the District but with a focus on industrial (B1c, B2 and B8 uses) accounting for 70% of that supply. Office and mixed B Use Class land represents the other 30% of potential existing undeveloped supply. Half of the space is concentrated in Burgess Hill. Hence the EGA concludes that there is an under-supply of employment land (-0.8Ha shortfall to the baseline economic growth model and -10.4 Ha measured against the EGA's higher growth economic scenario).

- The EGA also identifies qualitative concerns highlighting the relatively old stock and limited new development employment floorspace in Burgess Hill. It notes the lack of available land supply to ensure quality and choice for the market and is concerned that there is an increasing risk that without intervention the District's ability to accommodate indigenous expansion and new inward investment will be undermined.

Local

- The Mid Sussex *Consultation Draft District Plan* 2014 – 2031 was published in November 2014. The Plan sets out the vision for the District to 2031 including the provision of 7,600 net additional jobs in the plan period. Policy DP6 sets the general principles for strategic development in Burgess Hill including the provision of additional high quality employment opportunities through new business and science park developments.
- Policy DP8 makes a proposed allocation of greenfield land to the north and west of Burgess Hill to accommodate housing and employment land for some 3,500 new homes, two neighbourhood centres; 20-30 hectares of land for a high quality business park; two new primary schools and a secondary school campus; and a centre for community sport.
- Burgess Hill Town council adopted the *Burgess Hill Town Wide Strategy* in August 2011. The Strategy seeks additional employment space for the town. The Town Council consider that the best location for a new employment park would be on the A2300 to the west of the town and adjoining the Northern Sector proposed residential and mixed use development area.
- A submission draft of the *Burgess Hill Neighbourhood Plan* was published in January 2015 and is currently undergoing public consultation. Key infrastructure and developments to be delivered through the Town Wide Strategy include a new, suitably located business park development. The Neighbourhood Plan identifies the proposed allocation of strategic residential and employment development west of Burgess Hill.
- The emerging local policy approach is therefore both reflective of the

Government's national economic and planning policy objectives, but also accords with the sub-regional economic strategies of the LEP, Gatwick Diamond and the City Deal in seeking to create new employment floorspace in Burgess Hill.

3. DEMAND ASSESSMENT

Introduction

3.1 This Section provides an assessment of employment land demand for Mid Sussex covering the period 2014 - 2031, and forms the basis for the analysis presented later in the Gap Analysis at Section 6 of the report.

3.2 There are two key components to developing the land demand assessment. The first are economic conditions and forecasts, and the second is an assessment of property trends and the property market. Economic demands and forecasts are examined in this Section, with Property Market Activity discussed in Section 4.

3.3 The broad structure of this Section is as follows:

- **Economic Forecasts** – providing a brief economic and employment overview of Mid Sussex; a set of baseline employment forecasts and land demand with sensitivity test; the application of an alternative set of economic forecasts, and an assessment of the potential impacts of Gatwick Airport expansion plans.
- **Summary Demand Assessment** – drawing together the above analysis into an overview and summary assessment of employment land demand potential in Mid Sussex.

Economic Forecasts

Overview

3.4 The growth in economic output of Mid Sussex over the ten years leading up to the recession (1997-2006) averaged 1.1% per annum[1], compared to 1.9% for West Sussex as a whole. Over the recession and post-recession period (2007-2013) Mid Sussex experienced an average reduction in economic output of -2.6% per annum, mainly driven by a sharp economic retraction in 2009 of just under -10%.

3.5 Recovery has been steady since then, with an expected economic output growth rate of 3% for 2014 compared with 2013 and an economic output growth rate of 2.3% for 2015 compared with 2014. Forecast for the period of

[1] *Source: Experian Forecasts (December 2014). GVA Output measure based.*

2011-2031 shows an economic growth rate of 2.1% per annum, which is below the West Sussex average rate (2.35% per annum).

3.6 The mixed composition of the local economy has helped in maintaining a relatively resilient economic picture, even though there have been elements of re-structuring in the local economic base. Table 3.1 illustrates how Mid Sussex compares with the South East and England averages across the main business sectors. This relates to the employment sector Mid Sussex residents work in, rather than jobs within Mid Sussex itself (i.e. workforce based employment). Nevertheless, it helps illustrate the economic emphasis of Mid Sussex residents, and thus the potential to influence issues such as commuting patterns and the opportunity for new development in the District to build upon skills already present in the area.

3.7 Table 3.1 illustrates that there is above average employment by Mid Sussex residents in the transport and storage, financial and insurance activities, human health and social work activities sectors, with the professional, scientific and technical, and public administration sectors being marginally above the South East average. In fact, these sectors make up approximately 39% of the employment focus of Mid Sussex residents. This compares to 35% for the same sectors in the South East of England reporting region and nationally. In contrast, Mid Sussex residents have relatively low coverage in the manufacturing, wholesale and retail trade, accommodation and food services, and public administration sectors.

3.8 The employment breakdown in terms of potential B Use Class and Non B Use Class uses is also relevant. Whilst directly mapping between Use Classes and employment categorisations is not straightforward, a broad indication can be obtained.

3.9 Using the 2011 ONS based data summarised in Table 3.1, then approximately 44% of employment by Mid Sussex residents is in B Use Class related sectors. Conversely, 56% is in Non-B Use Class activities, such as education, health, retail and leisure. However, whilst this is an indication of employment activity associated with B Use Classes, it needs to recognised that not all of this employment is based with the Mid Sussex District.

Table 3.1: Economic Composition of Mid Sussex District Residents

	Mid Sussex		South East England		England	
A Agriculture, Forestry and Fishing	459	0.6%	28,582	0.7%	203,789	0.8%
B Mining and Quarrying	85	0.1%	5,832	0.1%	43,302	0.2%
C Manufacturing	4,124	5.7%	306,391	7.2%	2,226,247	8.8%
D Electricity, Gas, Steam and Air Conditioning Supply	390	0.5%	24,500	0.6%	140,148	0.6%
E Water Supply; Sewerage, etc	377	0.5%	29,749	0.7%	175,214	0.7%
F Construction	5,509	7.6%	339,761	8.0%	1,931,936	7.7%
G Wholesale and Retail Trade; etc	9,702	13.4%	662,860	15.6%	4,007,570	15.9%
H Transport and Storage	4,673	6.5%	222,795	5.2%	1,260,094	5.0%
I Accommodation & Food Service Activities	3,173	4.4%	214,329	5.0%	1,399,931	5.6%
J Information & Communication	3,593	5.0%	235,081	5.5%	1,024,352	4.1%
K Financial & Insurance Activities	5,583	7.7%	191,566	4.5%	1,103,858	4.4%
L Real Estate Activities	1,012	1.4%	61,133	1.4%	367,459	1.5%
M Professional, Scientific & Technical Activities	5,588	7.7%	317,787	7.5%	1,687,127	6.7%
N Administrative & Support Services	4,108	5.7%	219,830	5.2%	1,239,422	4.9%
O Public Administration and Defence	3,222	4.5%	255,674	6.0%	1,483,450	5.9%
P Education	7,269	10.1%	432,119	10.1%	2,490,199	9.9%
Q Human Health and Social Work Activities	9,393	13.0%	495,212	11.6%	3,121,238	12.4%
R,S, T, U and Other	3,969	5.5%	217,522	5.1%	1,257,385	5.0%
All Usual Residents Aged 16 to 74 in Employment	72,229	100.0%	4,260,723	100.0%	25,162,721	100.0%

Source: ONS (2011). Based on 2007 Standard Industrial Classification. Resident Population Employment

3.10 Table 3.2 provides a breakdown of employment within Mid Sussex District. This is not sub-divided to the same level of detail as in Table 3.1, but still provides a reasonable basis for understanding patterns.

3.11 Comparing the sectors that residents within Mid Sussex are employed in with the jobs available within Mid Sussex reveals a number of points:

- there is a slightly higher *proportion* of Manufacturing jobs in Mid Sussex compared with the proportion of residents working in this sector, although in absolute terms there are fewer manufacturing jobs in the District. This suggests there is a degree of out-commuting to such jobs from Mid Sussex residents;

- there is a higher proportion and absolute number of Wholesale and Retail Trade and Accommodation & Food Services jobs in Mid Sussex compared with residents working in these sectors. This suggests there is in-commuting to take-up such jobs in Mid Sussex;
- there is a lower proportion and absolute number of Transport and Storage, Information & Communication, and Financial & Other Business Services jobs in Mid Sussex compared to residents working in this sector. This suggests there is a degree of out-commuting to such jobs from Mid Sussex residents;
- overall, there is net out-commuting by residents to employment outside of Mid Sussex.

3.12 When the proportion of jobs within Mid Sussex is compared with the South East England and England averages there are a number of additional points that arise:

- there is a slightly lower proportion of Manufacturing jobs in Mid Sussex compared with the regional average (and residents appear to be out-commuting to such jobs elsewhere in the region);
- there is a noticeably lower proportion of Transport & Storage and Information & Communication sector jobs in Mid Sussex compared with the regional average;
- there is a higher proportion of Financial & Other Business Services and Public Admin, Education and Health sector jobs in Mid Sussex compared with the regional average (even though a number of Mid Sussex residents are out-commuting to jobs in these sectors);
- there is a particularly high proportion of jobs in Mid Sussex in the Wholesale and Retail sector compared with the regional and England average.

3.13 The mapping of the business sectors under the resident-based employment analysis (i.e. the condensed version of Table 3.1) indicates that 67% of residents are employed in the B Use Class business sectors, and 33% in a Non B Use Class sectors. The proportions are different from the analysis arising from Table 3.1, as a more detailed mapping of business sector to B/Non B Use Class is possible in Table 3.1. In terms of the workplace-based employment analysis (i.e. the number of jobs actually in Mid Sussex), then the proportionate split is 62% B Use Class and 38% Non B Use Class. This suggests that there is a net out-commuting of residents from Mid Sussex to B Use Class related jobs, and hence an opportunity pool that could be attracted to such employment in Mid Sussex if it was available.

Table 3.2: Economic Composition of Mid Sussex District – Residents compared with Workplace Jobs

	Mid Sussex (Resident-Based – as per Table 3.1)		Mid Sussex (Workplace Based)		South East England	England
A-B Primary Services	544	0.8%	100	0.2%	0.2%	0.3%
C Manufacturing	4,124	5.7%	3,300	6.0%	6.4%1	8.5%1
D-E Energy and Water	767	1.1%	400	0.7%	1.0%	1.1%
F Construction	5,509	7.6%	2,500	4.6%	4.7%	4.4%
G Wholesale and Retail Trade; etc	9,702	13.4%	11,200	20.5%	17.3%	15.9%
H Transport and Storage	4,673	6.5%	1,100	2.0%	4.1%	4.5%
I Accommodation & Food Service Activities	3,173	4.4%	3,800	6.9%	7.3%	7%
J Information & Communication	3,593	5.0%	2,300	4.2%	6.3%	4%
K-N Financial & Other Business Services	16,291	22.6%	11,900	21.8%	20.8%	21.8%
O-Q Public Admin, Education and Health	19,884	27.5%	15,100	27.6%	26.6%	28%
R,S, T, U and Other	3,969	5.5%	3,000	5.5%	5.2%	4.6%
Total Workplace Employment	72,229	100.0 %	54,700	100.0%	100%	**100%**

Source: ONS (2011); Nomisweb (accessed 23/2/2015).

Mid Sussex – Employment Change

3.14 The translation of economic growth into employment change is a critical aspect in assessing the potential demand for employment land in the future. This sub-section examines the evidence in this area, and draws conclusions of relevance to the assessment of property and land demand. Critical to this are robust employment growth forecasts.

3.15 According to the Census of Population, the economically active population grew from 66,320 to 75,025 between 2001 and 2011. This is an increase of 8,705, (870 per annum) and is an increase of just over 13%. This compares with an increase of 12% in the South East as a whole.

3.16 If only 'employees' are examined, then the increase over the period 2001 to 2011 was 4,597 or 460 jobs per annum. In other words, there was an increase in the workforce between 2001 and 2011 as measured by the Census of Population.

3.17 This contrasts with the analysis of economic forecasting houses, such as Experian, for this period however. The latest Experian market forecasts[2] indicate that employment in Mid Sussex (both FTE-based and workforce-based) declined over the period 2001 to 2011. In the case of FTE employment this was by 5,090 and for workforce jobs the reduction was 4,610.

3.18 Part of the reason for the variation is due to the different methods and approaches used by the ONS and economic forecasting houses in measuring employment. In addition, the 'live' nature of the models operated by economic forecasters enables retrospective adjustment of data in light of more recent data and understanding of trends. This includes the treatment of self-employment, for example. Mid Sussex saw a major increase in this component of the workforce according to the 2011 Census (30%). However, analysis by Experian has indicated a change of under-9% in this category over the period 2001 to 2011 in Mid Sussex. This, and other adjustments, has fed through to indicate an overall decline in employment in Mid Sussex over the period 2001 to 2011.

3.19 A factor underlying the above patterns is the re-balancing of the Mid Sussex economy. The last 10-15 years has seen a significant shift away from agricultural, manufacturing, finance and insurance, and professional and other private services sectors. In 1997 these sectors comprised 43% of the workforce in Mid Sussex, but by 2011 this had reduced to 31%[3]. The significance of the construction, wholesale, accommodation and food services, and public services sectors in terms of employment has increased over this period – from 50% to 61%. These 'growth' sectors are characterised by part-time and hourly contract work, which is likely to complicate the determination of job numbers, and hence explain some of the variation between Experian and ONS employment figures.

Baseline Employment Forecasts and Land Demand

3.20 Economic forecasts indicate a more buoyant picture for Mid Sussex than revealed for the past. This builds from the re-structuring of the economy over the last 10-15 years. Whilst continued decline in a number of sectors is expected to reinforce trends seen over the last decade, it appears that the main re-adjustments to the economy have now already occurred.

3.21 Before looking at the latest economic and employment figures, it is valuable to consider the findings from the *North West Sussex Economic Growth*

[2] *Source: Experian Forecasts (December 2014). Labour Market Forecasts Quarterly*

[3] *Source: Experian Forecasts (December 2014). Labour Market Forecasts Quarterly (Workforce based)*

Assessment (NWS EGA) study completed in April 2014[4]. The study examined the current economic and land supply/demand position across three Northern West Sussex authorities (Mid Sussex, Crawley and Horsham), evaluated options for future growth, and provided recommendations on the most appropriate economic growth options and means of achieving this growth.

3.22 As part of the study a set of employment forecasts were obtained from Experian, based on the May 2013 run of their economic model. The outputs were analysed to examine employment forecasts under 'baseline' and 'higher growth' scenarios for the period 2011 to 2031, with the 'higher growth' scenario based on the development of a strategic site to the north west of Burgess Hill. The employment forecasts are understood to be on the basis of workforce jobs, which were then mapped across into B Use Class and Non-B Use Class activities. The results of the analysis are summarised in Tables 3.3 and 3.4 below[5].

Table 3.3: 'Baseline' Forecast Employment Change in Mid Sussex 2011-2031 (Experian, May 2013 Based – NWS EGA)

Sector	No. of Jobs		Change 2011-31
	2011	2031	2011-31
Manufacturing (B1c/B2)	6,130	5,440	-690
Distribution (B8)	4,300	4,950	650
Office (B1a/b)	13,370	17,390	4,020
Total B Class Jobs	**23,800**	**27,780**	**3,980**
Total All Sectors	**62,155**	**72,580**	**10,425**

Source: Extracted from North West Sussex Economic Growth Assessment (April 2014), Nathaniel Lichfield & Partners. Table 7.14 pg 126 (Workforce based)

[4] *Source: North West Sussex Economic Growth Assessment (April 2014), Nathaniel Lichfield & Partners.*

[5] *It should be noted that the B Use Class workforce employment breakdown prepared as part of the NWS EGA is not directly comparable with BRES data. As an example, in B Use Class terms the manufacturing sector is taken to include a proportion of the utilities, specialised construction activities, and wholesale business sectors according to the NWS EGA. This results in a higher manufacturing-related workforce employment figure when compared with BRES data, which will not include elements of these business sectors in the definition of manufacturing activity.*

Table 3.4: 'High Growth' Forecast Employment Change in Mid Sussex 2011-2031 (Experian, May 2013 Based – NWS EGA)

Sector	No. of Jobs		Change 2011-31
	2011	2031	2011-31
Manufacturing (B1c/B2)	6,130	6,980	850
Distribution (B8)	4,300	5,180	880
Office (B1a/b)	13,370	18,800	5,230
Total B Class Jobs	**23,800**	**30,760**	**6,960**
Total All Sectors	**62,155**	**75,580**	**13,425**

Source: Extracted from North West Sussex Economic Growth Assessment (April 2014), Nathaniel Lichfield & Partners. Table 7.15 pg 128 (Workforce based)

3.23 The 'baseline' scenario indicated an additional 3,980 B Use Class jobs by 2031 in Mid Sussex compared to 2011. This represents approximately 38% of the employment growth in Mid Sussex over this period. The 'higher growth' scenario estimated an additional 6,960 B Use Class jobs in Mid Sussex by 2031 compared to 2011.

3.24 This growth was primarily driven by the development of the proposed strategic business park site to the north west of Burgess Hill, although the modelling work undertaken as part of the NWS EGA study included the potential for enhanced higher-value economic growth with certain key growth sectors within the Gatwick Diamond and Coast to Capital LEP areas.

3.25 These employment numbers were used to develop an assessment of employment land requirements in the District over the period 2011-31 using the following key assumptions:

- applying standard employment density ratios by different type of B Class Use;
- an allowance for market vacancy allowance (10%);
- a delivery safety margin (effectively two years take-up rate); and
- an allowance for the replacement of losses of existing employment space to Non-B uses to cater for redeveloping and improving existing sites.

3.26 The resulting employment land demand in Mid Sussex is summarised in Table 3.5. This indicates that under the 'baseline' scenario the land demand requirement is 30.7 hectares, whilst under the 'higher growth' scenario the figure is 52.8 hectares.

3.27 The 'higher growth' scenario is, in practical terms, a 'policy-on' scenario, as it assumes the development of the strategic business park site to the north west of Burgess Hill that is the subject of this Report.

