

# **Newhaven Employment Land Review Final Report**

Lewes District Council

July 2017

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# Contents

<b>1.0</b>	<b>Introduction</b>	<b>1</b>
	Newhaven Enterprise Zone	1
	Permitted Development Rights	3
	Article 4 Directions	3
	Scope of Study	3
	Study Methodology	4
<b>2.0</b>	<b>Economic and Property Market Profile</b>	<b>5</b>
	Spatial Overview	5
	Economic Trends	6
	Employment Space	11
	Completions of Employment Space	16
	Property Market Signals and Intelligence	23
<b>3.0</b>	<b>Employment Land Needs</b>	<b>27</b>
	Methodology	27
	A. Forecasts of Job Growth for Lewes District	27
	B. Past Development Rates	32
	Summary of Net Employment Space Needs	32
	Net Land Needs	33
	Planning Implications	33
	Employment Land Needs in Newhaven	34
<b>4.0</b>	<b>Demand / Supply Balance</b>	<b>35</b>
	Site Appraisals	35
	Newhaven Demand/Supply Balance	38
<b>5.0</b>	<b>Potential Impacts of Permitted Development Rights</b>	<b>40</b>
	Office to Residential PDR	40
	Light Industrial to Residential PDR	42
<b>6.0</b>	<b>Conclusions and Implications</b>	<b>46</b>
	Meeting Future Needs	46
	Newhaven Demand/Supply Balance	46
	Sector Opportunities for the EZ	46

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Potential Impacts of Permitted Development Rights	47
Site Assessment Criteria	55

# Appendices

Appendix 1: Consultees

Appendix 2: VOA Floorspace Maps

Appendix 3: Definition of B Class Sectors

Appendix 4: Experian Baseline Forecasts

Appendix 5: Site Plan

Appendix 6: Site Assessment Criteria

## 1.0 Introduction

- 1.1 Lewes District Council ('the Council') commissioned Lichfields to prepare an Employment Land Review (ELR) for the town of Newhaven. The purpose of the ELR is to inform the Council's approach to employment land in the town and specifically to review the evidence in respect of the potential implementation of Article 4 Directions on suitable sites within Newhaven.
- 1.2 The study draws upon existing material collated as part of the 2010 Employment & Economic Land Assessment which was subsequently updated in 2012, along with the recently adopted Lewes District Local Plan Part 1.
- 1.3 Specific requirements identified by the study brief include:
- a A detailed update on Newhaven's employment land supply;
  - b An assessment of the fitness for purpose of the town's existing land portfolio in order to identify appropriate employment sites to be retained and protected;
  - c A broad quantitative assessment of future employment land needs for Newhaven, across the principal market segments and suitable remaining employment land stock; and
  - d Identification of a portfolio of sites that meet local and strategic planning objectives and serve the needs of businesses and the local economy, to be taken forward for Article 4 Directions.