Table 3.5: Gross Floorspace & Land Demands in Mid Sussex in 2031 (Experian, May 2013 Based – NWS EGA)

Sector	Baseline Scenario		Higher Growth Scenario	
	Floorspace (sq. m)	Land (Ha)	Floorspace (sq. m)	Land (Ha)
Industrial (B1c/B2/B8)	84,470	21.1	164,320	41.1
Office (B1a/b)	63,780	9.6	77,755	11.7
All B Class Uses	**148,250**	**30.7**	**242,080**	**52.8**

Source: Extracted from North West Sussex Economic Growth Assessment (April 2014), Nathaniel Lichfield & Partners. Table 7.16 pg 129

3.28 As a starting point in providing a current assessment of potential demand for employment land in Mid Sussex, an update to the NWS EGA data has been carried out for the District as part of this analysis. The assessment undertaken is for the period 2011-31, based on the latest economic and employment projections from Experian (December 2014).

3.29 The latest Experian projections reflect a significant update to the May 2013 forecasts, including incorporation of the latest 2011 Census findings on commuting as well as adjustments for the structural changes in the local economy discussed earlier.

3.30 The results are summarised in Table 3.6 below and have been assembled on broadly the same basis as the 'baseline' scenario results summarised in Table 3.3 in terms of mapping of activities to B Use Class, and the data relates to B Use Class employment. Total workforce employment growth for the period 2011-2031 is projected to be 9,563. This is a -8% decline on the total workforce employment growth projected in the May 2013 forecasts.

3.31 A key reason for the reduced rate of growth between 2011-31 is due to readjustments to the 2011 base employment figure within the December 2014 Experian forecasts. The 2011 base employment figure has been adjusted upwards under the December 2014 forecasts compared with the May 2013 forecasts – from 62,115 to 63,825. The result is that the level of growth between 2011-31 is lower in the December 2014 forecasts compared with the May 2013 forecasts, even though the base figure for 2031 is higher under the December 2014 forecasts than in the May 2013 forecasts – 73,388 (Dec 2014) to 72,580 (May 2013).

3.32 The overall growth in the total of B Use Class jobs over the period 2011-31 (1,283) is noticeably lower than the growth forecast in the May 2013 Experian forecasts for the same period (3,980). There are a number of reasons underlying this:

- the latest Experian forecasts (December 2014) have a reduced level of growth over the period 2011-31 in sectors associated with the B1 office sector (computing & information, insurance and pensions, and professional services). This has markedly reduced employment growth in the office sector over the period 2011-31;
- the wholesale sector has seen an increase in employment growth levels for the period 2011-31 relative to those used in the May 2013 Experian forecasts, which has resulted in an increase in B8-related employment for Mid Sussex. However, this has been counter-balanced by lower growth levels in the storage and distribution sector. The overall net effect is an increase in employment growth in B8-related sectors under the December 2014 Experian forecasts compared with the May 2013 forecasts;
- there has also been less of a reduction in employment decline across many of the manufacturing sectors between the May 2013 and December 2014 forecasts.

3.33 The result of the above is that the composition of employment growth has changed between the May 2013 and December 2014 forecasts. The manufacturing sector is expected to see a lower net decrease in employment under the December 2014 forecasts, compared to the net decline in the May 2013 forecasts. The distribution sector is expected to see an increased amount of growth under the latest employment forecasts, whilst the office-related sector is expected to see a net reduction in employment compared with the substantial growth forecast in the May 2013 forecasts.

Table 3.6: Employment Forecasts for Mid Sussex 2011-31 (Experian, Dec 2014 Based)

Sector	No. of Jobs		Change 2011-31
	2011	2031	2011-31
Manufacturing (B1c/B2)	6,338	5,969	-369
Distribution (B8)	4,910	6,313	1,403
Office (B1a/b)	13,218	13,467	249
Total B Class Jobs	**24,466**	**25,749**	**1,283**
Total All Sectors	**63,825**	**73,388**	**9,563**

Source: Experian, December 2014, Workforce Jobs Basis

3.34 The forecasts over the period 2014-31 have been analysed to accord with the Local Plan coverage. However, some of the mapping of industry types to B Use Classes have been adjusted.

3.35 The main difference is to the wholesale sector. In the NWS EGA this was split 21% to B2 and 79% to B8 Use Classes. Given the nature of this sector, which has a significant retail component, it is assumed that 40% of such employment is likely to take place on Non-B Use Class space. The remaining employment has been assigned 10% to B2 and 50% B8 Use Classes.

3.36 In addition, there are likely to be elements of activities that are classed as Non-B Use Class occupiers who may occupy office and industrial type space. This includes elements of the civil engineering, education, health, residential care, and construction sectors. These have been incorporated into the analysis, and the results are summarised in Table 3.7, resulting in a lower overall level of B Use Class employment growth. For 2014-2031 there is forecast to be an additional 676 B Use Class workforce jobs.

Table 3.7: Employment Forecasts for Mid Sussex 2014-31 (Experian, Dec 2014 Based)

Sector	No. of Jobs		Change 2014-31
	2014	2031	2014-31
Manufacturing (B1c/B2)	5,392	5,091	-301
Distribution (B8)	3,727	4,421	694
Office (B1a/b)	13,634	13,467	-284
Total B Class Jobs	**22,753**	**22,978**	**676**
Total All Sectors	**65,048**	**73,388**	**8,340**

Source: Experian, December 2014, ***Workforce Jobs Basis***

3.37 In terms of land and floorspace requirements, the Full Time Equivalent (FTE) measure of employment is likely to identify a more realistic picture of demand than the Workforce employment measure. An analysis of employment change based on FTE employment has been prepared for Mid Sussex and is summarised in Table 3.8 using the same assumptions discussed above.

Table 3.8: Employment Forecasts for Mid Sussex 2014-31 (Experian, Dec 2014 Based)

Sector	No. of Jobs		Change 2014-31
	2014	2031	2014-31
Manufacturing (B1c/B2)	4,471	4,183	-288
Distribution (B8)	3,385	4,036	651
Office (B1a/b)	10,168	9,820	-158
Total B Class Jobs	**18,024**	**18,039**	**205**
Total All Sectors	**47,104**	**51,984**	**4,790**

Source: Experian, December 2014, ***FTE Employment Basis***

3.38 The above employment projection figures have been translated into potential employment land demand. This has adopted the same assumptions as used in the NWS EGA regarding market vacancy rate, delivery safety margin, and allowance for replacement.

3.39 Two main differences have been applied however. The activity rate underlying the Experian forecasts has been reduced to a rate closer to that identified in the 2011 Census[6]. This results in a more cautious land demand figure given the resulting lower level of employment growth. The second modification has been the changes applied to some of the mapping of employment to B and Non-B Use Classes, as set out previously.

3.40 The results of the above process are summarised in Table 3.9. This indicates a Baseline land demand figure of approximately 19.5 hectares over the period 2014-31 in Mid Sussex District.

[6] *A triangulation of dataset analysis was carried out to provide a high-level assessment of activity rate patterns. ONS data from the 2011 Census (Table QS601EW) shows an Economic Activity rate for the resident population of Mid Sussex of 74.8%. This is based on the 'economically active' total population (75,025) as a proportion of the 'all usually resident' population (100,252).*

BRES data (Local authority profile – nomisweb, accessed 23/2/15) shows an Economic Activity rate of 82.7% (72,300 'economically active' as at Oct 2013-Sep 2014, as a proportion of 'all people aged 16-64' for the period Oct 2013-Sep 2014).

Experian employment projections (December 2014) reveal an Economic Activity rate of 80.5% for 2014. This is based on the total workforce plus unemployed (68,640) as a proportion of the 'state working age' population (85,320). Whilst the difference between the BRES economic activity rate of 82.7% and the Experian economic activity rate of 80.5% would ordinarily be used to calibrate economic activity rates, the Experian economic activity rate was calibrated against the 2011 Census economic activity rate in order to ensure a realistic minimum level of potential employment land demand was used within the study.

Table 3.9: Gross Floorspace & Land Demands in Mid Sussex in 2031 (Experian, December 2014 Based, 2014-31 Change)

Sector	Baseline Scenario	
	Floorspace (sq.m)	Land (Ha)
Industrial (B1c/B2/B8)	80,333	19.1
Office (B1a/b)	12,258	0.4
All B Class Uses	**92,591**	**19.5**

Source: Experian, December 2014, FTE Jobs Basis, CCL/PEx calculation

Sensitivity Analysis

3.41 The above provides an updated Baseline Scenario for employment land demand in Mid Sussex up to 2031. This primarily relates to underlying growth within the local economy.

3.42 In order to test the robustness of this assessment, a series of sensitivity checks have been undertaken. The main modifications to assumptions to carry out the sensitivity tests or analysis include the following:

- **Scenario 1**. The 'replacement allowance' (reflecting replacement of losses of existing employment space to Non-B uses to cater for redevelopment and improvement to existing) was reduced to 25%;
- **Scenario 2**. The Experian economic activity rate was applied, rather than an adjusted rate closer to that indicated by the ONS;
- **Scenario 3**. The use of a Workforce basis for measuring employment change, rather than Full-Time Equivalents;
- **Scenario 4**. The unmodified use of the original NWS EGA B Use Class mapping process; and
- **Scenario 5**. Adjustment of the modified mapping of B Use Class mapping adopted for this study.

3.43 The results of the sensitivity analysis are summarised in Table 3.10, with the Baseline Assessment results from Table 3.9 included for reference. Scenarios 1 to 3 have relatively minor impacts upon the Baseline Assessment, resulting in an overall employment land demand figure ranging from approximately 16 to 24 hectares.

3.44 Sensitivity analysis Scenario 4 results in an increase in the level of potential demand. Overall employment land demand for Mid Sussex increases to approximately 31 hectares under this scenario. This is due to the increase in employment in the wholesale and retail trade sector in particular forecast by Experian for the period 2014-31.

3.45 Under the mapping of employment in this sector to B Use Classes adopted by the NWS EGA, then all employment is assigned to a B Use Class, primarily distribution (B8) uses. This results in an increased level of land demand requirement given the nature of such activities.

3.46 A modification to this scenario has been made involving changing the mapping of wholesale and retail trade sectors to B Use Classes adopted for the current study. Therefore, instead of 60% of employment assumed to be in B Use Classes, the assumed proportion becomes 70%, resulting in an overall employment land demand figure of approximately 23 hectares. This is consistent with the land demand assessments from sensitivity test Scenarios 1 to 3.

Table 3.10: Sensitivity Analysis of Baseline Employment Land Demand Assessment for Mid Sussex (2014-31)

Scenario/Test	Land Demand B1 (Ha)	Land Demand B2/8 (Ha)	Total Employment Land Demand(Ha)
Baseline Assessment	0.4	19.1	19.5
1. Reducing 'Replacement Allowance'	0.2	15.5	15.7
2. Applying Experian Economic Activity Rate	0.4	19.5	19.9
3. Adopting a 'Workforce Based' Employment Definition*	1.7	21.8	23.5
4. Using an Unadjusted NWS EGA B Use Class Mapping	0.4	30.6	31.0
5. Reduced NWS EGA B Use Class Mapping	0.4	22.7	23.1

Source: CCL/PEx calculations

** But retaining current 'replacement allowance', using the Experian economic activity rate modified to ONS level, and retaining the adjusted B Use Class mapping process used for this study*

Consideration of Alternative Economic Forecasts

3.47 Economic forecasts were obtained from Oxford Economics for comparative purposes.

3.48 A detailed like-for-like comparison with Experian forecasts is not possible given the different ways in which the industry sectors are sub-divided. However, the total levels of employment (workforce based definition) of the two sets of forecasts are summarised in Table 3.11.

3.49 Although the Oxford Economics forecasts suggest a higher total employment figure for 2030 compared with the Experian forecasts, the change between 2014-2031 results in a higher level of employment increase under the Experian forecasts (+582 jobs). In other words, whilst the Experian forecasts suggest a lower absolute level of employment by 2030, there is forecast to be a greater increase in the number of jobs between 2014 and 2031.

Table 3.11: Total Employment Forecasts for Mid Sussex (Experian, December 2014 and Oxford Economics January 2015. Workforce based definition)

Forecast	Total Employment (Workforce-Based)			
	2011	2014	2030*	Change 2014-2030
Experian	63,825	66,542	73,029	6,487
Oxford Economics	63,682	67,966	73,871	5,905
Difference	**+143**	**-1,424**	**-842**	**+582**

Source: Experian, December 2014,Workforce Basis; Oxford Economics, January 2015

** Oxford Economics forecast to 2030 and Experian to 2031, so 2030-year used for comparison purposes.*

3.50 Translating the two sets of forecasts into a comparable B Use Class breakdown is problematic, due to the industry sector breakdown they each use. Oxford Economics present data in relation to 19 industry categories, whilst Experian use 38 industry categories and 12 broad sectors.

3.51 An indicative mapping of the results to the 12 broad sectors level has been carried out using the main emphasis of the mapping process applied in developing the analysis for Tables 3.6 - 3.8 as far as possible. Nevertheless, direct comparisons with the B Use Class employment results presented in Tables 3.6 to 3.8 is not possible, and so the results are best seen as a guide to variation in potential demand for employment land. The results are summarised in Table 3.12.

Table 3.12: Indicative B Use Class Employment Forecasts for Mid Sussex (Experian, December 2014 and Oxford Economics January 2015. Workforce based definition)

Forecast	B Use Class Employment (Workforce-Based)		
	2014	2030*	Change 2014-2030
Experian	22,753	22,978	676
Oxford Economics	22,280	23,507	1,227
Difference	**+473**	**-529**	**-551**

Source: Experian, December 2014,Workforce Basis; Oxford Economics, January 2015

** Oxford Economics forecast to 2030 and Experian to 2031, so 2030-year used for comparison purposes.*

3.52 The analysis summarised in Table 3.12 suggests that the B Use Class employment growth between 2014 and 2030 under the Oxford Economics forecasts could result in 551 more jobs than the Experian forecasts. This is a potential uplift in demand of approximately 80%. A simple translation of this to the Baseline Assessment of 19.5 hectares would result in a potential employment land demand figure of approximately 35 hectares.

3.53 The above assessment needs to be treated with caution as it is a more high-level application of key assumptions. Nevertheless, it does indicate the potential for an appreciable increase in employment land demand potential in Mid Sussex. This is primarily based on an alternative interpretation of how employment growth may be distributed across the local economy, as Table 3.11 indicated broad similarity with total employment growth between the two sets of forecasts.

3.54 The above presented a Baseline Assessment and variations around this in relation to local employment demand. There are also external factors which will influence employment growth in Mid Sussex, the most significant of which is likely to be growth options for Gatwick Airport considered in the next sub-section.

The Impact of Gatwick Airport

3.55 Table 3.13 provides a summary assessment of the potential employment impacts of an expansion of Gatwick Airport on Mid Sussex. This is based on the assessment carried out for The Coastal West Sussex Partnership by

Nairne Ltd (September 2014)[7], and is developed from the base data in the Airports Commission analysis[8].

3.56 The assessment for The Coastal West Sussex Partnership examined the current levels of employment at Gatwick Airport and then compared that with various growth options for the Airport. This included an expansion option without a second runway, and the two ranges associated with a second runway (Option 1 and 3) proposed by Gatwick Airport.

3.57 There are uncertainties over the assessment of employment impacts, not least because a decision on the nature of any future expansion at Gatwick Airport is still to be determined. In addition, translating such potential employment impacts to a Mid Sussex context requires interpretation and reasoned assumptions.

3.58 The key assumptions that have been used in judging the potential impact of an expanded Gatwick Airport on Mid Sussex include the following:

- the employment impacts identified for Gatwick Airport are expressed as total jobs rather than full-time equivalent. This may over-state potential demand for employment land.
- the allocation of employment growth from Gatwick Airport to Mid Sussex is based on the current disposition of employment associated with the Airport across the sub-region. The Mid Sussex Share is identified as 8.2% current market share. There is no guarantee that future employment growth resulting from Gatwick Airport will be disposed across the sub-region on this basis, but it is a reasonable interpretation in the case of Mid Sussex.
- given the nature of the type of potential employment demand related to airport, it has been assumed that 80% would be B Use Class related.
- the split of B Use Class employment is assumed to be 25% office (B1a/b) and 75% to industrial (B1c, B2, B8). This is indicative of the current split of the stock of office and industrial floorspace, but is more reflective of the type of space required to support the Airport's activities.
- standard employment density and plot ratios are used.

3.59 Based on the above assumptions, Table 3.13 translates the employment impacts for Mid Sussex into an employment land demand potential. The Baseline Scenario figures from Table 3.9 are included in Table 3.13 for reference, as it is to these figures that any additional employment land

[7] *Source: Understanding the Economic and Employment Impact of Having or Not Having a 2nd Runway at London Gatwick Airport for Coastal West Sussex (September 2014). Nairne Ltd*

[8] *Source: Airports Commission. Gatwick Second Airport Runway Business Case and Sustainability Assessment (November 2014).*

demand potential arising from an expanded Gatwick Airport would be added.

3.60 The 'No Runway' scenario (effectively 'natural' expansion) could add an additional 4.7 hectares of employment land demand to Mid Sussex by 2030. This would result in a realistic minimum demand figure of approximately 24 hectares when the Baseline demand assessment is included.

3.61 The Second Runway options range from an additional 8.5 hectares to 20.4 hectares. This would result in an overall employment land demand figure for Mid Sussex of between 28 to 39.9 hectares. It should be noted that these assessments make no allowance for factors such as market vacancy or safe delivery, as applied to the Baseline Assessment.

3.62 It should be noted, however, that there are more pessimistic forecasts for employment numbers associated Gatwick Airport under a 'No Second Runway' Option. Berkeley Hanover Consulting[9] suggest there could be a loss of 6,000 jobs without a Second Runway.

3.63 For the purposes of this report however it is prudent to work on the basis of the 'No Runway' scenario, as this presents a 'realistic minimum' demand picture. This would indicate that there is a realistic minimum level of demand for 24 hectares of employment land in Mid Sussex by 2030.

[9] *Source: Aviation Capacity and the Surrey Economy. (2013) Berkeley Hanover Consulting.*

Table 3.13: Employment Impacts of Expanded Gatwick Airport on Mid Sussex by 2030

Gatwick Airport Growth Option	Airport Related Jobs	Increase on Current	Mid-Sussex Share	Assume 80% B Use	Land B1 (Ha)	Land B2/8 (Ha)	Total Land (Ha)
Mid Sussex Baseline Employment Land Demand -2014-31					0.4	19.1	19.5
Current (2014) Position	31,100	-	-	-	Additional Potential Land Demand		
No Runway Growth	37,700	6,600	541	433	0.14	4.57	4.7
Second Runway Option 1	43,000	11,900	976	781	0.25	8.23	8.5
Second Runway Option 3	59,700	28,600	2,345	1,876	0.59	19.79	20.4

Source: Understanding the Economic and Employment Impact of Having or Not Having a 2nd Runway at London Gatwick Airport for Coastal West Sussex (September 2014). Nairne Ltd; Airports Commission. Gatwick Second Airport Runway Business Case and Sustainability Assessment (November 2014); CCL/PEx calculations

Conclusions

3.64 The demand assessment has focussed on potential indigenous or local demand and the potential impacts of Gatwick Airport.

3.65 The Baseline assessment suggests an employment land demand figure of approximately 24 hectares between 2014 and 2031 (19.5 hectares from local growth and 4.7 hectares from Gatwick Airport with no Second Runway). This is best viewed as a realistic minimum.

3.66 For planning purposes a potential employment land demand figure for Mid Sussex over the period 2014 - 2031 of 25-30 hectares should be used. This is on the basis of no Second Runway at Gatwick Airport. If a Second Runway at Gatwick Airport is confirmed, then the potential employment land demand figure could be as much as 40-50 hectares over the period 2014 - 2031.

Summary

- Mid Sussex has seen a steady economic recovery since the recession. Forecasts are for an economic growth rate of 2.1% per annum between 2011 and 2031 (Experian, December 2014). This compares with a forecast economic growth rate of 2.35% per annum for West Sussex for the same period.
- Employment growth in Mid Sussex between 2001 and 2011 was slightly above the West Sussex and South East average according to the ONS. However, economic forecasters indicate a reduction in employment in this period for Mid Sussex.
- This is partly due to the different approaches and methods used by ONS and forecasting houses such as Experian, but it also reflects an increased level of part-time and contract-hour working in certain sectors in Mid Sussex, resulting in an overall reduction in employment on a full-time equivalent (FTE) basis.
- The latest economic forecasts for Mid Sussex from Experian (December 2014) show a different pattern of growth by industry sector compared with the May 2013 Experian forecasts. This has resulted in a slight reduction in the forecast number of total jobs between 2011 and 2031 (from, 10,425 in the May 2013 Experian forecasts to 9,563 in the December 2014 Experian forecasts, both on a workforce-basis). The latest forecasts for the period 2014-31 are for an increase of 4,790 jobs (FTE basis).
- However, the level of growth of B Use Class sector jobs has reduced more markedly between the two sets of forecasts, reflecting the structural changes that have happened in the economy. The latest Experian forecasts (December 2014) indicate an increase of 676 B Use Class jobs on a workforce-basis and 205 B Use Class jobs on an FTE basis for the period 2014-2031.
- The B Use Class employment forecasts translate into a potential land demand requirement of 19.5 hectares under a Baseline Assessment. Sensitivity analysis has been applied to this assessment, which indicates a potential range of 15.7 to 31 hectares across the period 2014-31.
- An alternative set of economic forecasts was obtained from Oxford Economics. This suggested a lower absolute level of total employment growth in Mid Sussex between 2014 and 2031 compared with the Experian forecasts (using a workforce-based definition).
- The Oxford Economics forecasts suggested a higher level of B Use Class employment growth (workforce-based) than the Experian forecasts. When translated into a potential land demand requirement, this equates

to approximately 35 hectares. This assessment needs to be treated with caution however as it requires a more high-level application of key assumptions than in the more detailed Experian-based analysis.

- An assessment of the potential impacts of Gatwick Airport on employment land demand in Mid Sussex was carried out. Under a 'No Second Runway' scenario, this could lead to an additional requirement for 4.7 hectares of land. If a Second Runway was approved then the employment land demand requirement could range between 8.5 and 20.4 hectares.
- The overall conclusion from the assessment is that there is a realistic demand requirement for approximately 25-30 hectares of employment land in Mid Sussex between 2012-31. This could increase to 40-50 hectares if a Second Runway at Gatwick Airport is approved.

4. PROPERTY MARKET ACTIVITY

Introduction

4.1 This Section examines changes in the total stock of commercial floorspace, supply and demand trends, and forecasts. This enables the implications of the potential allocation of employment land to the west of Burgess Hill to be better understood within the market context. This Section also includes the results of relevant local business surveys, focussing on demand potential and issues related to the quality of property in the area.

4.2 The geography used has been based upon that in the North West Sussex Economic Growth Area study. This covered the Crawley, Horsham and Mid Sussex local authorities. These local authorities have been identified as the **Planning Study Area**. However, analysis of the property market at Mid Sussex District level has been defined as the **Property Market Study Area.**

The Active Market

Change in Employment Stock

B1 Office Stock

4.3 Details of the change in office (B1 Use Class) floorspace in the Planning Study Area are summarised in Table 4.1, based on data from the Valuation Office Agency (VOA) and maintained by the ONS[10].

4.4 This shows that between 2000 and 2008 the Planning Study Area as a whole saw a 14% increase in office floorspace. Mid-Sussex District, meanwhile, saw a decline of -1% during this period. Crawley and Horsham both saw increases in office stock. Crawley witnessed a relatively major level of increase at 27%.

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[10] *Data on floorspace stock has been published on an annual basis since 2000. However, the data series was discontinued in 2008*

Table 4.1: Change in Stock of Office Floorspace in Planning Study Area

	2000 ('000 sq.m)	2008 ('000 sq.m)	% Change 2000-08
Crawley	388	491	27%
Horsham	178	191	7%
Mid Sussex	216	213	-1%
Total	782	895	14%

Source: ONS, 2014

4.5 Trends since 2002 have been examined through West Sussex County, which assesses 'gains' and 'losses' in floorspace as a result of planning permission completions. However, this dataset is not compiled on the same basis as the VOA data and so like-for-like comparisons cannot be made. Nevertheless, the general patterns and trends do allow some level of comparison to be made.

4.6 The analysis indicates a net increase in office (B1a/b) floorspace in Mid Sussex between 2002 and 2012 of just over 35,000 sq.m, or approximately 3,200 sq.m per annum. In part this is a renewal of stock, but also reflects an underlying element of increased demand for office space in the District.

B1c and B2 Manufacturing Stock

4.7 In Mid Sussex there was an increase in total manufacturing stock over the period 2000 to 2008 of 2%. This compares to an increase of 3% for the planning study area as a whole (Table 4.2). This level of change is mid-way between the decline seen in Horsham (-1%) and the increase in Crawley (8%).

Table 4.2: Change in Stock of Manufacturing Floorspace in Planning Study Area

	2000 ('000 sq.m)	2008 ('000 sq.m)	% Change 2000-08
Crawley	332	360	8%
Horsham	320	317	-1%
Mid Sussex	241	246	2%
Total	893	923	3%

Source: ONS, 2014

4.8 Forecasts for manufacturing employment (B1c and B2 Use Class), as discussed earlier, suggest a more positive picture for Mid Sussex up to 2031. As such, the net demand for manufacturing floorspace is likely to increase in Mid Sussex. This is borne out by the monitoring analysis for Mid Sussex, which indicates a net increase of approximately 86,500 sq.m of manufacturing floorspace (Use Classes B1c and B2) between 2002 and 2012, or just under 8,000 sq.m per annum.

B8 Warehousing Stock

4.9 The change in stock in warehousing (B8 Use Class) floorspace is summarised in Table 4.3 below. This covers the same geography as for the manufacturing floorspace analysis. It shows that over the period 2000 to 2008 the Planning Study Area saw a 2% increase in warehousing stock. This was influenced by strong growth in Crawley and Mid Sussex, and a net decline in warehousing stock in Horsham.

4.10 The monitoring analysis for Mid Sussex highlights a net increase in warehousing stock. Between 2002 and 2012 the monitoring indicates an overall net increase in warehousing space of approximately 24,000 sq.m, or 2,200 sq.m per annum. However, this includes elements of mixed-use industrial floorspace, which has had the effect of dampening the overall demand picture for pure-B8 floorspace.

Table 4.3: Change in Stock of B8 Floorspace in Planning Study Area

	2000 ('000 sq.m)	2008 ('000 sq.m)	% Change 2000-08
Crawley	417	484	16%
Horsham	320	248	-23%
Mid Sussex	151	178	18%
Total	888	910	2%

Source: ONS, 2014

Take-up Activity and Availability

4.11 The change in total stock, whilst showing the **net** change in floorspace, does not illustrate the structural changes of property across years, new floorspace development and obsolescence.

4.12 New development happens partially as a result of demand from start-up enterprises or expanding businesses, but also from the need to provide more suitable locations (both in specification and location) for businesses.

4.13 In addition, whilst this process is taking place there will also be a loss of existing floorspace due to obsolescence such as ageing of properties (technological obsolescence), lack of demand for a specific type of property (functional obsolescence) or poor location (locational obsolescence). All three factors have been at play in Mid Sussex.

4.14 Analysis of the take-up of commercial floorspace in the **Mid Sussex Property Market Study Area** over the past 10 years has been carried out. This looks at the rate at which 'completed' property is occupied, along with the rate of occupation of available or 'second-hand' property - the 'revealed' demand. It should be noted that the analysis does not fully reflect all activity, as smaller deals in particular may not have been reported by the commercial property databases. Nevertheless, the data is estimated to cover 75%-80% of all market activity.

4.15 The analysis of take-up and supply within the Mid Sussex Property Market Study area is summarised in Table 4.4 below. This indicates the position for office space (as defined as B1a and B1b Use Class space) and industrial space (as defined as B1c, B2, B8 and mixed B use space). It is important to stress that analysis of take-up activity cannot easily distinguish between manufacturing and warehousing uses. Instead a total 'industrial' take-up rate is used as the basis for the analysis.

4.16 The Table summarises the position for the office and industrial property market on the basis of available space that is ready for immediate occupation. It does not include consented floorspace yet to be built or land subject to future allocation.

4.17 This shows there is approximately 21,754 sq.m of office space available in the Mid Sussex Property Market Study Area (January 2015), and average take-up of office floorspace in the area of approximately 5,026 sq.m per annum between 2004 and 2014. Based on past take-up rates this equates to approximately 4.3 years notional supply overall.

4.18 For the industrial sector there is approximately 33,418 sq.m of space available in the Mid Sussex Property Market Study Area (January 2015), and average take-up of industrial floorspace in the area has been approximately 9,050 sq.m per annum between 2004 and 2014. Based on past take-up rates this equates to approximately 3.7 years notional supply overall.

Table 4.4: Supply and Take-Up in Property Market Study Areas (sq.m) 2004 – 2014

Mid Sussex Property Market Area			
	Available Space (sq.m)	Average Take-up p.a. (2004-2014)	Notional Years Supply
Office	21,754	5,026	4.3
Industrial*	33,418	9,052	3.7

*Source: CCL Calculation (*Excludes Northlands Farm Development Site, The Hub and Northern Arc)*

4.19 The figures set out in Table 4.4 relate to property that is actively marketed. In practice it is likely that there will be other space not being actively marketed in the study area.

4.20 The position for the Burgess Hill property market has also been examined, and the results are summarised in Table 4.5. This indicates that the office market is highly constrained, with less than a years' supply of floorspace.

4.21 The industrial picture is more complex. There is 22,477 sq.m of industrial floorspace available in Burgess Hill (January 2015), which is 67% of the District total. This indicates a notional supply figure of 4.5 years compared to 3.7 years for District as whole. However, this is a 'point in time' analysis in terms of supply, which does not fully capture the dynamics of the market.

4.22 What is more revealing, therefore, is the fact that of the 30 units available in Burgess Hill, seven are now under offer. In other words, almost a quarter of the units are in the process of being secured by tenants. Of the 14 units available in the rest of the District only one is under offer, or 7% of the total. There appears to be a more dynamic market for industrial space in the Burgess Hill area relative to the rest of the District.

Table 4.5: Supply and Take-Up in Burgess Hill Property Market Areas (sq.m) 2004 – 2014

Burgess Hill Property Market Area			
	Available Space (sq.m)	Average Take-up p.a. (2004-2014)	Notional Years Supply
Office	1,392	1,687	0.8
Industrial*	22,477	4,941	4.5

*Source: CCL calculation (*Excludes Northlands Farm Application, The Hub and Northern Arc)*

4.23 Table 4.6 provides further breakdown on the Burgess Hill property market in terms of the amount of new and second-hand floorspace. This shows no new office floorspace in Burgess Hill. In terms of the industrial sector, approximately 23% of industrial space is new or refurbished in Burgess Hill, while the rest of the District has no new industrial space available. This reflects the greater interest in developing new space in the Burgess Hill area than in other parts of the District.

Table 4.6: New and Second-Hand Space in Burgess Hill Property Market Areas (sq.m) January 2015

Burgess Hill Property Market Area			
	New Space (sq.m)	Second-Hand Space (sq. m)	Total (sq.m)
Office	0	1,392	1,392
Industrial*	5,097	17,380	22,477
Total	5,097	18,772	23,869

*Source: CCL calculation (*Excludes Northlands Farm Application, The Hub and Northern Arc)*

4.24 The property market analysis has illustrated a relatively tight market. Whilst the office market experienced a reduction in stock between 2000 and 2008, subsequent development activity has seen new stock added. There is a limited amount of available office floorspace in the Burgess Hill area to satisfy demand, and particular shortages of smaller (sub 465 sq.m / 5,000 sq.ft) space.

4.25 The industrial sector is more significant in the Mid Sussex area, and in Burgess Hill in particular. The supply/demand balance is relatively tight, and stock is taken-up quickly as it comes to the market. There is particular demand in the 465-930 sq.m (5-10,000 sq.ft) category, along with the 95-185 sq.m (1-2,000 sq.ft) category.

Market Perceptions and Stakeholder Evidence

Business Survey Evidence

4.26 The Burgess Hill Business Parks Association (BHBPA) carried out a survey of members in September 2014. Responses were received from 127 members located in Burgess Hill and representing a range of industry sectors and business size. The results are revealing about the plans and views of local businesses, and they provide a useful indication of suppressed demand in the area.

4.27 The key findings are instructive:

- over one in five businesses are planning to move within the next 18 months. Over two-thirds are doing so to obtain larger premises.
- the main demand is for space between 980-23,250 sq.m (1,000 to 25,000 sq.ft).
- as a broad estimate, the demand requirements equate to approximately 60,390 sq.m (650,000 sq.ft) in total. This is not necessarily demand for **net additional** space. Assuming that the net additional space required is 10-20% of this total, then this suggest demand for **an extra** 6,040-12,080 sq.m (65,000-130,000 sq.ft) of floorspace.
- the key priorities of businesses in the Burgess Hill area were sought. Almost half (46%) wanted improvements to the environment (in terms of better signage in the area, road improvements, etc.). 44% of businesses wanted to attract bigger companies into the area, whilst 38% wanted increased space, including a new site with good facilities.

4.28 In summary, the survey indicated strong pent-up demand for floorspace from existing local businesses, with occupiers keen to stay in the area if possible. Aside from the need for additional space, there were also concerns over the quality or unsuitability of current space for business needs. Businesses also appeared positive and receptive to the idea of a new business site within the Burgess Hill area.

Qualitative Stakeholder Evidence

4.29 Discussions with the Burgess Hill Business Parks Association reinforced the findings of the survey. Many of their members are looking to expand but are constrained by lack of available property. Victoria Business Park is the major business centre in the area, but is at risk of encroachment by other uses. It also has constraints in terms of the age of the stock and internal road layout and design, but is well occupied.

4.30 Businesses are keen to stay in the area, but shortage of property supply for expansion, and particularly flexible/adaptable floorspace, is seen as a major concern. There is particular demand for space in the 950-1,850 sq.m (10-20,000 sq.ft) category of space according to the BHBPA. The smaller/medium scale distribution operators are a significant element of demand in the area, along with IT support functions.

4.31 The BHBPA considered a new business park in the Burgess Hill area would be a valuable contribution to the local economy. Aside from reducing pressure on existing employment sites in the area, it was considered to provide a supply of high-quality stock that would help in attracting inward investment into the area.

4.32 This demand picture was reinforced through discussions undertaken as part of the study with developers, occupiers active in the area and by local economic agencies and other public-private bodies.

4.33 Developer discussions highlighted a series of themes and issues as follows:

- **Strong latent demand** - the strong latent demand within the Burgess Hill area itself, as well as from general footloose occupier requirements, which includes potential over-spill from Brighton from certain sectors.
- **Good strategic location**- the location was identified as having good strategic access within the A23/M23 corridor and forming a key part of the Gatwick Diamond and Coast to Capital LEP area. In addition, the potential for supporting the growing demand and limited supply of sites/floorspace elsewhere in the Gatwick Diamond and Coast to Capital LEP was identified, as well helping to satisfy the unmet needs arising from growth and restructuring of the Brighton & Hove economy away from industrial and manufacturing processes.
- **Occupier mix** - a key issue raised was in securing the most appropriate type of occupier for the area. It would be relatively easy to secure standalone B8 warehousing and distribution uses, but it was felt to be more valuable - in terms of the range and amount of employment, and the scale of the developments themselves - to target local distribution and value-added functions (effectively a mix of B1c, B2 and B8 uses), which would support more employment. Indeed, large-scale regional distribution B8 warehousing was considered to be inappropriate in the wider Gatwick Diamond area generally, not just the Burgess Hill area, as there are other, better locations in the South-East (and beyond). It was recognised, however, that B8 uses in conjunction with other manufacturing and industrial activities are important as part of manufacturing operations for commercial occupiers in the area.

4.34 Discussions with occupiers also highlighted some additional issues:

- **Limited choice and mix of floorspace available** – the BHBPA survey revealed a particular shortage of property supply in the 950-1,850 sq.m (10-20,000 sq.ft) range, but also at the smaller end of the market. This has been reinforced through discussions with occupiers and local agents in the area.
- **Variable stock quality and availability** – issues were raised by occupiers concerning the quality of available stock and particular concerns relating to the flexibility of floorspace, the need for units with increased eaves heights and improvements to servicing and parking. Stock quality overall was identified as a concern for occupiers where they have little choice of floorspace or units and cannot secure freehold properties.

- Availability of freehold floorspace – a lack of freehold accommodation to purchase was highlighted by a number of occupiers operating different sized businesses. This has been influenced by the uncertainty related to plans for the expansion of Gatwick Airport. Concern over how this might impact on commercial property demand appears to have led to local businesses acquiring property (sale or lease) in advance of their expansion needs in order to avoid a perceived property shortages further down the line. Recent examples include a number of properties being bought by local businesses rather than developers so much so that there are no major sites, other than The Hub that offer realistic expansion land in Brighton, Burgess Hill or Crawley.
- **Access and quality of services in Burgess Hill Town Centre** – a number of occupiers raised issues of the availability, range and access to town centre retail, food/drink and other support services for employees, noting the relative lack of facilities within existing business parks and industrial areas. Accessibility to Burgess Hill railway station for businesses occupying units to the west of the town was also noted, particularly with regard to the safety and convenience of employees during winter months.
- **Neighbouring amenity issues** – a number of occupiers highlighted increasing concerns over residential and commercial amenity, particularly as business operations and employment land are, in a number of locations including Victoria Road, in close proximity or adjacent to each other. There was concern voiced that protection of residential amenity might outweigh support for business occupier operations and activities increasingly over time.