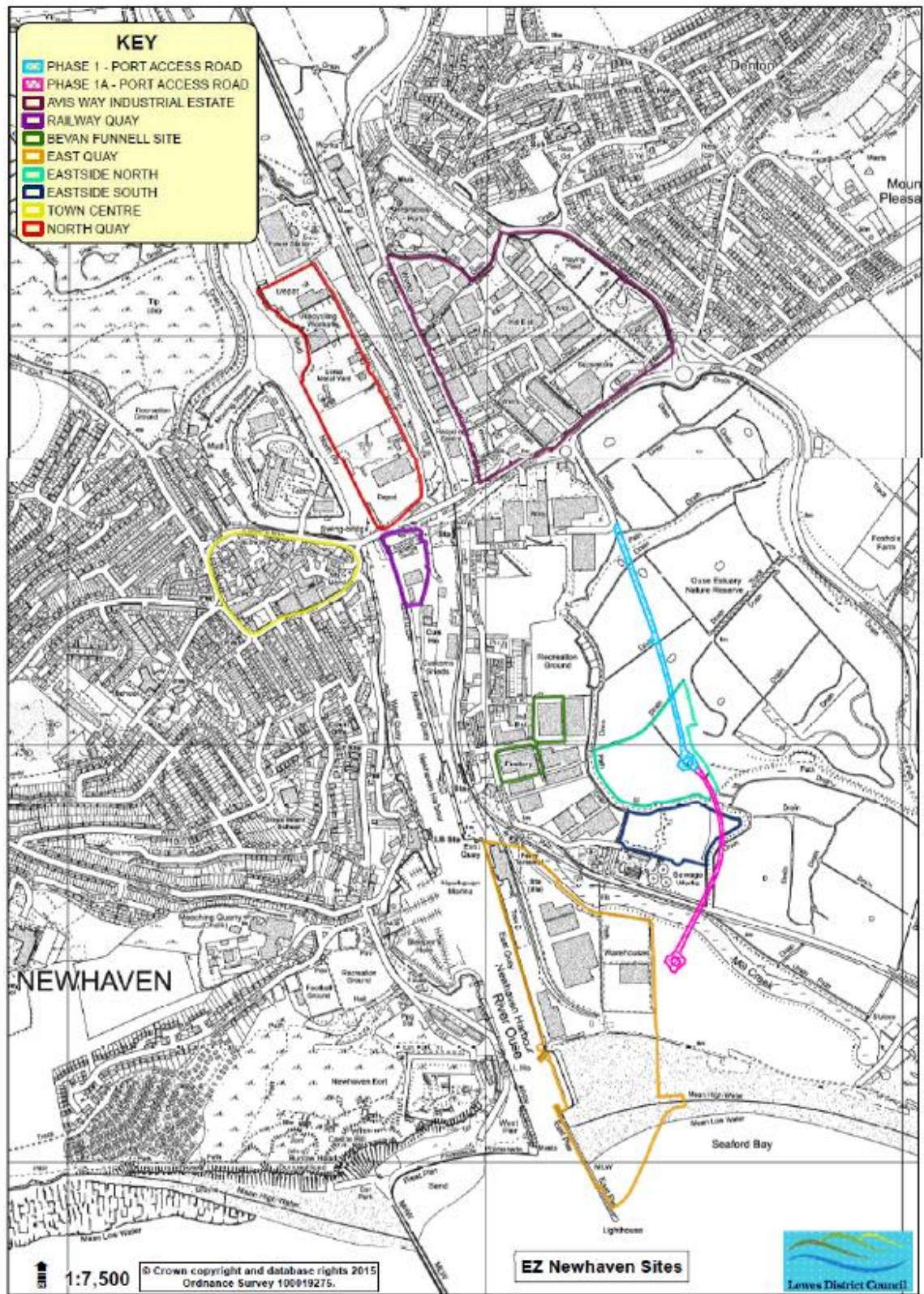
## Newhaven Enterprise Zone

- 1.4 Enterprise Zones (EZs) are a central pillar of the Government's long-term plan to rebalance the economy. In total, the Government is investing £330 million to support Enterprise Zones to drive growth of local economies and there are currently 48 Enterprise Zones across England effective from April 2017.
- 1.5 EZ status brings with it a number of benefits including business rates discounts for occupiers, the ability for local authorities to retain business rates growth within the EZ over a 25 year period and re-invest these funds locally, support to develop simplified planning approaches and provision of superfast broadband within the EZ.
- 1.6 Newhaven was one of 18 new locations awarded EZ status in the Chancellor's 2015 Autumn Statement and the EZ formally commenced on 1 April 2017. Over its 25 year lifespan, the Newhaven EZ is forecast to generate the following benefits:
- Create 55,000sq.m of new commercial and employment floorspace
  - Refurbish a further 15,000sq.m of commercial and employment floorspace
  - Create / safeguard up to 2,000 jobs.<sup>1</sup>
- 1.7 The Newhaven EZ covers approximately 79 hectares and comprises eight non-contiguous sites including Newhaven town centre. The location of these sites is shown in Figure 1.1. Further information about the EZ is included in section 2.0.

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<sup>1</sup> <http://www.coast2capital.org.uk/newhaven-enterprise-zone/>

Figure 1.1 Newhaven Enterprise Zone Sites



Source: Lewes District Council

## Permitted Development Rights

### Office to Residential

- 1.8 In 2013, the Government introduced Permitted Development Rights (PDR) to consent the change of use from office (use class B1a) to residential without the need to obtain planning permission from the local planning authority (LPA). In October 2015, the Government confirmed that temporary PDR would be made permanent.

### Light Industrial to Residential

- 1.9 In March 2016, the Government announced that a new PDR will be introduced in October 2017 to allow the change of use from light industrial (use class B1c) to residential. This will be restricted to buildings with an existing gross floor space of 500sq.m and will initially operate for a temporary three-year period (to 2020).

## Article 4 Directions

- 1.10 A Direction under Article 4 of the General Permitted Development Order enables the Secretary of State or the local planning authority to withdraw specified permitted development rights across a defined area. An Article 4 Direction can only be implemented if it is necessary to protect local amenity or the wellbeing of the area. Prior to making an Article 4 Direction an evidence base must be established to justify the exceptional circumstances for withdrawing permitted development rights. This evidence base must demonstrate the harm to local amenity and impact on the proper planning of the area created by such rights.
- 1.11 Lewes District Council is considering the use of Article 4 Directions to remove these office and light industrial to residential permitted development rights for strategic sites within Newhaven. The use of Article 4 Directions is being considered primarily for the Newhaven EZ as a mechanism for safeguarding employment space from being converted into residential development through permitted development rights. The Council are also keen to explore and identify other potential sites within Newhaven which may benefit from Article 4 Directions in order to protect the long-term future of employment space within the town.
- 1.12 The purpose of this ELR study is to provide the necessary evidence base to show the justification for implementing Article 4 Directions to protect employment land in Newhaven. This should help to ensure an appropriate local balance between competing uses of land in the area. The study is intended to identify strategic and locally important sites, and where necessary new and existing employment sites to be safeguarded for employment use in Newhaven. It will provide an up-to-date assessment of existing employment land in the town and the future needs of Newhaven's economy.

## Scope of Study

- 1.13 The ELR assessment considers employment space and land needs associated with the following B class uses:
- **B1 Business:** offices (B1a), research & development (B1b) and light industrial (B1c).
  - **B2 General Industrial:** typically comprising factory and manufacturing space.
  - **B8 Storage and Distribution:** warehouses, wholesale and distribution.
- 1.14 It should be noted that there are a variety of factors and drivers to consider when objectively assessing the business needs for a local economy. The study uses a combination of quantitative and qualitative analysis to examine these issues in the context of Lewes District and Newhaven



town, and synthesises this analysis to draw overall conclusions and policy implications for long-term planning in the town.

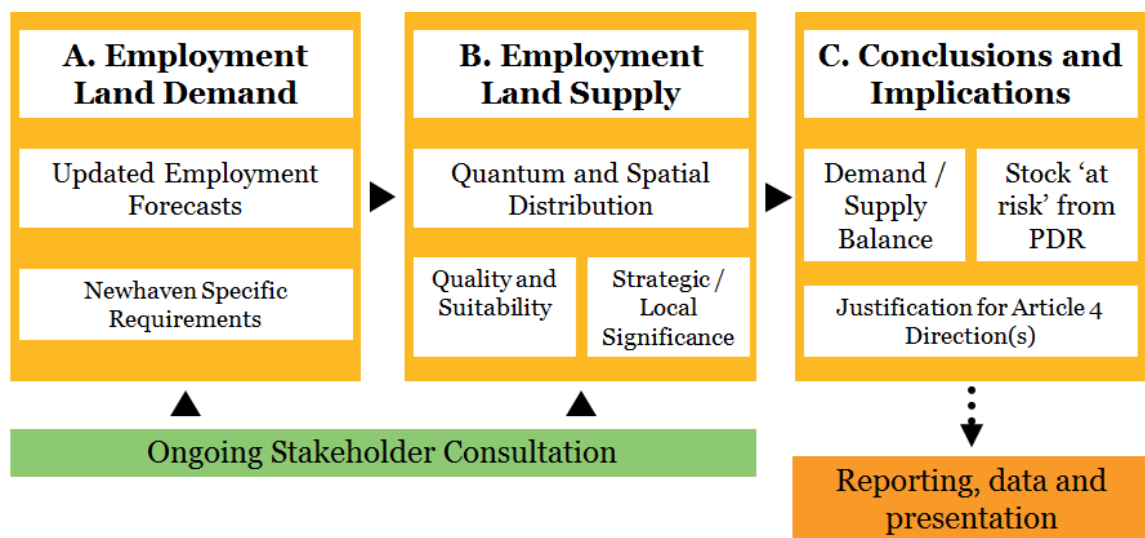
1.15 An important consideration for any technical work of this type is that the study is inevitably a point-in-time assessment. The study post-dates the outcome of the UK referendum on membership of the European Union (EU) in June 2016, but does not give specific consideration for how the timing and basis for the UK’s future exit from the EU could impact national or local economic change given current uncertainty regarding these arrangements. It may therefore be necessary to undertake future updates to the study once there is greater certainty and assessment through econometric forecasts and other indicators.