Conclusions

4.35 Both the quantitative analysis and qualitative commentary indicate strong demand for floorspace in the Mid Sussex area. This is across all sectors, but notably in the industrial sector.

4.36 The demand potential is not simply from local business and economic growth, but reflects demand from the wider region, including over-spill demand from Brighton & Hove and Crawley. The results reinforce the findings from the demand assessment analysis in the previous section, but also highlight a level of supressed demand that needs to be addressed if businesses are not to be lost from the area.

Summary

- Mid Sussex is not a major office location, although Haywards Heath is an important office-related centre within the area. The total office stock has, in fact, reduced between 2000 and 2008. However, there is still a shortage of supply to meet general demand levels, especially in the Burgess Hill property market.
- Manufacturing has been generally successful in Mid Sussex, with a small net increase in floorspace stock between 2000 and 2008. Distribution activities have also seen growth, with a noticeable increase in the total amount of distribution floorspace between 2000 and 2008.
- This industrial demand picture is supported by the supply/demand balance in the District, which shows a relatively tight market with just over 3½ years notionally supply. Most activity and demand is centred on Burgess Hill.
- The survey evidence reinforces the constrained demand picture. More than one in five businesses are planning to expand within the next 18 months. This may translate into the need for over 60,000 sq.m of commercial floorspace in total, if all plans come to fruition. This is unlikely, and the potential demand figure needs to be viewed as indicative, but it does highlight the scale of supressed demand in the area.
- The stakeholder discussions have reinforced this position. Developers have indicated that any land that becomes available for development can be easily let within this area. The area is strategically well placed along the A23/M23 corridor, with access to both Gatwick Airport and Brighton, and is a natural location for absorbing demand over-spill from Brighton and Crawley. A key concern is securing the right type of business sectors to reinforce the attraction of the area.

5. EMPLOYMENT LAND SUPPLY

Introduction

5.1 This section of the report examines the supply of employment land floorspace and sites. The analysis focuses on the Burgess Hill area within Mid Sussex District and is concerned with identifying the role and function of existing employment sites and the issues and challenges arising for business occupiers.

5.2 The purpose of this section is not to offer a complete review of all employment land supply as the Northern West Sussex Economic Growth Assessment has recently completed this work in 2014 with an extensive analysis of the position in Mid Sussex District as part of the wider Northern West Sussex functional economic area. The analysis herein is to update the position and ensure that there is a current assessment of local supply as the basis for determining the potential role and function of an allocation of employment land to the west of Burgess Hill.

Mid Sussex District and Burgess Hill Site Supply

5.3 Burgess Hill is known as the main centre in the District for industrial (B1c and B2) and warehouse (B8) uses. It has been perceived as a secondary location to larger employment locations in Crawley and centred on Gatwick Airport in the northern part of the Gatwick Diamond. For office accommodation (B1), Burgess Hill has also traditionally been considered as a secondary office location to Haywards Heath and East Grinstead in Mid Sussex District.

5.4 The property market signals analysis set out in Section 4 previously and the Gap Analysis in Section 6 identify the evidence of demand related to an increasing structural re-positioning of the Brighton & Hove commercial market away from industrial and manufacturing activities over time, with Burgess Hill benefiting from its close juxtaposition and strategic access to Brighton supporting demand for industrial and warehousing floorspace and sites.

5.5 With increasing pressure and challenges in Brighton & Hove for the provision of new office sites and floorspace, there is both quantitative and qualitative evidence of business occupiers seeking new accommodation north of the City in Mid Sussex District, particularly in Burgess Hill as well as Haywards Heath. This includes current occupier requirements for mixed B1a, B1c, B2 and B8 floorspace across a range of business sectors including electrical component manufacturing; brewing and beverage manufacturing; retail and trade logistics; food manufacturing; and aviation electronics research and manufacturing.

5.6 Occupier requirements evident in Burgess Hill are due to a mix of reasons including: the expansion of existing businesses to secure better and larger floorspace; for the consolidation of activities currently spread across multiple sites; and due to relocation requirements arising elsewhere within the Gatwick Diamond.

5.7 The nature and characteristics of the employment land supply are therefore critical factors to understand in considering the extent to which a further, strategic employment land allocation may be appropriate in Burgess Hill.

Supply of Existing Employment Sites in Burgess Hill

5.8 The NWS EGA reviews the supply of existing employment sites and land in Burgess Hill and more widely for Mid Sussex District. The EGA identifies a total of 191.4 hectares of employment land in Mid Sussex, including a number of sites in Burgess Hill, including:

- **Bolney Grange Business Park** – a 9.6 Ha established business area to the west of Burgess Hill.
- **Former Sewage Treatment Works, Burgess Hill** – a 12.1 Ha site north of Burgess Hill.
- **Church Road Walk/Burgess Hill Town Centre** – is the primary retail destination in the south of the District and comprises some small office units as well as some larger individual office buildings.
- **Sheddingdean Industrial Estate** – a 3.2 Ha established industrial estate north of Burgess Hill.
- **The Brow, Burgess Hill** – is an office site on the edge of the town centre.
- **Victoria Business Park East and West** – is one of the largest employment sites in Northern West Sussex according to the EGA.

5.9 The EGA provides a recent assessment of available employment space in Mid Sussex, including sites with outstanding planning permission as at March 2012.

5.10 Table 8.7 of the EGA concludes that there is potential to provide 29.9 Ha of B Use Class land (20.8 Ha of B1c/B2/B8 Industrial, 4.3 Ha of B1 offices, and 4.8 Ha of Mixed B Class space). Effectively 70% of the available land supply identified in the EGA is for industrial uses, with office sites comprising just 14% of the land supply. The EGA notes that this supply is spread across 36 sites in the District and approximately 20 hectares is within the local Burgess Hill area. It also recognises that 72% of the identified supply comprises sites of less than 1 Ha in size.

5.11 A desk-based update of the EGA supply assessment has been carried out. This reflects changes to the planning status of certain schemes identified in the study as well as a review of intensification opportunities at various schemes. This includes the 12 hectare former sewage treatment works now being approved for residential use rather than for employment uses which would therefore need to be removed from the future available employment land supply. This indicates that the potential available supply in Mid Sussex is approximately 15.4 hectares. In the case of Burgess Hill the figure is now five hectares rather than 20 hectares.

5.12 The EGA identified available supply figure of approximately five hectares in the Burgess Hill area would not have taken account of the now consented 'The Hub' development. This scheme, when completed, will provide 15 Ha of mixed B Use Class land.

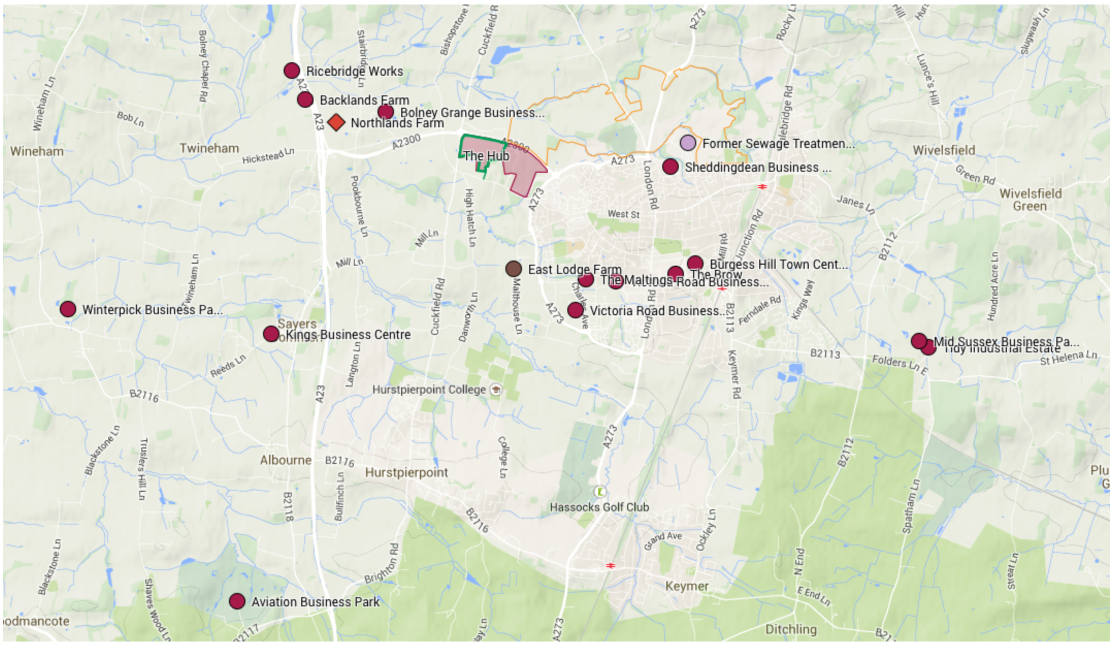
5.13 In total, therefore, the potential supply pipeline in Mid Sussex is approximately 30 hectares. This is made-up of approximately five hectares of employment land identified through the EGA, 15 hectares from the recently approved 'The Hub' scheme, and 10 hectares in the rest of the District. The 10 hectares figure for the rest of the District should be viewed as an upper-range figure, as some of the intensification opportunities may not be as significant as originally identified.

5.14 In order to consider the wider employment land position, other employment sites forming part of the current and proposed employment land supply in the Burgess Hill area and other sites within a reasonable distance from the proposed West of Burgess Hill allocation have been considered. This geography of site supply analysis is used as it accords with the functional economic market area of the Burgess Hill area and aligns with the broader spatial patterns of the District.

5.15 The purpose of this review and appraisal of employment sites is not to undertake a comprehensive re-assessment of the Economic Growth Assessment but to allow an examination and update of the principal areas of existing employment land supply near to the proposed West of Burgess Hill employment allocation.

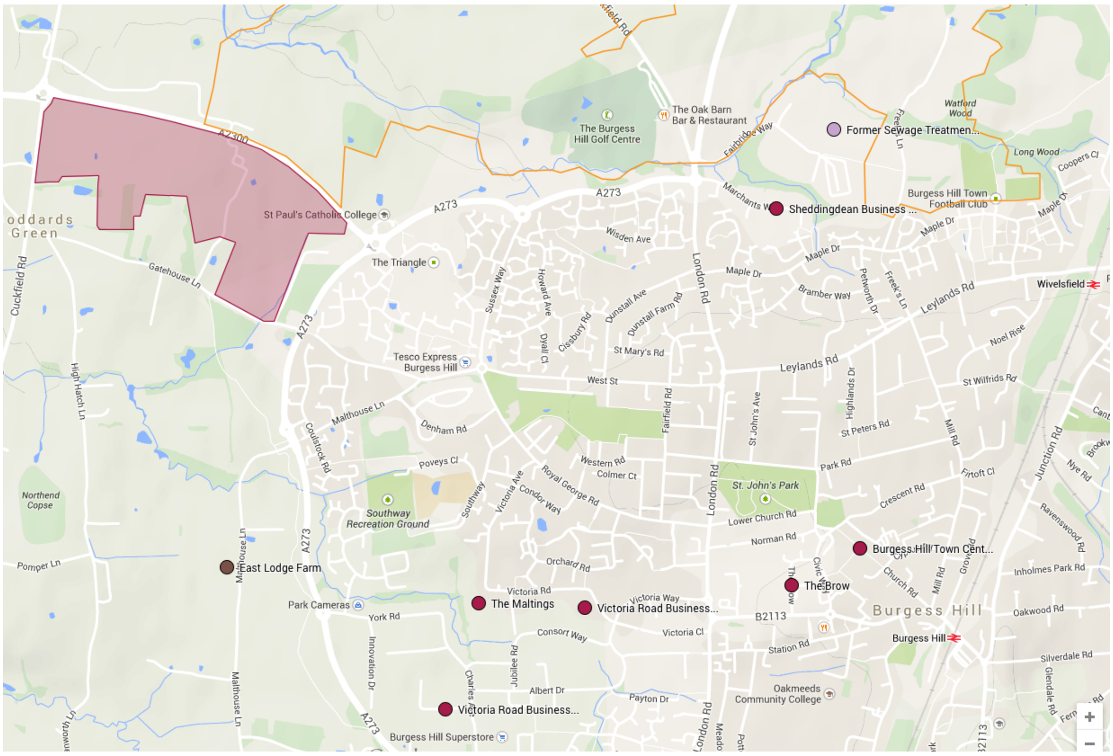
5.16 The list of sites reviewed and the key characteristics and commentary on each is set out in Table 5.1 below (the sites marked in red are existing employment sites, the Former Sewage Treatment works is identified in light purple). The site locations are shown in Figures 5.1 and 5.2 with the proposed employment allocation to the west of Burgess Hill shaded in red, 'The Hub' outlined in green and the proposed Northern Arc development outlined in orange.

Figure 5.1: Location of Employment Land and Sites in and Near to Burgess Hill



Source: Google Map Extract using NW Sussex EGA and CCL Site Survey, February 2015

Figure 5.2: Employment Site Locations within Burgess Hill



Source: Google Map Extract using NW Sussex EGA and CCL Site Survey, February 2015

Table 5.1: Existing and Committed Employment Land and Sites in and Near to Burgess Hill

District	Site Name	Town/Settlement	Road	Postcode	Existing/ Proposed Allocation	Total Site Area	NW EGA Quality Ranking	Use Class	Current Land Use/Status	Stock Age	Condition	Opportunity for Intensification	Comments
Mid Sussex	Bolney Grange Business Park	Burgess Hill	Jobs Lane	RH17 5PB	Existing	9.6 Ha	Average	B1c/B2	Employment	1980s/90's	Good	Yes - some scope for intensification or re-development	Mixed industrial and business floorspace of average quality. Existing and well established Business Park but isolated from adjcent uses and areas
Mid Sussex	Burgess Hill Town Centre	Burgess Hill	Church Road	RH15 9BQ	Existing	8.0 Ha	Average	B1a	Town Centre	Mixed	Average	Yes - longer term comprehensive regeneration	Office accommodation set within the Town Centre retail area in a range of units above retail shopping and in individual buildings
Mid Sussex	Sheddingdean Business Park	Burgess Hill	Marchants Way	RH15 8QY	Existing	3.2 Ha	Good	B1/B2/B8	Employment	1980s	Good	No - lack of available vacant plots	Well established industrial and business park combining a mix of unit sizes for light and general industry and warehousing with some office floorspace
Mid Sussex	The Brow	Burgess Hill	The Brow	RH15 9BW	Existing	1.6 Ha	Average	B1a	Employment	1970s but refurbished	Good	No	Multi-storey B1a office building recently refurbished and occupied by American Express
Mid Sussex	Victoria Road Business Park East	Burgess Hill	Victoria Road	RH15 9LR	Existing	21.3 Ha	Good	B1/B2/B8	Employment	1980s - 2000s	Good	No, other than some longer term intensification if existing units	Mix of B1a, B1c and B2 office and industrial units. Stock is overall of good quality but more dated than that found in Victoria Road Business Park West area
Mid Sussex	Victoria Road Business Park West	Burgess Hill	William Way	RH15 9AG	Existing	32.8 Ha	Good	B1/B2/B8	Employment	1980s - 2000s	Good	No, other than some longer term intensification if existing units	Modern units in a well established business park offering B1c, B2 and B8 facilities with ome B1a office accommodation. Mix of no B Uses also evident within the area
Mid Sussex	Former Sewage Treatment Works	Burgess Hill	Fairbridge Way	RH15 8BF	Existing	12.1 Ha	Average	B1/B2/B8	Vacant	N/A	Brownfield	Yes, but now granted permission for residential development	Existing Employment Allocation subject to deletion. Planning consent given for 325 residential dwellings. Adjacent to Sheddingdean Estate
Mid Sussex	Ricebridge Works	Bolney	Brighton Road	RH17 5NA	Existing	1.9 Ha	Average	B1c/B2/B8	Employment	1980s	Average	No - lack of available vacant plots	Existing mixed light industrial and general industrial area including some retail trade counters
Mid Sussex	Backlands Farm	Hickstead	London Road	RH17 5LZ	Existing	0.9 Ha	Average	B1c/B2/B8	Employment	Mixed ages 1980s onwards	Average	No	Self-contained employment site to the west of Burgess Hill and south of Ricebridge Works. A mix of B1c and B2 activities including plant hire
Mid Sussex	King Business Centre	Sayers Common	Reeds Lane	BN6 9LS	Existing	0.8 Ha	Average	B1c/B8	Employment	1980s	Average	No - site within area of Countryside Constraint	Existing self-contained and somewhat isolated business estate. Mix of uses for light industrial and storage & distribution coupled with ancillary B1 office floorspace. Units and landscaping appear well maintained
Mid Sussex	Winterpick Business Park	Sayers Common	Henfield Road	BN5 9BJ	Existing	2.5 Ha	Poor	B1c/B8	Employment	1960s - 1980s and part refurbished	Average	No - lack of available vacant plots. Would require re-development of existing units	Existing industrial and business location in an isolated location. Units are of mixed quality (although noting there has been investment in rooftop solar pv installations). The Park provides a mix of B1c and B2 floorspace
Mid Sussex	Aviation Business Park	Albourne	B2117	BN6 9EB	Existing		N/A	B1a,b,c/B2	Employment	2000s	Good	No - lack of available vacant plots	New build business park space offering a good quality business environment and attractive particularly to aviation related occupiers

District	Site Name	Town/Settlement	Road	Postcode	Existing/ Proposed Allocation	Total Site Area	NW EGA Quality Ranking	Use Class	Current Land Use/Status	Stock Age	Condition	Opportunity for Intensification	Comments
Mid Sussex	The Maltings	Burgess Hill	Victoria Way	RH15 9XF	Committed	1.6 Ha	N/A	B1/B8	Vacant	N/A	N/A	Yes	Planning consent for new B1/B8 up to 5,500 sq.m. Neighbourhood Plan proposals includes use of the site for residential dwellings
Mid Sussex	East Lodge Farm	Hurstpierpoint	Malthouse Lane	BN6 9LA	Committed		N/A	B1	Greenfield	N/A	Greenfield	N/A	Planning consent granted for 830 sq.m B1
Mid Sussex	The Hub, Goddards Green	Burgess Hill	Cuckfield Road	BN6 9LQ	Committed	15.6 Ha	N/A	B1b,c/B2/B8	Greenfield	N/A	Greenfield	N/A	Planning consent for 50,000 sq.m of mixed B Use Class floorspace
Lewes	Tidy Industrial Estate	Ditchling Common	Middleton Common Lane	BN6 8SG	Existing	5.46 Ha	N/A	B1c/B2/B8	Employment	1960s onwards	Poor/Average	No	Existing industrial estate buildings. Outside MSDC boundary to the east of Burgess Hill in Lewes District. Adjacent to Mid Sussex Business Park
Lewes	Mid Sussex Business Park	Ditchling Common	Middleton Common Lane	BN6 8SE	Existing	1.97 Ha	N/A	B1c/B2/B8	Employment	2000s	Good	No	New build business park. Outside MSDC boundary to the east of Burgess Hill in Lewes District. Adjacent to Tidy Industrial Estate

Source: NW EGA and CCL Site Survey, February 2015

Current Employment Land Pipeline in Burgess Hill

5.17 In addition to the existing employment sites and since the publication of the EGA analysis, a number of additional employment developments have been consented in Burgess Hill and therefore form components in the future employment land and floorspace supply.

5.18 Mid Sussex District resolved to grant planning permission in May 2014 for some 15 hectares of new business park floorspace (up to 50,000 sq.m) to the south of the A2300 known as 'The Hub'. This resolution provides for a mix of B Use Class floorspace including B1, B2 and B8 Use Class employment space in modern, high quality facilities, with a restriction of no more than 14,000 sq. m of B8 floorspace.

5.19 Figure 5.3 shows the location and extent of The Hub proposal that overlaps with a significant portion of the proposed employment land allocation West of Burgess Hill (see also Figure 5.6).

Figure 5.3: The Hub Employment Land Proposal Location

Source: Google Map Extract, February 2015

Figure 5.4: Proposed Northlands Farm Development Location

Source: Google Map Extract, February 2015

5.20 Land to the west of Burgess Hill and adjacent to the A23/A2300 junction at Northlands Farm (see purple shaded area in Figure 5.4 above) is the subject of a current planning application (ref: 13/04199/OUT) for the development of some 37,000 sq.m of employment floorspace principally for use as a regional distribution centre (B8 Use Class). At the time of writing the application has yet to be determined by Mid Sussex District Council.

5.21 There has also been a series of recent employment floorspace developments completed on existing vacant plots within the Victoria Road business park in Burgess Hill.

5.22 Tungsten Properties completed a total of 3,623 sq.m in three phases of development on William Way during 2013 and 2014. The developments were constructed as design and build developments for a range of end occupiers with take-up of the floorspace immediately on the receipt of planning permission following off-plan per-sales. The second phase of development (1,114 sq.m) was sold following final and best bids for the plot.

5.23 The Former Sewage Treatment Works located to the north of Burgess Hill and in close proximity to the Sheddingdean Estate (see Figure 5.2 above) was previously identified and allocated for some 12 hectares of B Use Class employment development. That allocation has however now been superseded by the grant of planning permission for 325 residential dwellings on the site.

5.24 The Maltings, a 1.6 hectare development plot remaining within the Victoria Road Estate was identified for further B Use Class employment development and has planning permission for circa 5,500 sq.m of B1 and B8 floorspace. However the emerging, *Submission Draft Burgess Hill Neighbourhood Plan* (January 2015) identifies this site and the immediate surroundings leading northwards on Victoria Road for release from employment use and its development for a mix of residential and retail purposes (see Figure 10 of the Neighbourhood Plan). While the Neighbourhood Plan remains at a draft stage and its proposals can only be afforded very limited weight, it is evident that the Maltings employment development plot may not be available as part of the future employment land supply in Burgess Hill, with a consequent impact on the availability of future potential employment land supply.

Issues and Characteristics of Employment Land Supply

5.25 The analysis of existing and pipeline employment sites highlights the following:

- employment floorspace is contained in a series of standalone industrial estates and business parks in Burgess Hill as well as a number of more rural locations where smaller estates have been created through the conversion and expansion of former agricultural premises and ad hoc growth of smaller rural commercial properties.
- Burgess Hill does not have a modern business park or campus style development that is capable of attracting new inward investment occupiers or for expansion of existing businesses. Demand evidence shows a strong requirement for new office, industrial and warehousing units, including mixed employment use schemes. The lack of new or refurbished space to current occupier expectations and standards weakens the commercial offer available in Burgess Hill and the town's perception as a suitable location for business.
- there is very little un-developed employment land in Burgess Hill. Recent permissions granted for new B Use Class floorspace such as at 'The Hub' offer the prospect of new, high quality stock, but this is not yet constructed and the market remains constrained. The lack of available sites for the creation of new design & build (purpose-built) specification employment floorspace and units for freehold sale to the end occupier is also notable.

5.26 In more detail, the quantitative and qualitative analysis of existing sites and the supply pipeline, show key characteristics and issues concerning the availability of supply (particularly the availability of freehold units); the quality and age of stock; the provision and choice for smaller businesses and occupiers; and the lack of serviced accommodation suitable for start-up, grow-on and emerging businesses.

Stock Quality

5.27 The findings of the NWS EGA clearly identify a critical issue concerning the availability of high quality employment floorspace of modern design, flexible and fit for purpose. The EGA concluded that there was a particular challenge in Burgess Hill to improve and enhance the quality of the existing employment floorspace. This was due to both local market requirements but also a more strategic concern that without adequate enhancements to the existing stock, the competitiveness and attractiveness of Burgess Hill for business occupiers would decline over time and especially in the face of competition from other locations both within and outside the Gatwick Diamond.

5.28 With little new stock recently added to the supply of employment floorspace in Burgess Hill and noting the age of much of the existing stock (1970s – 1990s and much pre-dating this period) the EGA's conclusions on stock quality remain valid.

5.29 Consequently there is a need to address the quality of stock in the available supply. This can be achieved through refurbishment to an extent but the viability and desirability of such upgrades to existing floorspace for existing freeholders or long leaseholders will be insufficient to address the stock quality issue.

5.30 New, fit for purpose floorspace that reflects occupier expectations in terms of environmental performance, availability of telecoms infrastructure and the flexible arrangement of floorspace (including the eaves heights of industrial and warehousing units) is necessary. The Hub development will make a significant contribution to enhancing the quality and choice of employment floorspace stock when constructed. However, this alone will not be sufficient.

Availability of Freehold Commercial Units

5.31 Market commentary and occupier enquiry evidence from local agents and existing businesses demonstrates an underlying demand for employment sites and commercial units that are available for freehold purchase. The control of freehold ownership extends to much of the existing available floorspace and also to the new, consented floorspace in the pipeline that will be constructed in Burgess Hill in future. This situation reflects a restriction on the supply of floorspace that goes beyond simply the balance of available floorspace to revealed demand.

Availability of Larger Floorspace and Units for Industrial and Warehousing

5.32 The existing supply of sites and floorspace is insufficient to meet revealed market demand. There are significant numbers of extant occupier enquiries for larger footprint (1,000 sq.m and greater) units, specifically in Burgess Hill according to local agents. The characteristics of supply of such floorspace in Burgess Hill means that larger industrial and warehousing floorspace is scarce and where it is available it is increasingly viewed as dated or of poorer quality with little further room for expansion in later years. The supply of vacant sites available to develop new space is also limited. The pipeline of committed new floorspace may assist in addressing this supply deficiency but will not be sufficient on its own to meet revealed occupier demand or to offer a mix of choices to the market.

Availability of Office Accommodation for Smaller Businesses

5.33 The supply of office accommodation in Burgess Hill is limited in comparison to Haywards Heath and East Grinstead. However the property demand analysis shows a continued revealed demand for smaller office accommodation and for serviced workspace. The existing supply in Burgess Hill is characterised by a predominance of smaller office stock. Similar to the supply of industrial and warehousing floorspace however, much of the stock is dated and inflexible to support the future growth and expansion of existing businesses. Larger office accommodation supply is almost entirely taken up and future committed supply is not yet constructed.

Lack of Serviced Accommodation

5.34 Allied to the lack of available office floorspace supply suitable for smaller businesses, the existing supply in Burgess Hill lacks available serviced workspace accommodation. This is both for B1a office and B1c light industrial activities. There has been a growth in demand for serviced accommodation across the Gatwick Diamond and the supply of such floorspace and sites is limited with existing serviced accommodation operating at full capacity elsewhere in the Gatwick Diamond.

Proposed Allocation of Land West of Burgess Hill

5.35 It is important to consider the employment characteristics of the potential area of land that Mid Sussex District Council seek to allocate.

5.36 The *Burgess Hill Employment Site Study*, 2012 provided an overview analysis of the proposed location, defined as an Area of Search for Draft Local Plan policy DP6 (DP8 in the *Consultation Draft District Plan*, November 2014). The Study concluded in section 11 at paragraph 11.3 that the area of search:

"appears not to have any significant constraints to employment development, but not all of the area may become available for development".

5.37 The Study continues to explain in paragraph 11.3 that the eastern end of the site is crossed by a high voltage power line and may be required for public open space and a link road from the A273 to the A2300. It concludes in paragraph 11.6 that:

"the land which may become available for employment development is likely to be between 20 and 30 hectares. … Only by including land to the north of the A2300, or land lying further west beyond Cuckfield Road…does it appear that a site totalling 40 Ha could be identified".

5.38 The 2012 Study did not consider in detail the employment land characteristics of the search area location itself and it is appropriate here to assess the proposed allocation area in terms of its ability to meet site assessment criteria in the NPPG at Section 3, paragraph 016, namely:

- site size, boundaries, and location;
- current land use and character of the surrounding area;
- physical constraints (e.g. access, contamination, steep slopes, flooding, natural features of significance, location of infrastructure / utilities);
- potential environmental constraints;
- where relevant, development progress (e.g. ground works completed, number of units started, number of units completed); and
- initial assessment of whether the site is suitable for a particular type of use or as part of a mixed-use development.

5.39 The NPPG provides further guidance on considering the suitability of employment sites or broad locations in Section 3, paragraph 019 which advises that site/broad location suitability should be guided by:

- the development plan, emerging plan policy and national policy; and
- market and industry requirements in the functional economic market area.

5.40 Paragraph 019 also indicates that, when assessing sites, plan makers will need to take account of the appropriateness of identified constraints on sites/broad locations and whether such constraints may be overcome.

5.41 The following sub-sections therefore set out an assessment of the proposed location against the indicators and criteria set out above.

Site Size, Boundaries and Location

5.42 The *Consultation Draft District Local Plan*, 2014 policy DP8 (Land at North/West of Burgess Hill) proposes to allocate between 20 and 30 hectares of employment to the west of Burgess Hill with a further area of land potentially identified for a Science and Technology Park.

5.43 Figure 5.5 below shows the locational context of the proposed allocation site (shaded in red) and Figure 5.6 identifies the area in more detail.

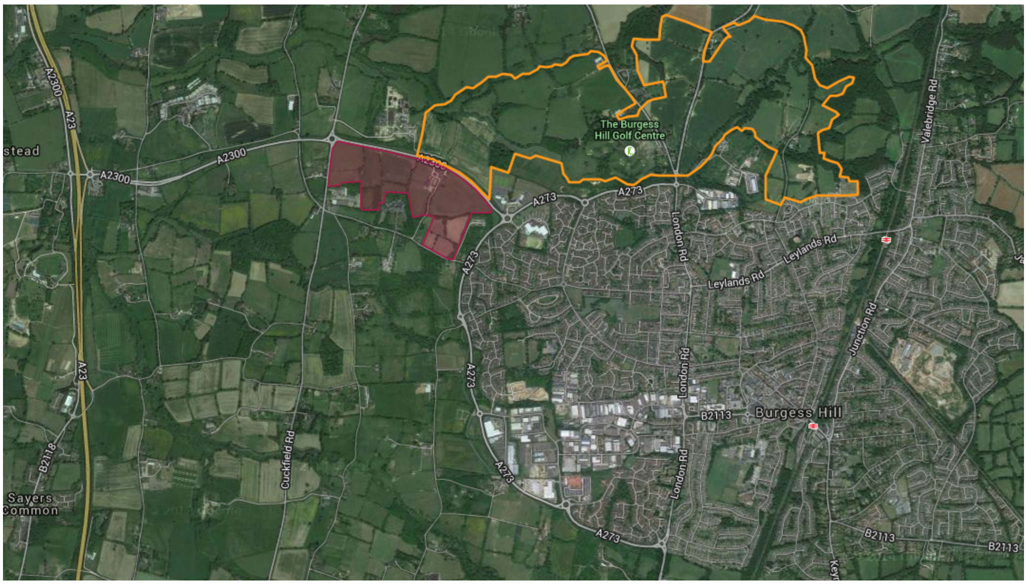
5.44 The broad location identified is land to the south of the A2300 and bounded by Gatehouse Lane to the south and Cuckfield Road to the west. To the east, the area is bounded by the existing western built-edge of Burgess Hill formed by the A273 and the St Paul's College. The western part of the site is contiguous with the site area of The Hub employment development, with its resolution to grant planning permission in 2014 by the District Council. North of the A2300 is the proposed residential and mixed use Northern Arc area.

5.45 The proposed allocation area is some 34 hectares in size. The broad location for the employment land is therefore extensive with its frontage directly onto and Immediately adjacent to the A2300 that runs east-west connecting Burgess Hill town centre to the A23 strategic trunk road.

5.46 Access to the proposed allocation would be taken directly from the A2300 as well as potentially from Cuckfield Road at the western site boundary and Gatehouse Lane to the south. It is also anticipated that vehicle, pedestrian and cycle access to the area could be secured through the Northern Arc development area in order to ensure the integration of new housing and employment areas.

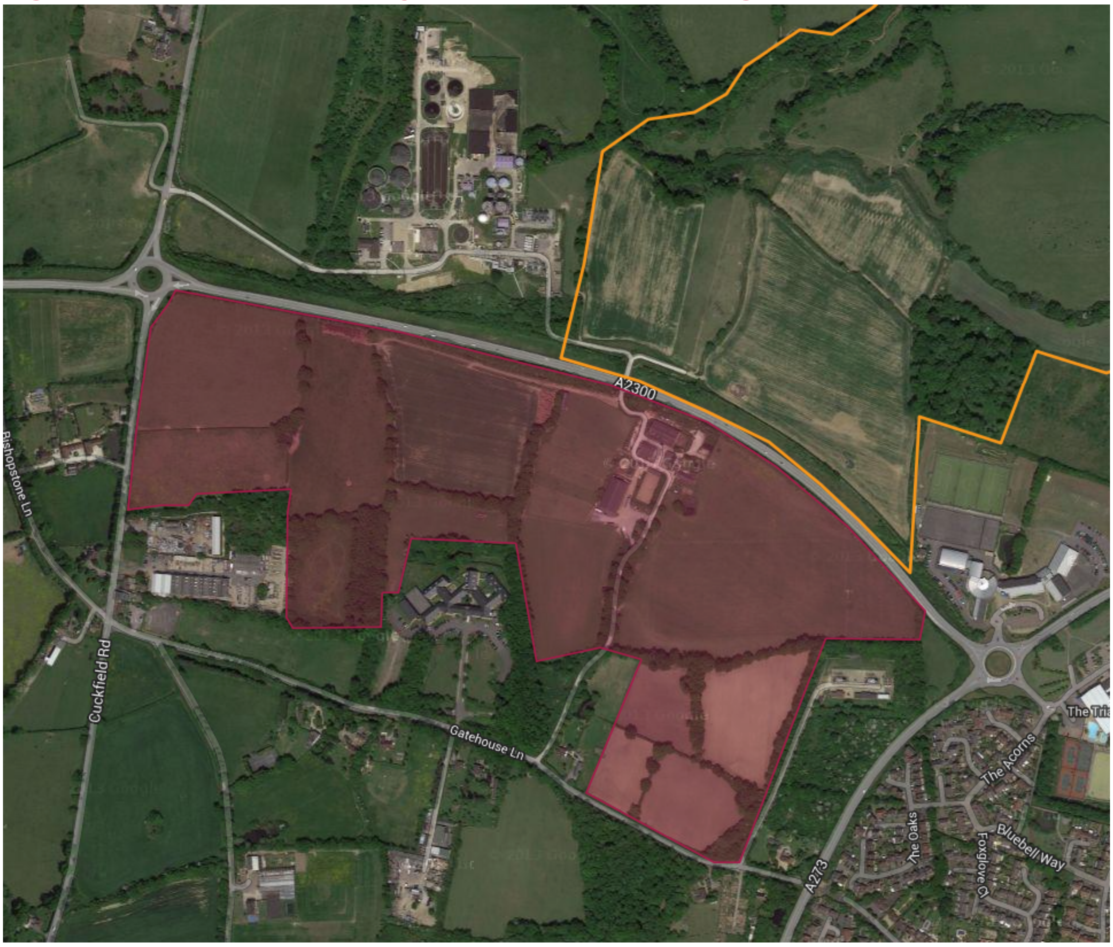
5.47 More widely, the proposed allocation is some 3km measured as the crow flies from Burgess Hill and Wivelsfield railway stations and the town centre and approximately 1.6km from the western boundary to the A2300/A23 junction.

Figure 5.5: Proposed Allocation Site Location and Context



Source: Google Map Extract, February 2015

Figure 5.6: Proposed Employment Land West of Burgess Hill



Source: Google Map Extract, February 2015

Current Land Use and Character

5.48 The proposed allocation location is predominantly greenfield in nature and is currently used for agricultural purposes with the land in Grade 3 (Good to Moderate) according to the Agricultural Land Classification[11]. Subject to detailed survey, the agricultural land quality is not likely to be considered as best and most versatile (the highest quality land).

5.49 Land to the south of the A2300 has an irregular but broadly rectangular shape bounded by Cuckfield Road to the west, by the existing hedgerow boundary of neighbouring properties to the north of Gatehouse Lane and by the Lane itself to the south and by the A273 to the east. The 15 hectare 'The

[11] *Agricultural Land Classification Map, South East England, Natural England*

Hub' employment land development with resolution to grant is located in the western portion of this area.

5.50 This area is predominantly greenfield agricultural land, encompassing West End Farm and Gatehouse Farm and comprising relatively flat, open aspect fields with an existing pattern of mature hedgerows and trees. At the eastern end of the area there are high voltage electricity pylons traversing the site running north from the adjacent electricity sub-station.

5.51 To the south of the area there are two neighbouring land uses of note; an existing metal recycling and open storage site adjacent to an employment and retail trade counter area accessed via Cuckfield Road; and The Dene (an inpatient mental health residential institution). To the east, the area borders onto an existing electricity sub-station accessed from Gatehouse Lane and the A273 road.