1.16 The study has used the latest available data and other evidence available at the time of reporting, while the accuracy of third party data has not been checked or verified by Lichfields.

### Study Methodology

1.17 The methodology that has been used to undertake the ELR broadly conforms to the requirements of the NPPF and PPG. It draws upon Lichfields’ Workspace methodological framework and is summarised in Figure 1.2 below.

Figure 1.2 Study Methodology



Source: Lichfields

### Consultation

1.18 As part of the study, consultation has been undertaken with a range of local stakeholders, including commercial property agents, economic development agencies and workspace providers. A list of the consultees is provided at Appendix 1.

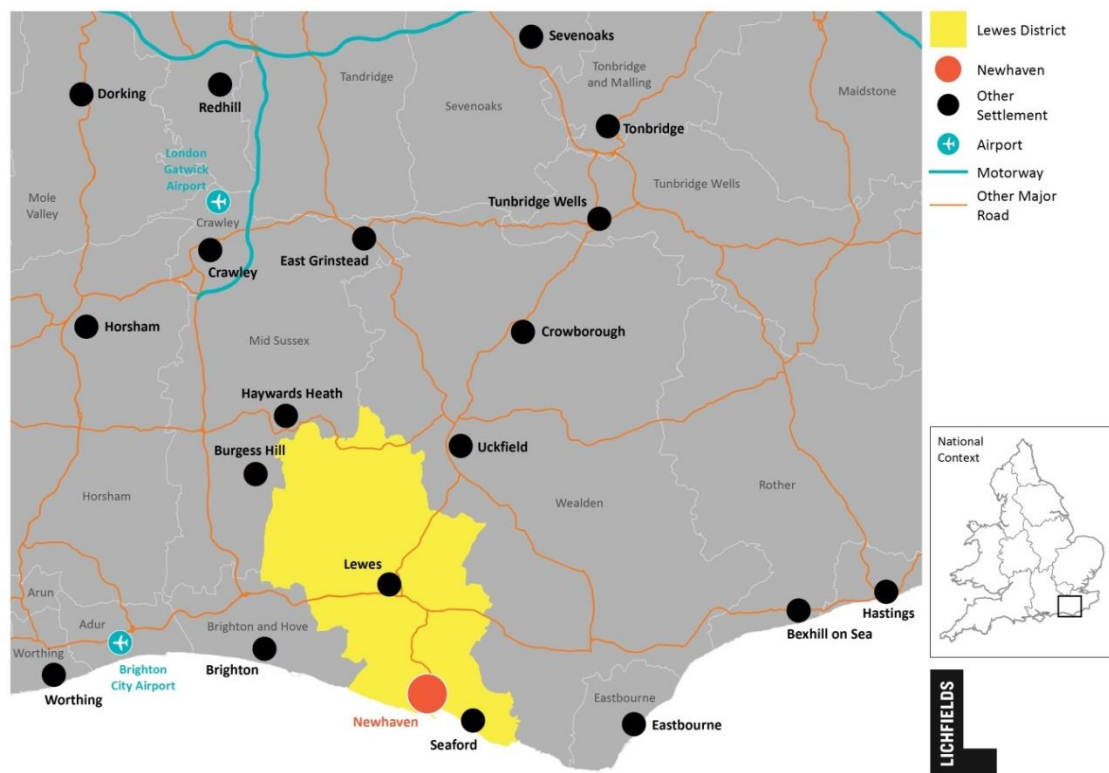
## 2.0 Economic and Property Market Profile

2.1 This section establishes the economic context for the study by summarising recent economic conditions and trends in Lewes and Newhaven. The analysis identifies the key strengths and weaknesses of the Lewes economy and the factors likely to influence future demand for employment space in the District.

### Spatial Overview

2.2 Newhaven is located on the English Channel coast at the mouth of the River Ouse, in the south of Lewes District. It is a port town which has an active industrial and commercial river frontage. Newhaven is a district centre within Lewes, located between the primary centres of Brighton (to the west) and Eastbourne (to the east) with the South Downs National Park surrounding the town on the landward side.

Figure 2.1 Context Map



Source: Lichfields

2.3 Newhaven has been a harbour for sea-faring vessels since the 16th Century. Today the main services operating from the harbour are the cross-channel ferry to Dieppe and commercial trade in aggregates and scrap metals. There is also a commercial fishing fleet and a small marina. The port has been selected as the shore base for the Rampion offshore wind farm which is currently under construction about 13km off the Sussex coast.

2.4 The Lewes District Local Plan 2010-2030 (published May 2016) sets out a vision for the town. It is intended that by 2030, Newhaven will have undergone significant regeneration and developed and strengthened its economic base. The town will have become the focus for enterprise and training within the district, with links to the two universities in Brighton. The Council sets out an ambition for much of the economic regeneration to centre upon port-generated activities,

high-tech industries and the tourism industry with the town acting as the continental gateway to the adjacent South Downs National Park.

- 2.5 Both the South East Local Enterprise Partnership (SELEP) and Coast 2 Capital (C2C) Local Enterprise Partnership (LEP) identify Newhaven as a strategic growth location. In particular, SELEP’s Strategic Economic Plan (SEP) notes that Newhaven has a substantial physical capacity for growth, with the ‘Corridor’ estimated to deliver 5,225 jobs and 1,890 homes. The town is also considered one of the key pillars within the ‘Successful Growth Locations’ strategic priority within the C2C’s SEP which specifically states that C2C LEP will deliver interventions in sites which will provide the capacity for employment and housing growth.

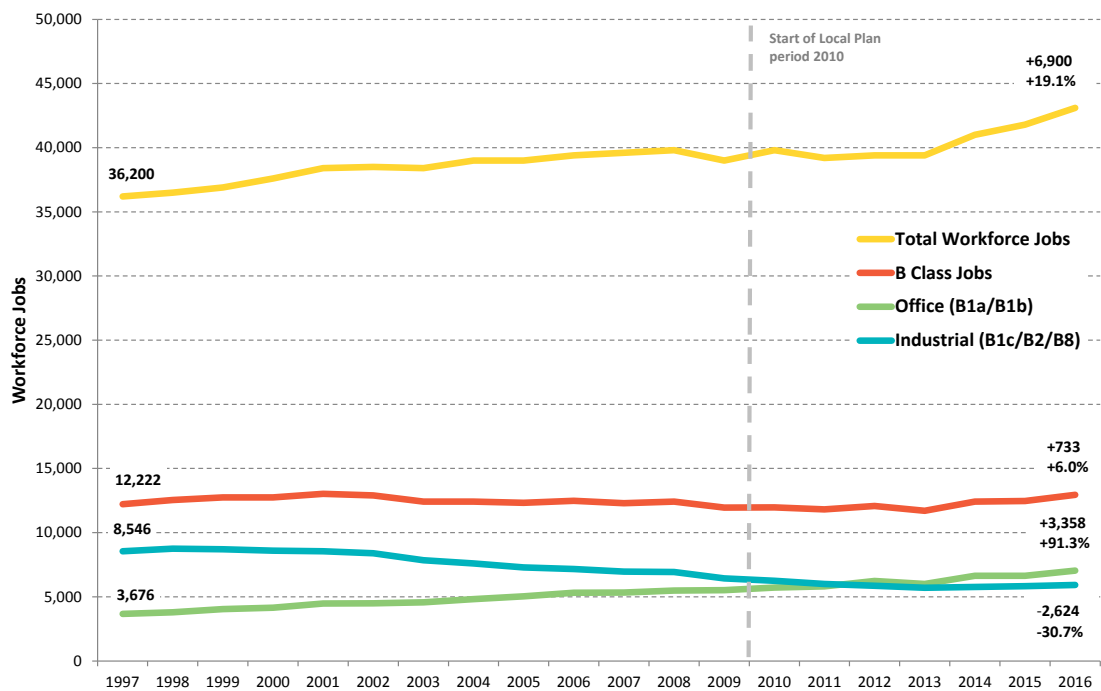
### Economic Trends

- 2.6 Recent economic conditions and trends in Lewes District are summarised below, with comparisons made, where appropriate, with county, regional and national benchmarks. References to Lewes relate to the District unless otherwise specified.

### Employment Growth

- 2.7 Based on the latest Experian (March 2017) data, Lewes registered 43,100 workforce jobs in 2016. Since 2006, there has been an increase of 3,700 jobs, which equates to growth of 9.4% (Figure 2.2). This is slightly below the total job growth recorded across East Sussex and the South East of 12.3% and 11.6% respectively over this 10 year period.

Figure 2.2 Total Workforce and B Class Job Change in Lewes, 1997 - 2016

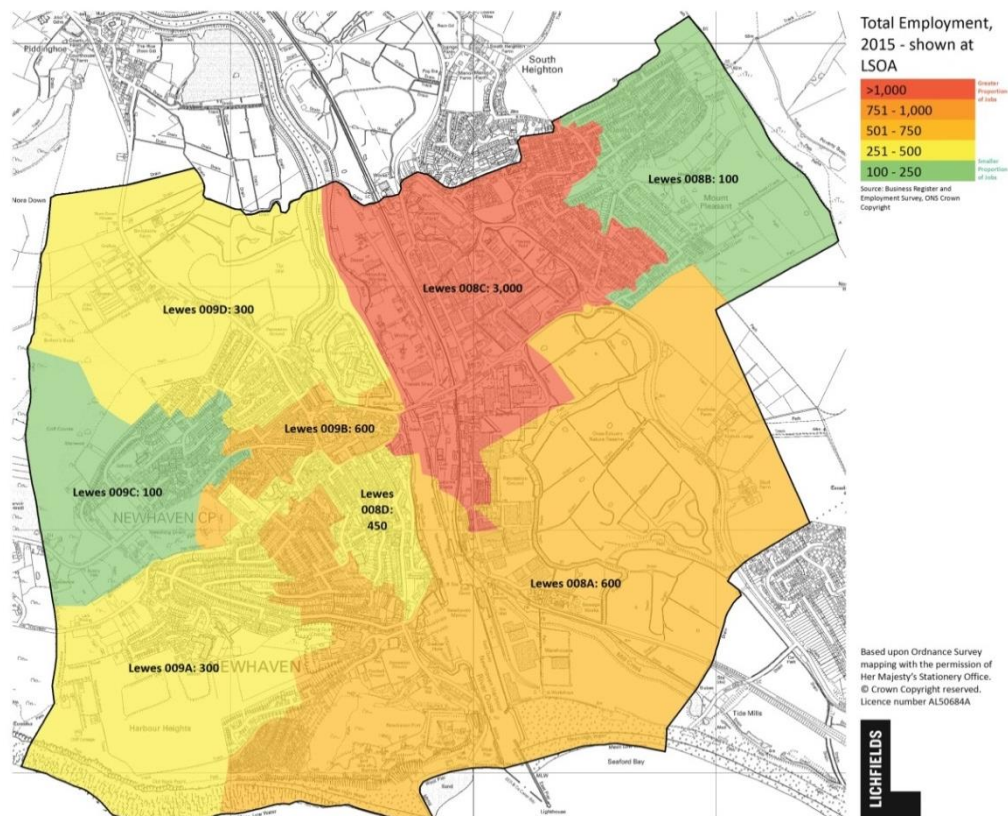


Source: Experian 2017 / Lichfields analysis

## Employment Base

- 2.8 The latest Business Register and Employment Survey (BRES) data indicates that the town of Newhaven<sup>2</sup> accommodated approximately 5,450 jobs in 2015. This represented 14.6% of all jobs recorded in Lewes District. The number of jobs in Newhaven increased by 270 over the period since 2009, although the town’s proportion of District total has decreased slightly from 15.5% to 14.6% over this time. This implies that other areas of Lewes District have experienced greater job growth between 2009 and 2015.
- 2.9 Figure 2.3 below shows the total number of jobs within each Lower Super Output Area (LSOA) within Newhaven, as derived from BRES (2015) data.