Wider Surrounding Uses and Environment

5.52 The wider area and context to the potential employment allocation is predominantly greenfield countryside interspersed with agricultural farm buildings to the south and north-west.

5.53 The countryside extends westwards to the A23 and contains within the landscape the existing 9.6 hectare Bolney Grange Business Park employment area that is accessed from the A2300 via Jobs Lane and Stairbridge Lane.

5.54 Further to the west, adjacent to the A2300/A23 junction is Northlands Farm where there is an extant planning application for a rectangular greenfield site of some 7.2 hectares (application reference: 13/04199/OUT) for circa 37,000 sq.m of new employment floorspace to form a new regional distribution centre (B8 Use Class). The application remains under consideration and has not been determined at the time of writing.

5.55 Also to the west of Cuckfield Road and the proposed allocation is a broad location for the possible Science and Technology Park as described in draft District Plan policy DP2 and shown in the Policies Map (Inset 6 – Bolney Grange and DP2) and as identified in the Greater Brighton City Deal and in the Coast to Capital LEP Strategic Economic Plan.

5.56 A Science and Technology Park may require circa 30+ hectares of land for its development to enable all the necessary services, facilities and physical environment to be provided for the Park. The broad location identified is a predominantly greenfield area to the south of the Bolney Grange Business Park and adjacent to the A2300.

5.57 The feasibility of the potential development of the Science and Technology Park is the subject of more detailed consideration in the Part II report (to follow on from this Part I report), however an indication of the overall demand and potential role of the Park is considered further in Section 7.

5.58 To the east, the proposed employment allocation site adjoins the existing built area of Burgess Hill that is predominantly residential dwellings on the western edge and around the Triangle leisure centre.

5.59 The character, role and function of the surrounding area is therefore predominantly agricultural, countryside with some significant urbanising influences.

Physical and Potential Environmental Constraints

5.60 The *District Plan Sustainability Appraisal Consultation Draft Report*, October 2014, undertaken to assess the options and alternatives proposed in the draft District Plan assessed the proposed strategic employment allocation. The Sustainability Appraisal concludes that the site scores favourably when compared with other proposed alternatives.

5.61 The Sustainability Appraisal identifies flood risk issues that would need to be evaluated in detail through a Flood Risk Sequential Test and then subject to appropriate design and mitigation measures.

5.62 Development would also impact on the protection and enhancement of the countryside as the proposed allocation is located within a greenfield, countryside location. The area is concluded to have a low/medium capacity for development in relation to protecting the existing countryside. It is however recognised that where development needs cannot be accommodated within the existing built-up areas that greenfield land in the countryside will be necessary in order for the District to meet its economic development objectives.

5.63 In the overall Sustainability Appraisal conclusion, the efficient use of land is negatively impacted but the balance of potential loss of countryside is outweighed by the combination of positive economic and social benefits arising from the proposed allocation and that of the Northern Arc which combines housing development with employment land to the west of Burgess Hill.

5.64 The proposed employment allocation area is not identified as containing other environmental constraints or protected environmental areas.

Development Progress

5.65 Development has not progressed on the proposed employment land area and it remains in predominantly greenfield, agricultural use at present. However much of the area to the south of the A2300 forms part of 'The Hub' employment land development (B1, B2 and B8 Use Classes) with resolution to grant and which should commence construction shortly.

5.66 In addition, the potential area for employment land is also identified in the Consultation Draft Mid Sussex District Local Plan and has been subject to Sustainability Appraisal testing as part of the plan-preparation process and consideration of alternatives and options.

Site Suitability for Specific Employment Uses or a Mix

5.67 The proposed allocation location is of a significant size and benefits from good access by a range of means of transport to Burgess Hill town centre, the two railway stations and to the strategic road network via the A2300 and A23.

5.68 While the proposed allocation area is not part of an existing employment use or cluster it is clear that there are significant existing employment and commercial activities adjacent to the proposed area both to the south and further afield to the west along the A2300. In addition, the proposed Northern Arc development would entail the creation of up to 3,500 new dwellings resulting in a substantial new working resident population in close proximity to the proposed employment land area.

5.69 The demand analysis and property market review in previous sections of this report highlight the need for additional employment land and reflect the revealed demand from occupiers to locate in and near to Burgess Hill. The proposed allocation is therefore situated in an area of market demand.

5.70 Table 5.2 below considers a series of criteria that represent a range of indicators to explore site suitability for B Use class employment uses.

Table 5.2: Proposed Employment Land Allocation, West of Burgess Hill – Summary Employment Land Potential Appraisal

Indicator/Measure	Site Assessment
Brownfield/greenfield	Greenfield
Description	The broad location area is extensive. It is broadly flat, greenfield land and currently in use for agricultural purposes. The area is directly adjacent to the A2300 which runs east-west between Burgess Hill and the A23 strategic trunk road. The area is bounded by existing employment and residential institution development to the south, by the Cuckfield Road to the west and is conjoined to the proposed Northern Arc development area and to the existing edge of Burgess Hill to the north and east. The Goddards Green wastewater treatment facility is to the north of the A2300 in close proximity to the western part of the site. The area is available and has been identified in the Burgess Hill Town Wide Strategy and in the emerging District Local Plan for strategic employment uses. An existing planning permission for 15 Ha (providing 50,000 sq.m) of new B Use Class employment floorspace ('The Hub') covers the western part of the site.
Size	34.3 Ha to the south of the A2300.
Current use	Agricultural land of Grade 3 (moderate quality).
Location type	Greenfield outside the current Burgess Hill development boundary.
Accessibility	Primary road access is via the A2300 and also from Cuckfield Lane. There are also opportunities for the area to link with the proposed Northern Arc development and to offer excellent access by a range of means of private and public transport both to Burgess Hill town centre as well as to the A23/M23 corridor. Critically, the area's location is to the west of Burgess Hill's existing built-up area meaning that vehicular traffic accessing the employment land would not need to travel through the town in order to reach the A23/M23 and the other key centres in the Gatwick Diamond and beyond.
Distance to A23	2km.
Distance to A2300	Area is adjacent to the A2300 road.

Distance to rail station	3km to Burgess Hill railway station. Also 3km to Wivelsfield Station on the eastern side of Burgess Hill.
Within 500m of bus stop	Yes at existing bus stops on the A2300. Development of the allocation, together with the development of the Northern Arc would also encourage the provision, frequency and availability of additional bus services to Burgess Hill town centre, Burgess Hill and Wivelsfield railway stations, neighbourhoods in the town and more widely to Haywards Heath and other centres in the Gatwick Diamond.
Distance to services	There are no services or facilities provided on-site at present as it is greenfield land. The retail and social facilities of Burgess Hill town centre are 2.5km to the east and the road-side service facilities at the junction of the A23/A2300 2km to the west. Future development of The Hub and of the Northern Arc proposals would enhance the access to and distance to retail and social facilities for the proposed employment location.
Adjacent land uses	Residential institution and industrial employment use to the south. Agricultural land to the west and north of the A2300. Agricultural land to the north, forms part of the proposed Northern Arc development area. Goddards Green wastewater treatment facility to the north of the western portion of the proposed employment allocation. Electricity sub station and the A273 road on the western edge of Burgess Hill are situated to the east.
Planning status	The western portion of the area has an extant planning permission for 15 Ha of B Class employment land ('The Hub'). The whole area is identified as a proposed strategic employment allocation through the Mid Sussex Consultation Draft District Plan, November 2014 in policy DP8.
Site constraints	The proposed allocation area is relatively unconstrained. There are existing hedgerows and field patterns across the

	area but the landscape and environment is not within a particular statutory, protected, designation. There is an existing high voltage electricity power line running north-west to south-east across the eastern portion of the area, connecting to an existing Electricity sub-station (outside the eastern boundary of the area). Access and egress can be afforded from numerous points taken from the existing road network. There are no listed buildings or structures or Scheduled Ancient Monuments on the site or within the immediate vicinity.
Identified employment potential	The proposed allocation area is greenfield agricultural land of moderate quality. The area of land available and the location in close proximity to the existing built-edge of Burgess Hill, can be interlinked with the proposed Northern Arc development and with direct access to the A2300 and on to the A23 roads means that there is a significant opportunity for the area to contribute to the future employment land requirements of Burgess Hill and Mid Sussex District more widely. Surrounding uses are agricultural or already in employment or residential institution use and with the creation of the Northern Arc proposals there will be a very significant number of new residential dwellings in close proximity supporting the overall housing and economic balance of Burgess Hill. The restricted available supply, choice and mix of alternative employment sites and plots of land for such use elsewhere in Burgess Hill, together with revealed market demand for all types of B Use Class floorspace arising from local and inward investment occupiers support the potential for deliverable employment use of the proposed allocated site area. Overall, the Site does offer the opportunity for all forms of B Use Class employment floorspace to be developed. Its location, positioning, prominence to the road network and existing centre and the extant planning permission granted for 15 Ha of employment development within the proposed

	allocation area combine to demonstrate a clear potential for B Use employment activities in this area. Further employment land, to the north of the A2300 could be provided in future as part of the proposed Northern Arc development area. If such employment land was to come forward then it would be beneficial in economic and employment terms for it to be located in close proximity to the proposed allocated employment land to the south of the A2300 and interlinked with the residential development in the Northern Arc, helping create a larger, sustainable employment and economic growth cluster.
Likely availability	The proposed allocation area is available for development. Part of the area is already subject to an existing employment land planning consent and the remainder is identified in the emerging District Local Plan as an appropriate location for employment growth.

Source: CCL Site Appraisal, February 2015

Land to the North of the A2300

5.71 Land to the north of the A2300 currently forms part of the proposed Northern Arc residential and mixed use development allocation set out in policy DP8 of the Consultation Draft Plan.

5.72 The western portion of the area is greenfield land currently used for agricultural purposes with an established pattern of mature hedgerows and field boundaries. The high voltage electricity pylons traverse through the site running in a north-westerly direction from the electricity sub-station located south of the A2300.

5.73 Further, future employment land in addition to that in the proposed employment allocation could be sited to the north of the A2300 within the western area of the Northern Arc residential, mixed use development allocation . The western area of the proposed Northern Arc is bounded by the A2300 to the south, by the Goddards Green waste water treatment facility to the west and St Pauls College to the east.

5.74 While the land north of the A2300 is identified in the Consultation Draft Plan for sports and recreation purposes it could, alternatively, provide further employment land in addition to the proposed allocation to the south of the A2300 with the sports provision located elsewhere in the Northern Arc subject to more detailed masterplanning work. The benefits of further employment land in this location would include the ability to fully integrate the Northern Arc housing proposals with the employment land allocation to the south of the A2300 and the to maximise the economic focus and cluster opportunities offered in the A2300 corridor.

Conclusions on Employment Sites Supply and the Proposed Strategic Employment Allocation

The Proposed Employment Allocation, West of Burgess Hill

5.75 The consideration of physical, environmental and neighbouring use constraints above and in Table 5.2 demonstrates that there is little of a material nature that would restrict the development of the proposed location for employment purposes encompassing a mix of all of the B Use Class activities (i.e. offices, industrial and storage and distribution).

5.76 It is concluded that the proposed employment allocations site characteristics do reflect a realistic future part of Burgess Hill and Mid Sussex District's B Use Class employment land supply because it is:

- well located in relation to strategic road links of the A23 and A2300;
- contiguous to the proposed Northern Arc mixed residential development and would therefore help support the housing and employment balance proposed in the District Plan for Burgess Hill;
- an available and suitable area of land of substantial size relatively unencumbered by environmental, landscape or other physical constraints;
- has an existing resolution to grant planning permission for B Use Class employment development on a substantial portion of the western area of the site;
- greenfield land used for agricultural purposes that is not the best and most versatile;
- an opportunity to create new, high quality employment floorspace to modern environmental and design standards within an appropriate landscape form;
- evident that other alternative sites, especially within the existing supply of employment land in Burgess Hill (and surrounding areas) are not capable of providing sufficient floorspace to meet revealed occupier demand or projected future employment growth; and
- clear that other sites in Burgess Hill are fully developed or could only be expanded in future through significant refurbishment, renovation and intensification of existing stock.

Stock of Existing Employment Sites

5.77 The assessment of employment sites supply has revealed a range and mix of employment land and floorspace existing as standalone estates and business parks. There is also employment land to come forward through the resolution to grant permission for 'The Hub' in 2014.

5.78 However, the analysis finds that although there are extensive employment land and floorspace areas in Burgess Hill their character, quality and limited availability restricts choice and flexibility for office, industrial and storage and distribution occupiers in order to meet current revealed demand let alone future employment growth projected or the unmet employment land needs from neighbouring local authorities in the Gatwick Diamond and wider Coast to Capital LEP area.

5.79 Drawing this analysis together, a series of overarching conclusions can be reached on the supply of employment land and the potential suitability of the proposed employment land allocation west of Burgess Hill:

- **Range and Role/Function** – the mix and choice of employment land offer in the local employment market area around the Site is limited and increasingly restricted as the existing supply is taken up and very few plots of land/sites remain available for further employment development. There is currently little available, existing floorspace for all B Class uses and new employment mixed-use development in Burgess Hill. The new permission for 'The Hub' will not be sufficient on its own to meet the occupier market demands. Overall the range of existing employment sites offers an insufficient range and choice to the business and local and inward investment occupier market. The commercial market demand analysis supports this conclusion as explored previously in section 4 of the Report.
- **Locations and Clusters** – There are strong local employment market areas clusters of sites in the Burgess Hill area. The land supply available now, recently completed and permitted, offers a clear emphasis on further clustering of B1c, B2 and B8 uses in Burgess Hill. The Burgess Hill B1 office supply is limited (in terms of floorspace size and choice of quality) with little available for small or larger occupiers and this supresses revealed demand and reinforces the perception of the town as an industrial and warehousing location rather than an office centre. There is however demand for B1 office floorspace that cannot be met in Burgess Hill, especially for smaller businesses and those seeking serviced workspace accommodation. For existing businesses the opportunities for expansion are restricted.
- **Quality and Age of Stock** – stock condition was considered by reference to previous work in the Northern West Sussex EGA study coupled with external survey of existing employment sites and by

estimating the age of stock. Overall stock quality and condition was found to be average-good across the Burgess Hill employment stock and the existing stock can continue to form part of the lettable employment land supply in future. However occupier demands and the choice of alternatives elsewhere in Mid Sussex and more widely in the Gatwick Diamond mean that there will need to be improvements to stock quality and replacement of older/poorer quality stock in the town during the plan period. While there is a role for lower quality stock offering floorspace at lower rental/lease values, the long term demand is for high quality stock for leasehold and freehold purchase which is best supported by new employment floorspace development coupled with existing stock upgrades.

Summary

- The nature and characteristics of the employment land supply are critical factors to understand considering the extent to which a further, strategic employment land allocation may be appropriate in Burgess Hill.
- The NWS EGA identifies a total of 191.4 hectares of employment land in Mid Sussex, including a number of sites in Burgess Hill, including:
    - Bolney Grange Business Park;
    - Former Sewage Treatment Works at Fairbridge Way (the site now has planning permission for residential development);
    - Church Road Walk/Burgess Hill Town Centre;
    - Sheddingdean Business Park;
    - The Brow; and
    - Victoria Business Park East and West.
- In addition to the existing employment sites and since the publication of the EGA analysis, a number of additional employment developments have been consented in Burgess Hill or are subject to pending planning decisions:
    - 15 hectares of new business park floorspace (up to 50,000 sq.m) to the south of the A2300 known as 'The Hub'. This resolution to grant permission provides a mix of B Use Class floorspace including B1, B2 and B8 Use Class employment space in modern, high quality facilities
    - Land to the west of Burgess Hill and adjacent to the A23/A2300 junction at Northlands Farm (See Figure 5.4 above) is the subject of a current planning application (ref: 13/04199/OUT) for the development of some 37,000 sq.m of employment floorspace

principally for use as a regional distribution centre (B8 Use Class). At the time of writing the application has yet to be determined.

- There has also been a series of recent employment floorspace developments completed on existing vacant plots within the Victoria Road West business park in Burgess Hill. Tungsten Properties completed a total of 3,623 sq.m in three phases of development on William Way during 2013 and 2014.
- Analysis of the existing and pipeline supply of B Use Class employment sites and floorspace in and near to Burgess Hill shows:
    - Employment floorspace is contained in a series of standalone industrial estates and business parks in Burgess Hill as well as a number of more rural locations where smaller estates have been created through the conversion and expansion of former agricultural premises and ad hoc growth of smaller rural commercial properties.
    - Burgess Hill does not have a modern business park or campus style development that is capable of attracting new inward investment occupiers or for expansion of existing businesses. Demand evidence shows a strong requirement for new office, industrial and warehousing units, including mixed employment use schemes. The lack of new or refurbished flexible space to current occupier expectations and standards weakens the commercial offer available in Burgess Hill and the town's perception as a suitable location for business.
    - There is very little un-developed employment land in Burgess Hill. Very recent permissions granted for new B Use Class floorspace such as at The Hub offer the prospect of new, high quality stock, but this is not yet constructed and the market remains constrained. The lack of available sites for the creation of new design & build (purpose-built) specification employment floorspace and units for freehold sale to the end occupier is also notable.
- In more detail, the quantitative and qualitative analysis of existing sites and the supply pipeline, show key characteristics and issues concerning the availability of supply (particularly the availability of freehold units); the quality and age of stock; the provision and choice for smaller businesses and occupiers; and the lack of serviced accommodation suitable for start-up, grow-on and emerging businesses.
- Turning to the proposed employment land allocation west of Burgess Hill, there is little of a material nature that would restrict the development of the proposed location for employment purposes encompassing a mix

of all of the B Use Class activities (i.e. offices, industrial and storage and distribution).

- It is concluded that the proposed employment allocations site characteristics do reflect a realistic future part of Burgess Hill and Mid Sussex District's B Use Class employment land supply because it is:
    - Well located in relation to strategic road links of the A23 and A2300;
    - Contiguous to the proposed Northern Arc mixed residential development and would therefore help support the housing and employment balance proposed in the District Plan for Burgess Hill;
    - An available and suitable area of land of substantial size relatively unencumbered by environmental, landscape or other physical constraints;
    - Has an existing planning permission for B Use Class employment development on a substantial portion of the western area of the site;
    - Is greenfield land used for agricultural purposes that is not the best and most versatile;
    - An opportunity to create new, high quality employment floorspace to modern environmental and design standards within an appropriate landscape form;
    - Evident that other alternative sites, especially within the existing supply of employment land in Burgess Hill (and surrounding areas) are not capable of providing sufficient floorspace to meet revealed occupier demand or projected future employment growth;
    - Clear that existing sites in Burgess Hill are fully developed or could only be expanded in future through significant refurbishment, renovation and intensification of existing stock.