Figure 2.3 Employment in Newhaven by LSOA



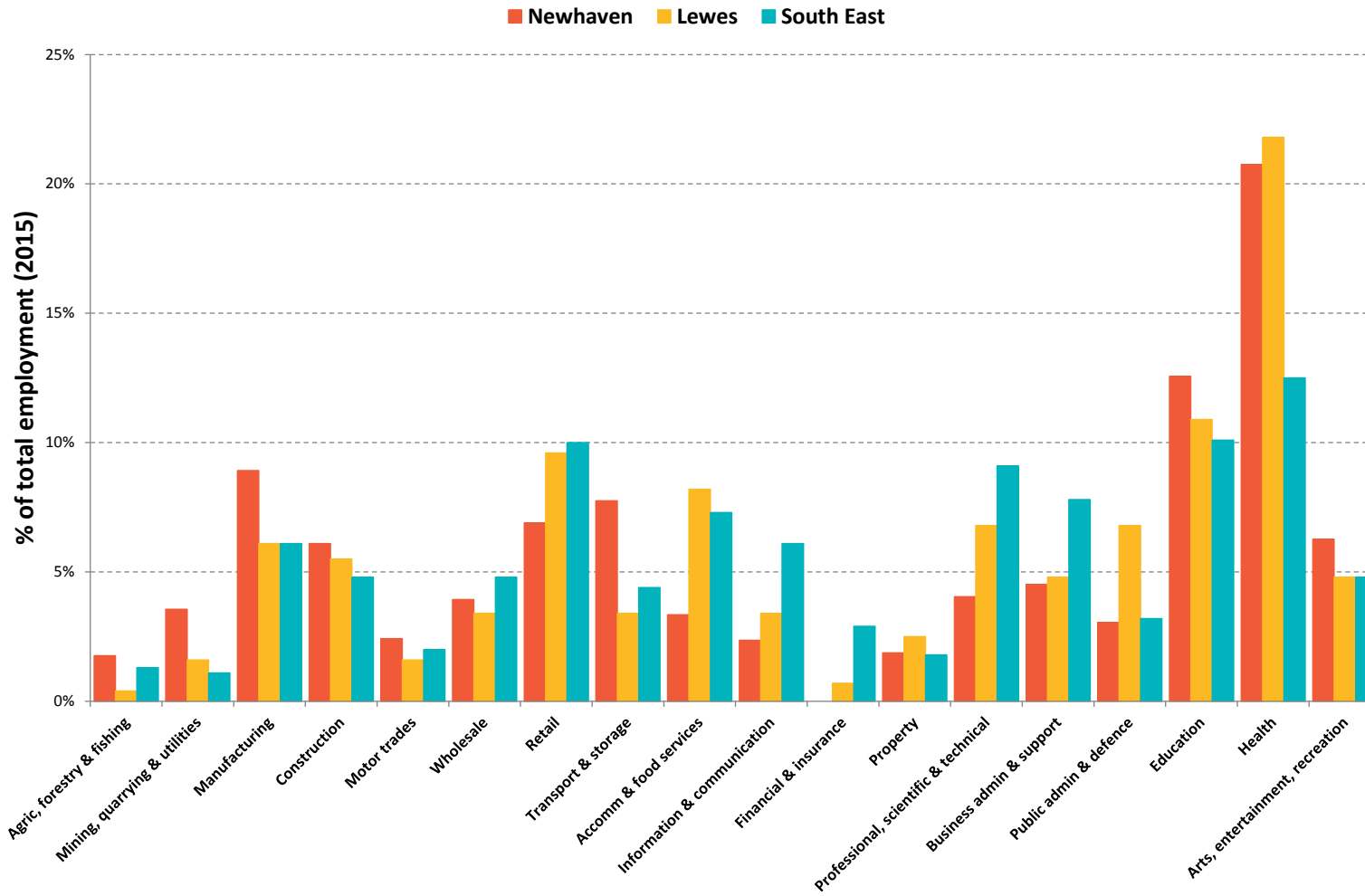
Source: Business Register and Employment Survey (2015) / Lichfields

- 2.10 This indicates that the area with the highest concentration of employment is to the east of the River Ouse, in the north of the town (Lewes 008C). This area contains Avis Way Industrial Estate, Euro Business Park, North Quay and Railway Quay. Both Lewes 009B and 008A have the second highest levels of employment. This reflects that the former area covers the town centre, while the latter covers the Beach Road Trading Estate and East Quay.
- 2.11 In employment terms, the largest sector in Newhaven in 2015 was healthcare (accounting for 20.8% of all employment), while the education (12.6%) and manufacturing (8.9%) sectors also accounted for a high proportion of workforce jobs. Both the education and manufacturing sectors are over represented in employment terms compared with Lewes District and the South East as whole (as shown in Figure 2.4 overleaf).

<sup>2</sup> Defined by the Lower Super Output Areas of: Lewes 008A, Lewes 009A, Lewes 009C, Lewes 009D, Lewes 009B, Lewes 008C, Lewes 008B, Lewes 008D

- 2.12 As a port town, Newhaven has a high proportion of employment in transport and storage (7.8%). Relative to Lewes and the South East, Newhaven has a slightly higher proportion of employment in the arts, entertainment and recreation (6.3%).
- 2.13 Sectors that are underrepresented when compared with Lewes and the South East include retail, accommodation and food services, information and communication, and the professional, scientific and technical sectors (Figure 2.4). This underrepresentation is most acute in relation to information and communication and professional, scientific and technical sectors.
- 2.14 In 2009, the largest three sectors in Newhaven were healthcare (accounting for 20.9% of all employment), manufacturing (12.9%) and education (10.1%). Therefore, although the proportion of healthcare employment has not changed and remains the biggest sector, the manufacturing sector has declined.

Figure 2.4 Workforce Jobs by Sector in Newhaven, Lewes and the South East (2015)



Source: Business Register and Employment Survey (2015) / Lichfields analysis



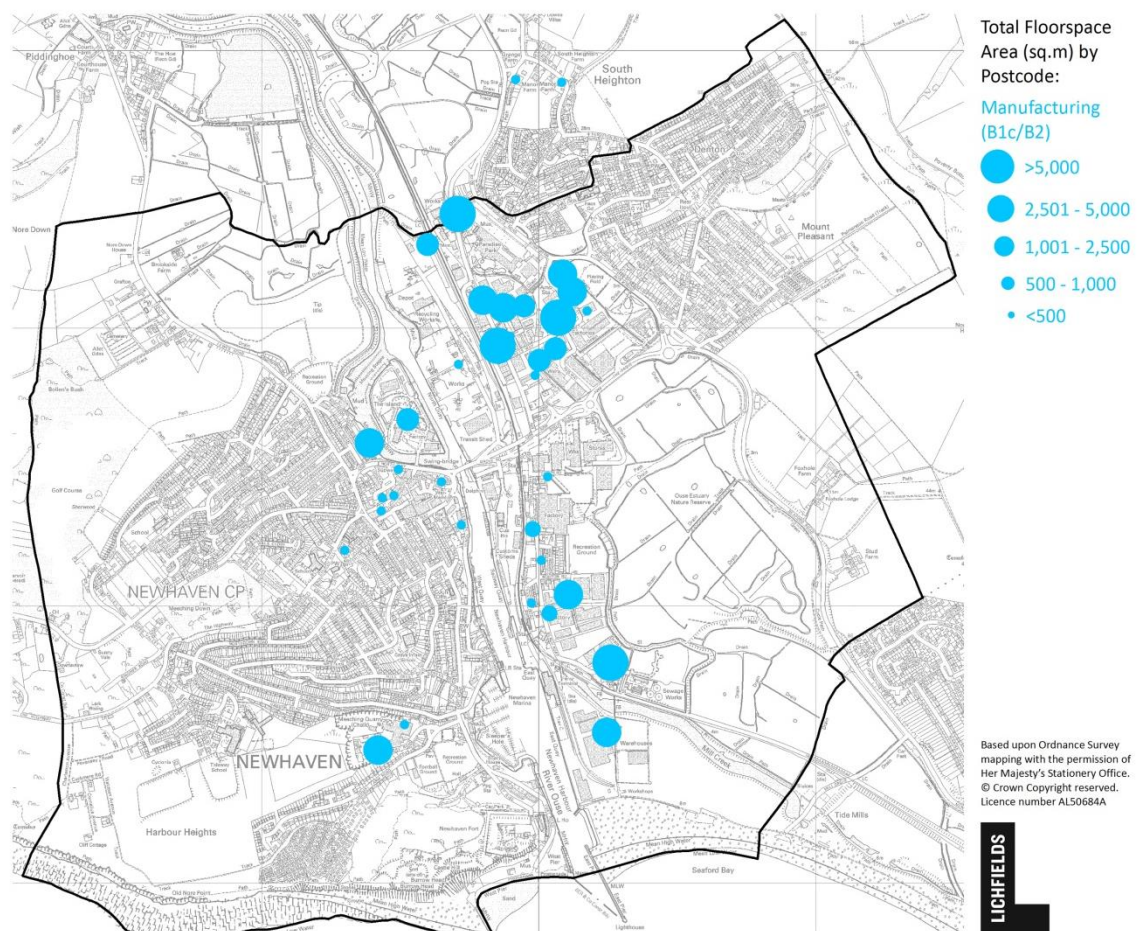
## Employment Space

- 2.15 The spatial distribution of B class employment floorspace in Newhaven is shown below in Figures 2.5 to 2.8 using the latest available VOA record data. More detailed maps showing the spatial distribution of VOA business floorspace are included in Appendix 2.

## Industrial Space

- 2.16 Figure 2.5 below shows that industrial floorspace (covering the B1c and B2 use classes) is distributed across a number of sites within Newhaven and is mainly clustered along the eastern side of the River Ouse. The largest concentration of space is found within the Avis Way Industrial Estate to the north of the town, with smaller concentrations accommodated on the Beach Road Trading Estate, East Quay and Quarry Road Industrial Estate (Figure 2.5). Notable industrial premises are also found in and around the town centre and on Denton Island.

Figure 2.5 Spatial Distribution of Industrial Space in Newhaven (B1c/B2)

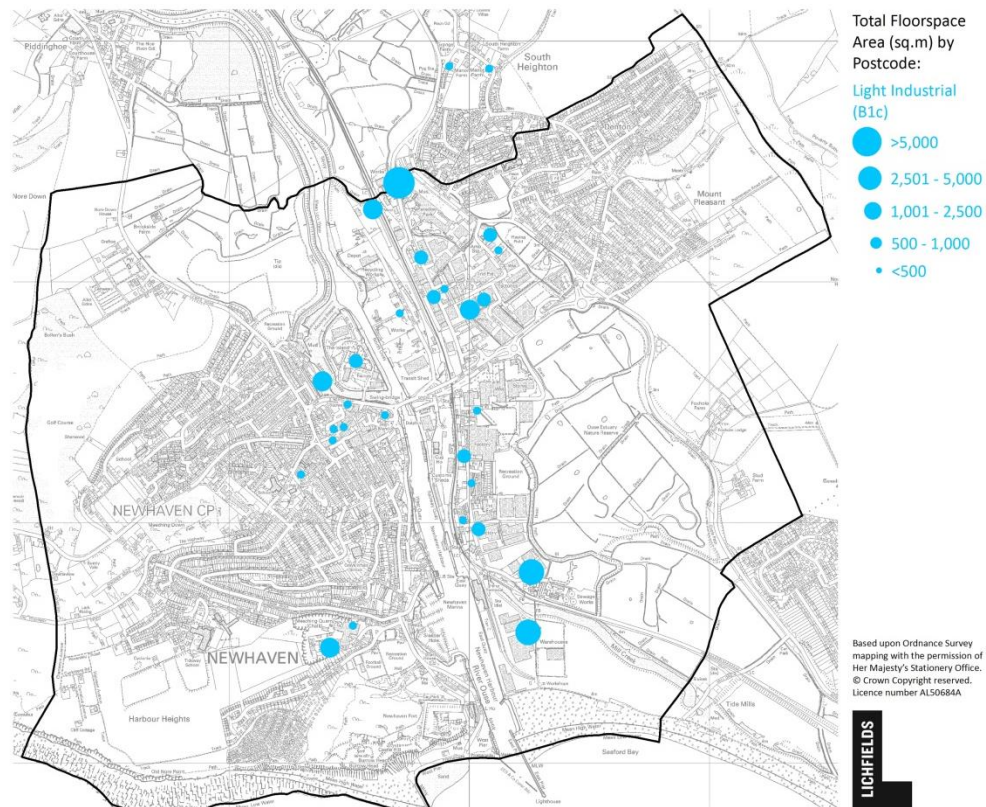


Source: VOA 2017 / Lichfields analysis

- 2.17 Figure 2.6 shows that light industrial floorspace (covering the B1c use class) is distributed across a number of sites in Newhaven and is generally located on the east side of the River Ouse. The largest concentration is on the Avis Way Industrial Estate. Notable light industrial premises are also located within the East Quay EZ site. There are also a number of premises in the town centre and the Quarry Road Industrial Estate.