6. GAP ANALYSIS

Introduction

6.1 This section provides a summary gap analysis assessment that draws together the results of the various analyses set out in previous sections. The purpose is to assess the business case justification for an employment land allocation west of Burgess Hill.

Supply/Demand Balance Position

Indigenous Growth and Gatwick Airport Expansion

6.2 The Demand Assessment indicated that there is a realistic demand for between 25-30 hectares of employment land in Mid Sussex between 2014-and 2031. This is on the basis of a 'minimum' expansion of Gatwick Airport, in other words without a Second Runway. If a Second Runway is approved then the employment land demand potential could be between 40-50 hectares.

External Un-met Demand Implications

6.3 Analysis of the level of 'unmet' employment land need of surrounding local planning authorities has been carried out. This is summarised in Table 6.1 below and indicates that there is potentially approximately 72 to 74 hectares of unmet employment land need in surrounding local authorities. This is split broadly one- third office (B1a/b) land and two-thirds industrial land.

6.4 Mid Sussex is unlikely to be the most suitable or appropriate location for all this unmet employment land need, which suggests that some of this unmet need may re-locate more widely within the Gatwick Diamond sub-region or elsewhere outside. However, there is a tendency for companies to expand or re-locate within their base locality, so the scale of such wider-region/out-of-region re-locations would not normally be expected to be significant. It is realistic, therefore, to assume that a reasonable proportion of this unmet employment land need may be attracted to Mid Sussex.

6.5 A cautious assumption range has been applied, which is based on between 25%-50% of other authorities unmet employment land needs being captured by Mid Sussex. This suggests that there could potentially be demand for an additional 18 to 37 hectares of employment land in Mid Sussex. This is in addition to the 20-25 hectares likely to arise from indigenous growth and a minimum expansion of Gatwick Airport, as well as the 40-50 hectares if there is an expanded Gatwick Airport with a Second Runway.

6.6 In total, therefore, and based on the realistic minimum demand figure, there could be a requirement for 38-62 hectares of employment land in Mid Sussex across the period from 2014 to 2031.

Table 6.1: Potential Unmet Employment Land Need beyond Mid Sussex

Local Authority	Assumed/ Identified Unmet Employment Land Need (Ha)		
	B1a/b	B2/8 & Mixed B Use	Total
Adur	0.2-0.6	1.6-3.3	1.8-3.9
Brighton & Hove	1.7	8.5	10.2
Crawley	14.7	20.2	34.9
Horsham	7.2	18.2	25.4
Worthing	Not specified	Not specified	-
Total	23.8 - 24.2	48.5 - 50.2	72.3 - 74.4

Source: Mid Sussex District Council (January 2015); Extracted from North West Sussex Economic Growth Assessment (April 2014), Nathaniel Lichfield & Partners. Tables 7.6, 7.12, 8.1 and 8.4.

Note: employment land figures were derived from floorspace figures provided for Adur and Brighton & Hove. This assumed a standard plot ratio of 40% for industrial space, and a composite plot ratio of 80% for office (B1a/b) space to reflect an average between town centre (120%) and business park (80%) plot ratios.

6.8 The supply analysis examined the employment land supply position in Mid Sussex. This noted that the NWS EGA study identified 29.9 hectares of potential employment land supply in Mid Sussex.

6.9 A desk-based update of this supply assessment has been carried out, and indicates that the potential employment land supply is approximately 30 hectares. This **includes** the additional 15 hectares that has been approved as part of 'The Hub' development at Burgess Hill since the NWS EGA study reported.

6.10 Mid Sussex District Council have proposed the allocation of between 20-30 hectares of employment land to the Burgess Hill in *Consultation Draft*

District Plan policy DP8. The area to be allocated includes 'The Hub' site. As such, the 15 hectares associated with 'The Hub' forms part of the proposed allocation of 20-30 hectares. The residual amount of proposed employment land allocation from the Draft Local Plan is therefore between 5 to 15 hectares.

6.11 In total, therefore, the potential employment land supply in Mid Sussex is likely to be between 35-45 hectares, if the proposed *Consultation Draft District Plan* policy DP8 allocation is delivered (made up of the 30 hectares of identified potential land supply – which **includes** The Hub – along with the residual proposed employment land allocations of 5 to 15 hectares – which **exclude** The Hub). This compares to a potential employment demand figure of 38 to 62 hectares. The proposed employment land allocation to the west of Burgess Hill would therefore be needed to satisfy employment land needs within the District and support unmet needs arising in neighbouring authorities.

Sector and Business Offer

6.12 In terms of the sectoral and business offer that an employment land allocation to the west of Burgess Hill could address, a number of conclusions arise from the previous analysis.

6.13 There are a number of important ingredients that the site satisfies from a business perspective. This includes access to the strategically important A23/M23 corridor, as well as a location to the west of Burgess Hill to avoid inappropriate traffic generation through the town centre.

6.14 The greenfield nature of the site would enable a high-quality and flexible business environment to be designed and developed, dealing appropriately with landscaping, car parking and supporting services.

6.15 The potential for providing the necessary supporting services for a modern business park environment, such as a crèche and supporting retail services, is important in ensuring the success of a scheme. Such a scheme would also be able to address particular concerns with the quality of existing stock in the area.

6.16 Demand could potentially come from a wide range of B Use Class occupiers. Specific demand related to research and development (B1c), small/medium-sized distribution and distribution-related users (B8), and mixed B Use Class activities have been highlighted from discussions. There is a particular current demand to cater for the small to medium office and light industrial market (185-930 sq.m / 2-10,000 sq.ft).

6.17 In addition, there is demand for freehold occupation from within the local area, which is likely to be evident in the wider market area. There is also strong interest for design and build occupation, as well as serviced occupation. A particular issue identified has been the opportunity to support value-added supply chain activities, which a business park environment would be well suited to cater for.

6.18 The expansion of Gatwick Airport with a Second Runway could add a further dimension to the demand profile, with increasing activities with a non-immediate access requirement to the Airport seeking premises in the wider Gatwick Airport area, particularly those that are strategically well connected via the A23/M23 road corridor such as the land to the west of Burgess Hill.

6.19 It is unlikely that larger distribution functions would seek this as a preferred location. However, shortages of space elsewhere may push demand to this area. Even so, such uses would not necessarily represent the most effective or appropriate use of such a site.

7. SCIENCE AND TECHNOLOGY PARK

Introduction

7.1 This Section examines the feasibility and potential for a new Science and Technology Park (STP) to be developed on the A2300 in close proximity to, but separate from, the proposed Strategic Employment Land allocation.

7.2 The section includes assessing the potential scale of demand that could be associated with a potential STP in this location, and the nature and form of such potential demand. The means of 'securing' such demand are then considered, which includes an assessment of the key factors that the STP would need to address.

Overview

7.3 The proposal is to provide land for a STP scheme to the west of Burgess Hill, in addition to the employment land allocation considered in other sections of this report. It has been assumed that the STP could supply a potential 100,000 sq.m of floorspace, phased over a 20 year period in accordance with the Draft District Plan at policy DP2 and as shown on Inset 6 Policies Map.

7.4 Businesses locating on Science and Technology Parks tend to be of a specialist nature, often characterised as 'knowledge based' companies. Key sectors include the broad categories of Bio-sciences, Engineering and Advanced Manufacturing, ICT/Telecoms and Environmental Services. These sectors are expected to be a key stimulus and focus for demand into the future, and have therefore been the primary focus of this demand assessment[12].

7.5 It is difficult to translate these business sectors into planning Use Class categories. The closest category is Use Class B1, with B1b (research and development) in particular being particularly relevant as this relates most closely to research activities. However, focussing on B1b uses by itself is likely to be too restrictive, as there are likely to be other activities that are compatible with STP use that are notionally classed with the broader B1 category.

[12] *These are not the only potential sectors from which demand may arise, but they have been used as an indicator of the scale of opportunity.*

7.6 It is expected that elements of light manufacturing (Use Class B1c) could locate within a STP, notably in support of the manufacture of products developed on-site. This could range from leading-edge manufacturing fields such as plastic electronics and meta-materials, to more 'standard' activities, such as solar cell and other renewable energy manufacturing related to environmental services activities on a STP. In fact 'high value added' manufacturing will be part of the potential target market for a STP, where such products relate to science based issues, such as advanced engineering, and robotics and autonomous systems.

7.7 Given the above, an indicative assessment of Science Park demand in relation to broad property sectors has been undertaken. These property sectors are:

- Office space;
- Research and Development space;
- Light industrial space; and
- Other space.

7.8 The demand assessment related to these property sectors should not be seen as definitive. Rather, the property sector assessment is intended to provide guidance as to a reasonable breakdown of the nature of demand arising.

Knowledge Based Property Demand

7.9 In terms of the knowledge-based market the approach adopted has been to examine economic forecasts for sectors of relevance, and translate this into potential floorspace requirements. This has been at a strategic level, with no formal modelling work undertaken at this stage. Nevertheless, the results provide a reasonable guide to the scale of opportunity.

7.10 Four core business sectors have been examined in terms of their potential employment growth, and how much of this could be associated with the South East. Details of the employment forecast are summarised in Table 7.1.

7.11 It should be emphasised that the business sectors typically conducive of a STP environment are essentially broad definitions. However, the definitions have been based upon accepted interpretations of these market sectors. Furthermore, it is also likely to be the case that a Burgess Hill Science Park will attract tenants who do not fall into the categories listed in Table 7.1, so the demand assessments developed around these industries should be seen as minimum or baseline.

7.12 The most recent and available data sources have been used, with a focus on publicly available information and reports. A number of the studies are slightly dated, but they are either the latest available reports or provide a particular focus of analysis not found in more recent reports.

Table 7.1: Core Market Growth Forecasts

Growth Sector	Growth Forecasts	South East Market Share
Bio-technology	• Approximately 191,000 employees and 6,500 employers in 2008. UK Science Industries (Bioscience) Factsheet (Semta). • This includes 48,300 in the Pharmaceutical sector, 34,500 in the Manufacturing of medical and surgical equipment and orthopaedic appliances sector and 108,200 in the Research and Development sector. • Projection for 2010-2016 is an increase in employment of 1.3% in Biosciences employment (Semta Factsheet and Science Industries (Bioscience) Sector Skills Assessment UK).	• Bioscience industries employ around 49,200 people in the South East in approx 1,260 companies. • 30% of the UKs Bioscience R & D is carried out in the South East. • 9 out of 10 of the world's top life science companies and the top 12 global pharmaceutical companies have operations in the South East. (SEMTA AACS LMI report (June 2010)
Engineering and Advanced Manufacturing	• Approximately 1,600,000 employed in the engineering and advanced manufacturing sector (Semta, 2014) • Science, Engineering and Manufacturing Technologies Sector identified as employing 814,000 in 'Mature Engineering', 815,500 in 'Leading-Edge Technology Industries', and 109,300 in 'Science Industries'. Total of 1,740,300. (Semta, 2010) • Forecast growth in employment 2010-16 in Mature Engineering sector equivalent to 2.46% p.a.; Leading-Edge Technologies = 1.8% p.a.; Science Industries = 3.9% p.a. Average employment	• 224,000 employed in the South East, or 14% of UK total (Semta, 2014). • In SEMT sector in South East, employment levels in Mature Engineering 87,900, Leading-Edge Technology Industries 119,100, and Science Industries 31,100. Total of 238,100 (Semta, 2010). • Used 1.1% national aggregate rate. Projected South East employment growth assumed to range between 0.6% p.a. and

Growth Sector	Growth Forecasts	South East Market Share
	growth figure of 1.1% per annum over period 2010-16 for engineers, scientists and technologists (Semta, 2010). However, this includes 'replacement' growth, so underlying net increase estimated as half of these growth rates.	0.9% p.a.
ICT/Telecoms	• IT&T industry employed 1,116,000 in 2012 (483,000 professionals in the IT&T sector and 633,000 IT&T professionals in other occupations). The 430,000 other IT&T workers who work in other sectors make up a total IT&T workforce of 1,546,000. (Source: UK e-skills, 2012). • Projected UK employment growth per annum 2011-2020 for the wider IT&T industry is 0.95%. For IT&T professionals the growth rate per annum is 1.78%. This compares to all sector growth of 0.89%. (Source: UK e-skills, 2012).	• South East IT&T industry employed estimated to employ 245,520 in 2012. (Source: UK e-skills, 2012). • Projected South East employment growth assumed to be same as national rate.
Environmental services/ technology	• The total number employed in the Low Carbon and Environmental Goods and Services sector (LCEGS) is approximately 881,000. Of these, 432,000 are in the Emerging Low Carbon sector; 257,000 in the Renewable Energy sector; and 192,000 in the Environmental sector. (BERR, 2009). More recent estimates put the total at 937,923 (DBIS, 2013) • Forecasts for growth in this sector of 1.4% p.a. between 2012 and 2015. This assumed as low scenario growth for future (Source: BERR, 2011), with a higher rate of	• The South East has 13.4% of UK employment in the LCEGS sector, about 113,000. (BERR, 2009) More recent estimates indicate a total of 119,786 (DBIS, 2013). • Employment growth is estimated at between 1.4%-2.5% pa. •

Growth Sector	Growth Forecasts	South East Market Share
	2.5% p.a. identified for 2009-2020 (Source: ISSR, 2011).	

Source: SEMTA, Summary Analysis of SEMTA'S Footprint (October 2014); SEMTA, Skills and the Future of SEM Technologies (December 2010); UK Commission for Employment and Skills (UKCES); Technology and Skills in the Aerospace and Automotive Industries. Evidence Paper 76 (October 2013); SEMTA, Sector Industries (Biosciences) Sector Skills Assessment (march, 2010); Cogent, Current and Future Demand for Skills in the Science Based Industries. UK Sector Skills Assessment (2011); e-Skills UK, Technology Insights (2012); Department for Business Innovation & Skills, Low Carbon and Environmental Goods and Services sector (July, 2013); BERR, Low Carbon and Environmental Goods and Services Report (2009 and 2011); Institute for Sustainable Solutions Research, The Low Carbon and Environmental Economy in Plymouth (June, 2011).

7.13 The above information has been used to develop an assessment of potential property demand, which can be used to identify the potential market for a STP in Burgess Hill. The assumptions used in developing this demand profile are summarised in Table 7.2.

Table 7.2: Property Forecast Assumptions (2015 - 2035)

Assessment Components	Sector			
	Biosciences	Engineering and Advanced Manufacturing	ICT/ Telecoms	Environmental services
UK Employment Base	197,500	1,600,000-1,740,030	116,000-154,000	181,000-937,920
Forecasts Growth Rate (Forecast Period)	1-1.3% pa	0.6-0.9% pa	0.95-1.98% pa	1.05-2.5% pa[13]
Additional Jobs Created 2015-35[14]	39,340-63,720	186,520-357,190	331,080-497,900	245,240-629,300
South East proportion of jobs	25-30%	14%	16-22%	13%
Total additional jobs in South East 2015-35	9,835-19,120	26,110-50,000	52,970-109,540	31,881-81,808
Assumed	24 sq.m (18 to 40	24 sq.m (18 to 40	16 sq.m (18 to 40	16 sq.m (18 to 40

[13] *Assumed that there will be relatively strong growth over short-medium term, but then more reduced growth. Growth is likely to be particularly strong in renewable energy sector, and associated with activity outside of South East.*

[14] *Projections to 2035 are continuation of economic forecasts for reporting periods.*

Assessment Components	Sector			
	Biosciences	Engineering and Advanced Manufacturing	ICT/ Telecoms	Environmental services
workspace ratio (sq.m per person)	sq.m sectoral breakdown[15])	sq.m sectoral breakdown[13]	sq.m sectoral breakdown)	sq.m sectoral breakdown)
Total South East property demand 2015-35 (sq.m)	236,050-458,810	626,730-1,200,155	847,580-1,752,600	510,090-1,308,940
Burgess Hill SMT potential retention rate[16]	Assume 5% of SE Therefore 11,800-22,940 sq.m	Assume 2.5% of SE Therefore 15,670-30,000 sq.m	Assume 2.5% of SE Therefore 21,190-43,855 sq.m	Assume 2% of SE Therefore 10,200-26,180 sq.m

7.14 The estimated employment growth in the four broad sectors outlined in Table 7.2 equates to 802,190 to 1,548,100 nationally over the period 2015-2035. The South East is expected to see 120,800 to 260,470 of these jobs, although this is not of course guaranteed.

7.15 An assumed level of market-share or 'retention' that could be secured by a STP at Burgess Hill has been applied. This is very much an indication of market share potential. There will be strong competition for these market sectors, so securing occupiers across these sectors will require an appropriate STP 'business offer'.

7.16 On the basis of the information summarised in Table 7.2 the following demand potential may arise over the next 20 years in relation to a Burgess Hill STP:

[15] *Sectoral breakdown of floorspace has been assumed at 30% office (18 sq.m per worker), 20% R&D (29 sq.m per worker), 40% light industry (32 sq.m per worker) and 10% other (40 sq.m per worker). This is an indicative sectoral breakdown, as the actual composition will depend upon local circumstances. Variations in the assumed sectoral split are likely to translate into different overall floorspace demand totals.*

[16] *The 2%, 2.5% and 5% 'potential retention rates' are assumed levels of market-capture that a Science and Technology Park may seek to achieve. This is a matter of judgement based on the existing size of the Science Park sector in the South East of England (approximately 25 Parks, depending upon geographical boundary definitions), and the level of competition for or specialism of particular business sectors. If there is likely to be more competition for or a wider ability to supply certain sectors – e.g. Environment Services – then potential retention rates may be lower. If the business sector or area of focus is more specialised – e.g. Biosciences – then assuming the Science and Technology Park offer is appropriate, there may be greater opportunity to secure a higher potential retention rate. The 'potential retention rates' need to be viewed as guidance figures. Depending upon the particular offer of a Science and Technology Park, these proportions of 'market-capture' could be appreciably higher or lower than those assumed.*

- Biosciences – 11,800 to 22,940 sq.m;
- Engineering and Advanced Manufacturing -15,670 to 30,000 sq.m
- ICT/Telecoms – 21,190 to 43,855 sq.m
- Environmental services/technology – 10,200 to 16,180 sq.m)
- **Total 'core' knowledge-based businesses – 58,860 to 122,940 sq.m**

7.17 There are also current businesses within the Mid Sussex and wider Gatwick Diamond market area that could be classed within the business services/support services and other B1 use categories. Demand from these sectors for premises at a Burgess Hill STP may also arise. It is difficult to quantify this, but for planning purposes it is assumed that this would be less than 5,000 sq.m in total.