Figure 2.6 Spatial Distribution of Light Industrial Space in Newhaven (B1c)



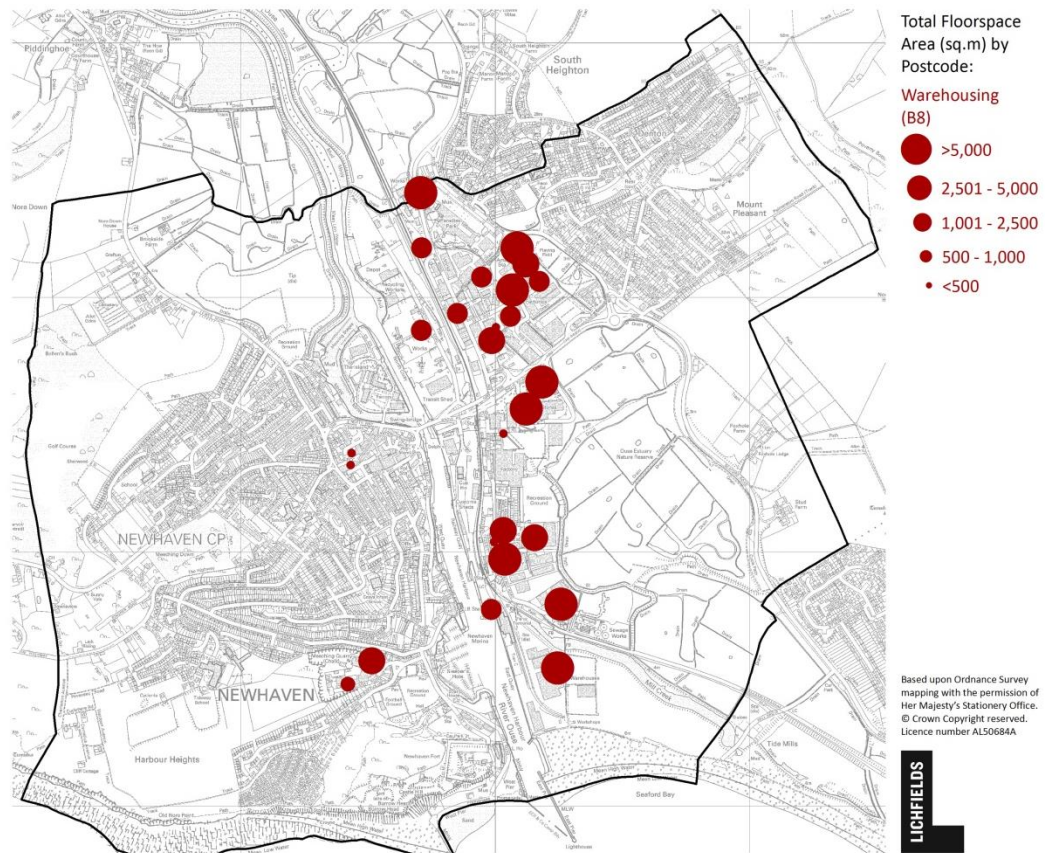
Source: VOA 2017 / Lichfields analysis

### Warehousing Space

2.18

The spatial distribution of warehousing space in Newhaven broadly follows a similar pattern to industrial floorspace, generally clustered along the railway line and Beach Road/Railway Road/New Road (Figure 2.7). Key sites include the Railway Road Industrial Estate, Avis Way and Beach Road Trading Estate. Very limited warehousing space is accommodated to the west of the River Ouse, where small concentrations can be found at the Quarry Road Industrial Estate.

Figure 2.7 Spatial Distribution of Warehousing Space in Newhaven (B8)



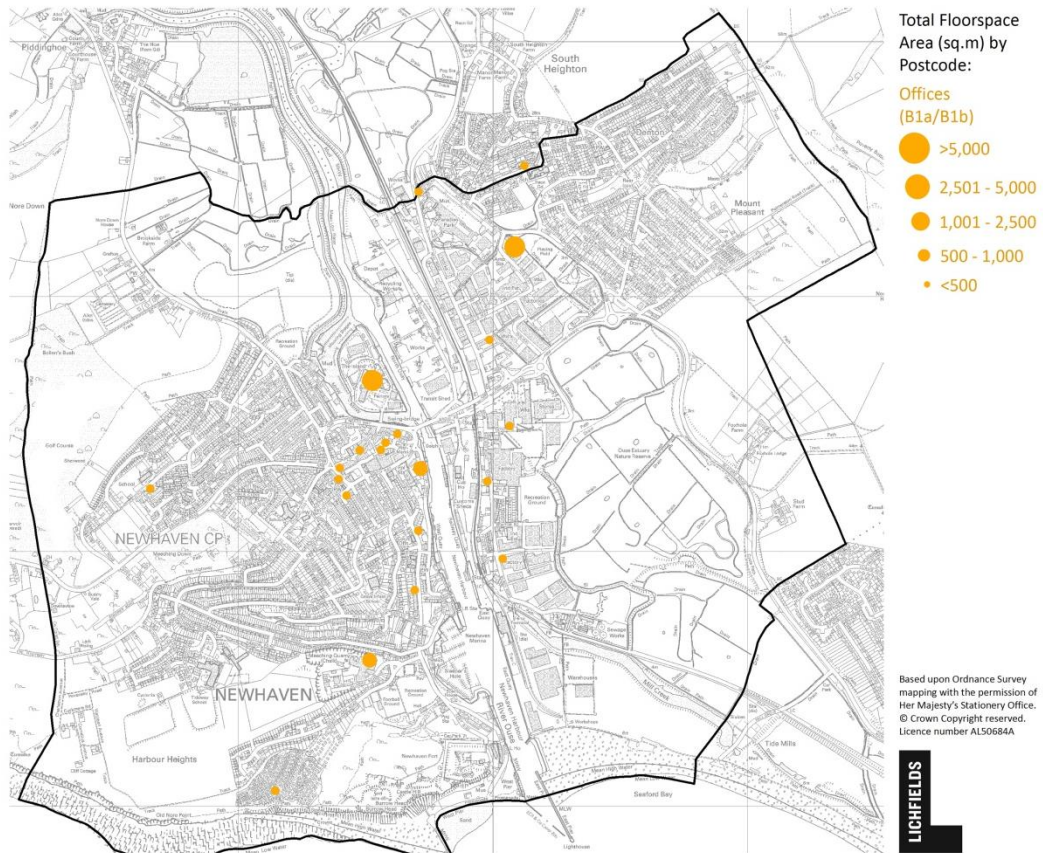
Source: VOA 2017 / Lichfields analysis

## Office Space

2.19

Compared with industrial and warehousing uses, Newhaven's office floorspace tends to be smaller in scale and distributed across various parts of the town (Figure 2.8). Floorspace also tends to be more evenly spread over each side of the river, including within some predominately residential areas. The most sizeable clusters of office space are located on Denton Island (at the Newhaven Enterprise Centre), on the edge of Avis Way, at the Quarry Road Industrial Estate and in and around the town centre.