7.18 It is also important to note the potential growth in the 'digital economy', given the proximity of Brighton & Hove. There are estimated to be 1,460,000 employed in this sector nationally[17], with a forecast growth in employment of 5.4% by 2020.

7.19 Of significance is the fact that Brighton & Hove has the highest density of digital companies in UK. While the location focus of such enterprises is likely to remain principally on Brighton & Hove, there may be a combination of spin-off science and technology activities that may require STP-type space, as well as shortages of floorspace in Brighton & Hove leading to some less location sensitive digital businesses looking towards a Business Hill location.

7.20 **In broad terms, the potential knowledge-based property demand that could be available to a Burgess Hill STP over the period 2015-35 could be between 58,860 to 122,940 sq.m, or a mid-point average of 90,900 sq.m**.

7.21 There may be additional demand from business services/support services within the Mid Sussex and wider Gatwick Diamond area that could add further demand, along with associated activities from digital enterprises in Brighton and Hove in particular. It is also important to note that the knowledge-based assessment does not cover the full range of sectors that may occupy STP type space, it is intended to provide a guide to the general scale of opportunity.

[17] *Source: TechCity, TechNation - Powering the Digital Economy (2015)*

Defining the Offer

7.22 It is important to stress that the scale of development is proposed on the basis that the management strategies, marketing focus and operational focus of a Burgess Hill STP reinforce the appropriate 'Science Park' role, character and emphasis. Without this there is a risk that it will be drawn into competition with 'conventional' business parks or other types of development, and that other Science Park schemes will secure the growth potential.

7.23 The critical issue is therefore less to do with the scale of potential Science Park-related demand that will exist, or the sectors that it will come from, but more related to developing a strong and persuasive offer. To do this requires a suitable collaborating partner to anchor the STP, be that a university or leading industrial or technology organisation. It also requires a focus on promoting innovation and creating high-technology and leading-edge economic development, along with the potential for the commercialisation or practical spin-out of research.

7.24 In addition the characteristics of the STP will need to be articulated clearly, so that the advantages and attractions of this scheme are understood, as well as its 'USP'. This includes factors such as:

- resource sharing of space and opportunities (incubator and enterprise space, collaboration initiatives and arrangements, exchange platforms, etc);
- security issues (site access arrangements and security systems, uninterruptible power supply, telecommunication systems, etc);
- support facilities (reception and communal spaces, STP management offices, retail provision, hotel and leisure provision or arrangements, etc);
- landscape and layout (parking, internal transportation, landscape master-planning, quality and sustainability of design, etc); and
- lease and occupation arrangements (rental levels and lease terms, moving-on space, conference and meeting rooms/hire, utility costs and support, etc).

7.25 These are not the only factors to consider, but they are generally considered critical as inputs to developing the focus of a Science Park. To a large extent, however, they are the minimum or 'given' features that a STP will need to have. There is a need, therefore, to develop the 'unique' proposition for the Burgess Hill STP, reflecting the individual or distinctive nature of what is being 'offered'.

7.26 This will need to involve establishing the key partner(s) in support of the STP, and defining and refining the target occupier sectors. This should not involve too restrictive a focus, but equally not too scattered a coverage. Clusters of activity are generally recognised as successful features, with firms within the same industry benefiting most from mutual knowledge spill-overs on STPs. There are also indications that a significant proportion of consultancy firms can be beneficial, alongside the technical service firms, including laboratories and research facilities.

7.27 There is a general recognition of the need for strong and active support for start-up enterprises, involving the provision of flexible start-up space to new companies with the aims of supporting their continued development and growth.

7.28 The provision of marketing expertise and managerial skills to firms, particularly to SMEs lacking such a resource, is also seen as a valuable business offer.

7.29 Proactive and entrepreneurial management is also acknowledged as vital to success, linked to a set of effective and flexible operational, marketing, and master-plans, which can be important in helping to establish a clear identity.

7.30 However, even the above points risk being too definitive and restrictive at this stage. A core requirement is identifying an appropriate partner (university and/or leading knowledge business), with whom to develop the business proposition. The demand assessment has indicated that there is realistic demand, but this will only be secured with a well thought-out and clearly understood business concept.

Summary

- The proposal to provide land for a Science and Technology Park (STP) scheme to the west of Burgess Hill is in addition to the employment land allocation considered in other sections of this report.
- It has been assumed that the STP could supply a potential 100,000 sq.m of floorspace, phased over a 20-year period.
- The main property sectors comprising an STP are:
  - Office space (B1a);
  - Research and Development space (B1b);
  - Light industrial space (B1c); and
  - Other space.
- Four core business sectors have been examined in terms of their potential employment growth, with the following demand potential over the next 20 years in relation to a Burgess Hill STP:
  - Biosciences – 11,800 to 22,940 sq.m;

- Engineering and Advanced Manufacturing -15,670 to 30,000 sq.m
- ICT/Telecoms – 21,190 to 43,855 sq.m
- Environmental services/technology – 10,200 to 16,180 sq.m)

- The total 'core' knowledge-based businesses is therefore 58,860 to 122,940 sq.m.
- In addition it is also likely to be the case that a Burgess Hill Science Park will attract tenants who do not fall into the four business categories above. It is difficult to quantify this, but for planning purposes it is assumed that this would be less than 5,000 sq.m in total.
- It is also important to note the potential growth in the 'digital economy', given the proximity of Brighton & Hove. There are estimated to be 1,460,000 employed in this sector nationally with forecast growth of 5.4% by 2020.
- Brighton & Hove has the highest density of digital companies in UK. Whilst the location focus of such enterprises is likely to remain on Brighton & Hove, there may be a combination of spin-off science and technology activities that may require STP-type space, as well as shortages of floorspace in Brighton & Hove leading to some less location sensitive digital businesses looking towards a Business Hill location.
- The potential knowledge-based property demand that could be available to a Burgess Hill STP over the period 201 - 2035 could be between 58,860 to 122,940 sq.m, or a mid-point average of 90,900 sq.m.
- The scale of development is proposed on the basis that the management strategies, marketing focus and operational focus of a Burgess Hill STP reinforce the appropriate 'Science Park' role, character and emphasis.
- There is a need to develop a strong and persuasive offer. This requires a suitable collaborating partner to anchor the STP, (a university or leading industrial or technology organisation). It also requires a focus on promoting innovation and creating high-technology and leading-edge economic development, along with the potential for the commercialisation or practical spin-out of research.
- The characteristics of the STP must help define its 'USP'. This includes factors such as:
  - Resource sharing of space and opportunities (incubator and enterprise space, collaboration initiatives and arrangements, exchange platforms, etc);
  - Security issues (site access arrangements and security systems, uninterruptible power supply, telecommunication systems, etc);
  - Support facilities (reception and communal spaces, STP

management offices, retail provision, hotel and leisure provision or arrangements, etc);

- Landscape and layout (parking, internal transportation, landscape master-planning, quality and sustainability of design, etc); and
- Lease and occupation arrangements (rental levels and lease terms, moving-on space, conference and meeting rooms/hire, utility costs and support, etc).

8. CONCLUSIONS AND RECOMMENDATIONS

Introduction

8.1 This section brings together the analysis and findings of the previous sections. It provides a series of conclusions on the potential future employment land role of land to the west of Burgess Hill.

8.2 Overall, it is concluded that the proposed 30 hectare employment land allocation is appropriate and necessary in order to ensure that Mid Sussex District can meet its economic growth objectives, support existing businesses wishing to expand and to encourage inward investment within the District, the Gatwick Diamond and the Coast to Capital LEP area more widely.

8.3 The rationale for reaching this conclusion is examined further in the following sub-sections.

Policy and Economic Strategy Drivers

8.4 The overarching emphasis of national planning and economic policy set out in the NPPF and NPPG is to support long term growth, sustainability and prosperity through new economic development, the expansion of existing businesses and new inward investment.

8.5 The Gatwick Diamond, Coast to Capital Local Enterprise Partnership and the Greater Brighton City Deal strategies clearly highlight the importance of providing suitable infrastructure, homes and commercial employment development sites in order to drive economic growth. The strategies are unambiguous in this respect and are closely interlinked in terms of how public sector and private partners will work together to deliver economic infrastructure including land and floorspace.

8.6 One of the critical matters that each of the strategies identifies is tackling the shortage of suitable employment floorspace and particularly doing so in order to unlock the growth potential of Greater Brighton. The City Deal identifies the potential for a new Science and Technology Park in Burgess Hill as part of the approach to promoting longer term Growth Centres. Similarly the LEP's Strategic Economic Plan highlights Burgess Hill as a spatial priority location for new homes and associated infrastructure improvements (including capacity improvements on the A2300 connecting to the A23).

8.7 The Northern West Sussex Economic Growth Assessment (NWS EGA) provides an up-to-date review and analysis of the employment demand and supply situation across the Northern West Sussex area, including Mid Sussex District and Burgess Hill specifically. It confirms the strategic economic relationships with the wider Gatwick Diamond area and also with the A27 coastal West Sussex centres.

8.8 The NWS EGA report confirms Burgess Hill as an established and successful industrial market, less so for office based occupiers, but critically identifies that diminishing supply of land and sites and the need to enhance the quality and choice of employment floorspace stock will impact on the future economic development potential of the town. The NWS EGA clearly identifies that new allocations of employment land proposed in the Mid Sussex District Plan will provide opportunities to meet the identified needs of businesses both in quantitative and qualitative terms.

8.9 The emerging Mid Sussex District Plan, Consultation Draft establishes the principles and policies to support employment growth in the District as a whole and within Burgess Hill. The Consultation Draft Plan has clear economic growth objectives to secure some 447 new jobs per annum over the Plan's lifetime and highlights development opportunities and proposes allocations of land to the west of Burgess Hill in order to assist in meeting the requirements.

8.10 The emerging local policy approach is therefore both reflective of the Government's national economic and planning policy objectives, but also accords with the sub-regional economic strategies of the LEP, Gatwick Diamond and the City Deal in seeking to create new employment floorspace in Burgess Hill.

Demand and Supply of Employment Land

Overall

8.11 Economic projections set out in the Northern West Sussex Economic Growth Assessment and updated in this report show a clear direction of growth during the period to 2031 with employment levels increasing and demand rising for available commercial floorspace in the District.

8.12 Coupled to the rising indigenous demand for employment floorspace, Mid Sussex's role within the Gatwick Diamond and the Coast to Capital LEP area means that the District is also being requested to help provide employment land and floorspace to help meet un-met needs arising in surrounding areas, particularly Brighton & Hove, Adur and Worthing and also Crawley. The extent of un-met needs is significant across the Northern West Sussex and wider West Sussex County area and there are evident economic and sustainability consequences if an insufficient supply and choice of employment land and floorspace is not secured to the detriment of the whole sub-regional area.

8.13 It is clear that the combination of existing supply and committed pipeline developments in the District (amounting to circa 30 hectares) will be insufficient to ensure that there is a realistic amount of additional employment land to meet locally generated market demand, nor to resolve stock quality issues that have been identified by existing businesses and potential occupiers.

8.14 Inward investment opportunities, relocations from other parts of Northern West Sussex and from Brighton & Hove or Adur/Worthing and Lewes would add a further layer of requirement for the supply of new employment land (between 18 and 37 hectares depending how such needs were apportioned to Mid Sussex) and the future growth of Gatwick Airport generating an additional 4.7 – 20.4 hectares (depending on the Gatwick growth scenario used).

8.15 Without further employment land allocations, the available employment land supply will not be in a position to meet the cocktail of demand pressures.

Burgess Hill

8.16 Burgess Hill is recognised as a well-located existing employment centre performing a variety of employment roles and functions. The town and its surrounding area represent a key component in the District's employment land supply and economic offer due to its good strategic communication links to road and rail networks, attractive environment, labour force and skills base and a high quality of life.

8.17 Existing businesses choose to locate in the town and there is strong, revealed occupier demand (expressed through both stock take-up and availability figures) together with qualitative evidence from local commercial property agents, for additional floorspace, sites and a greater quality of employment accommodation.

8.18 The existing supply of B Use Class employment sites in Burgess Hill, including B1 offices, B1c/B2 industrial and B8 warehousing is limited and almost entirely taken-up in the town. The supply of land and sites for new employment floorspace and sites in Burgess Hill has dwindled in recent years with a lack of land for new development and few remaining opportunities to expand or intensify employment activities within existing areas of the town. There have also been losses to existing stock through change of use and planning permissions granted for alternative uses including residential development.

8.19 There are however some notable recent developments demonstrating the underlying demand and deliverability of employment floorspace, particularly for freehold ownership and occupation. Tungsten Properties developments in William Way, Victoria Road estate is a good example. In addition, the District Council has resolved to grant consent for up to 50,000 sq.m of mixed B Use Class floorspace at 'The Hub' (on part of the land proposed for employment allocation to the west of the town). There is also an as yet undetermined planning application for 37,000 sq.m of B8 employment floorspace to the west of the town adjacent to the A23/A2300 road junction at Northlands Farm.

8.20 The draft District Plan's spatial policies seek to continue to support the economic role and function of Burgess Hill and to expand this to better meet local employment needs, but also better recognise the wider economic and inward investment role that the town can play.

8.21 The proposed allocation of a significant number of new homes in Burgess Hill in the period to 2031 needs to be balanced with growth in employment opportunities to the benefit of future local residents and to ensure a sustainable pattern of land use and movement.

8.22 The supply and demand characteristics for Mid Sussex District and the position in Burgess Hill itself identify the need for and potential economic benefits of allocating land to the west of Burgess Hill to boost land supply, support locally generated growth, unmet needs arising and to ensure a sustainable balance between new homes and jobs.

The Potential Role and Use of the Proposed Allocation west of Burgess Hill

8.23 The conclusions drawn from the proposed allocation location to the west of Burgess Hill are made in accordance with the NPPF and the NPPG. The analysis undertaken presents an objective view of the proposed location for B Use Class employment activities.

8.24 The proposed allocation is of a significant size and benefits from the good access to Burgess Hill town centre, the main railway stations in Burgess Hill and Wivelsfield and to the strategic road network via the A2300 and A23.

8.25 The proposed allocation area is not part of an existing employment use or cluster. It is clear that there are significant existing employment and commercial activities adjacent to the proposed area both to the south and further afield to the west along the A2300. In addition, the proposed Northern Arc development would entail the creation of up to 3,500 new dwellings resulting in a substantial new working resident population in close proximity to the proposed employment land area.

8.26 There is little of a material nature that would restrict the development of the proposed location for employment purposes encompassing a mix of all of the B Use Class activities.

8.27 It is concluded that the proposed employment allocation site's characteristics do reflect a realistic future part of Burgess Hill and Mid Sussex District's B Use Class employment land supply because it is:

- well located in relation to strategic road links of the A23 and A2300;
- contiguous to the proposed Northern Arc mixed residential development and would therefore help support the housing and employment balance proposed in the District Plan for Burgess Hill;
- an available and suitable area of land of substantial size relatively unencumbered by environmental, landscape or other physical constraints;
- has an existing planning permission for B Use Class employment development on a substantial portion of the western area of the site;
- greenfield land used for agricultural purposes that is not the best and most versatile;
- an opportunity to create new, high quality employment floorspace to modern environmental and design standards within an appropriate landscape form;
- evident that other alternative sites, especially within the existing supply of employment land in Burgess Hill (and surrounding areas) are not capable of providing sufficient, flexible floorspace to meet revealed occupier demand or projected future employment growth; and
- clear that other sites in Burgess Hill are fully developed or could only be expanded in future through significant refurbishment, renovation and intensification of existing stock.

Science and Technology Park

8.28 The potential demand, role and function of a Science and Technology Park (STP) to the west of Burgess Hill (in addition to the proposed strategic employment land allocation) has been considered in Section 7 of the Report.

8.29 The analysis represents an initial examination of the scale of potential demand for business sectors that together form key knowledge-driven sectors. At this stage, the analysis has been undertaken at a strategic level in order to offer a sense of scale and demand.

8.30 The analysis concludes that the main property sectors comprising a STP are B1a and B1b office and research and development space; B1c light industrial space; and other floorspace (in order to allow necessarily ancillary activities such as cafes, hotel, crèche/day-care, etc.).

8.31 The work has considered four core business sectors and identified potential requirements that a Burgess Hill STP might accommodate for a total of between 58,680 and 122,940 sq.m divided as follows:

- Biosciences – 11,800 to 22,940 sq.m;
- Engineering and Advanced Manufacturing -15,670 to 30,000 sq.m
- ICT/Telecoms – 21,190 to 43,855 sq.m
- Environmental services/technology – 10,200 to 16,180 sq.m)

8.32 The analysis also concludes that there is likely to be a demand for a further significant amount of floorspace to support tenants/occupiers who do not fall within the business categories above. It is suggested that an allowance of some 5,000 sq.m be made for these additional activities.

8.33 A STP will not however function successfully without some critical physical and support 'ingredients' in order to ensure it is differentiated and focused on the potential sectors it seeks to serve. These include a range of flexible shared spaces (including meeting and conferencing); support facilities and services on-site; lease and occupational tenancy agreements that allow for grow-on and move-up/out with ease; and security services including data and telecoms security and uninterruptable power supply.

8.34 Most critical is the need for appropriate management, marketing focus and operational efficiency to reinforce the Science Park role, character and emphasis.

8.35 In order to achieve this, it is concluded that there must be a suitable, collaborating lead partner(s) such as a university or leading industrial/technological organisation) capable of bringing the profile, focus and directing the overall capitalisation and commercialisation of research intellectual property.

Recommendations

8.36 The following recommendations are made:

- **R1**: The proposed allocation of new employment land to the west of Burgess Hill be supported and promoted in the District Plan for a total of at least 30 hectares to meet employment growth needs arising in Mid Sussex District and to help meet un-met employment land needs arising in neighbouring authorities. 15 hectares of the proposed allocation site has already been permitted for a mix of B Use Class employment floorspace to the south of the A2300 and this should form a key element of employment development at the proposed allocation site in the plan period.

- **R2**: The potential for and feasibility of a Science and Technology Park should be investigated in greater detail through subsequent work in order to establish a more detailed prospectus and proof of concept for such development on land near Burgess Hill. This Report has provided initial analysis and findings to confirm the scale and nature of the potential market and its alignment to the LEP, Gatwick Diamond and City Deal strategies. There is a need for detailed feasibility work, concept and proposition development and masterplan preparation in order to support the opportunity.