Figure 2.8 Spatial Distribution of Office Space in Newhaven (B1a)



Source: VOA 2017 / Lichfields analysis

- 2.20 As summarised in Table 2.1, Newhaven plays a particularly significant role in accommodating the District's factory (B2) and warehousing (B8) space, and a comparatively smaller role in accommodating Lewes' workshop (B1c) and office (B1a/b) space.
- 2.21 Approximately 40% of all B use class space in Lewes District is concentrated in Newhaven.

Table 2.1 Location of Employment Floorspace in Lewes District

Location	% of Office Space (B1a/b)	% of Workshop Space (B1c)	% of Factory Space (B2)	% of Warehouse Space (B8)	% of Total B Class Space (B1a/b/c, B2, B8)
Newhaven	11.0%	22.8%	68.7%	55.9%	39.6%
Rest of Lewes District	89.0%	77.2%	31.3%	44.1%	60.4%

Source: VOA Business Floorspace Data 2017 / Lichfields analysis

## Newhaven Enterprise Zone

- 2.22 The designation of the Newhaven EZ came into force on 1 April 2017 and covers approximately 79 hectares comprised of eight non-contiguous sites in the town. The location of these is shown in Figure 1.1 and the existing B-class floorspace accommodated is summarised in Table 2.2.

Table 2.2 Existing Floorspace Accommodated on Newhaven Enterprise Zone Sites

Enterprise Zone Site	Size (ha)	Office (sq.m)	Workshop (sq.m)	Factory (sq.m)	Warehouse (sq.m)
East Quay	19.0	-	2,523	-	14,242
Eastside North	5.2	-	-	-	-
Eastside South	2.2	-	-	-	-
North Quay	13.4	-	177	-	1,555
Railway Quay	4.6	-	-	-	-
Bevan Funnell	2.4	78	682	-	10,191
Town Centre	5.9	1,211	1,339	-	508
Avis Way Industrial Estate	26.7	1,749	4,075	23,840	20,010
<b>Total</b>	<b>79.4</b>	<b>2,948</b>	<b>8,795</b>	<b>23,840</b>	<b>46,505</b>

Source: VOA 2017 / Lichfields analysis

- 2.23 The EZ is a partnership led by Coast to Capital LEP and Lewes District Council, working with South East LEP, East Sussex County Council, Newhaven Town Council, the Environment Agency, Newhaven Port & Properties and key private landowners.
- 2.24 The rationale for the inclusion of the above sites is varied, but includes the desire to safeguard employment space from inappropriate residential development, to enhance existing commercial floorspace through making re-investment more attractive for owners and occupiers, and to support the delivery of dormant sites that have been restricted due to lack of viability.
- 2.25 The aim of the EZ is to attract investment from established companies from across the South East and potentially overseas, as well as encouraging start-ups and growing local businesses. This will be achieved through offering a simplified planning approach, discounted business rates, superfast broadband connectivity and a dedicated EZ Team to facilitate increased levels of inward investment.
- 2.26 The EZ will focus on higher-end manufacturing encompassing the 'Clean, Green & Marine' sectors, building on Newhaven's historic strengths as a port town and gateway to the continent. The Newhaven EZ Implementation & Investment Plan<sup>3</sup> notes that there is a strong policy alignment for the EZ, which seeks to accelerate Newhaven's transition from an economy based on low value manufacturing and processing employment linked to the Port, to a new and higher value economic role.

<sup>3</sup> Newhaven EZ Implementation & Investment Plan, Cushman & Wakefield, March 2017

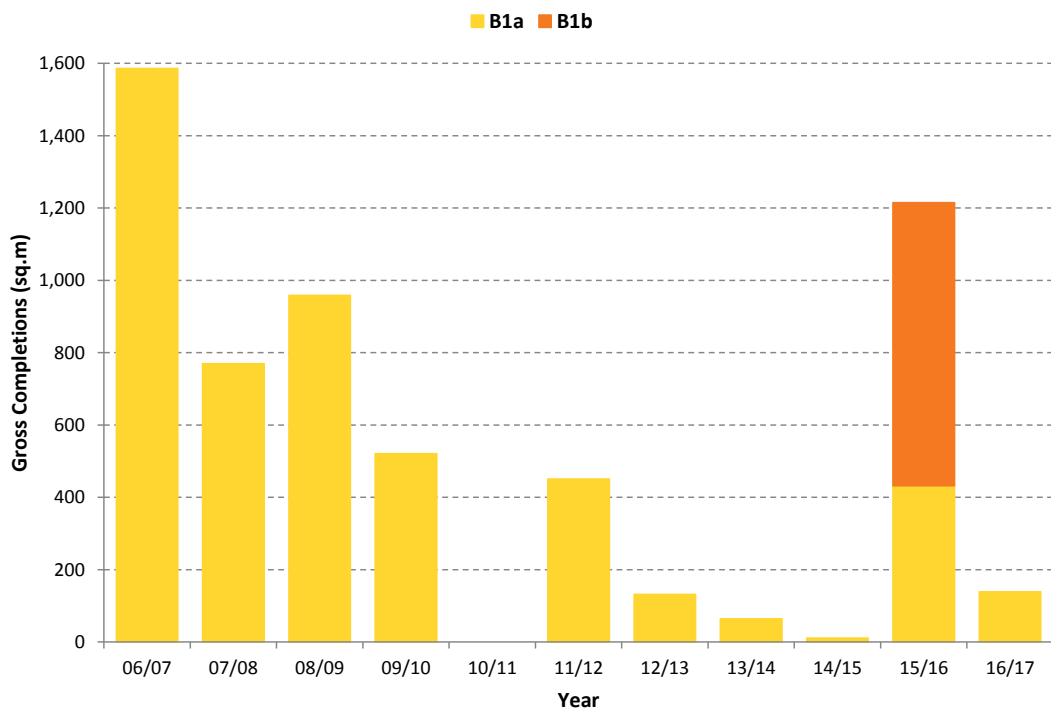
## Completions of Employment Space

2.27 The latest Council monitoring data on completions and losses of employment (B use class) floorspace in Lewes District over the past 11 years has been analysed to identify broad patterns of development and take-up.

### Office Floorspace (B1a/B1b)

2.28 The gross amount of office floorspace developed in Lewes over the last 11 years is shown in Figure 2.9 below.

Figure 2.9 Gross Office Completions in Lewes District, 2006 - 2017

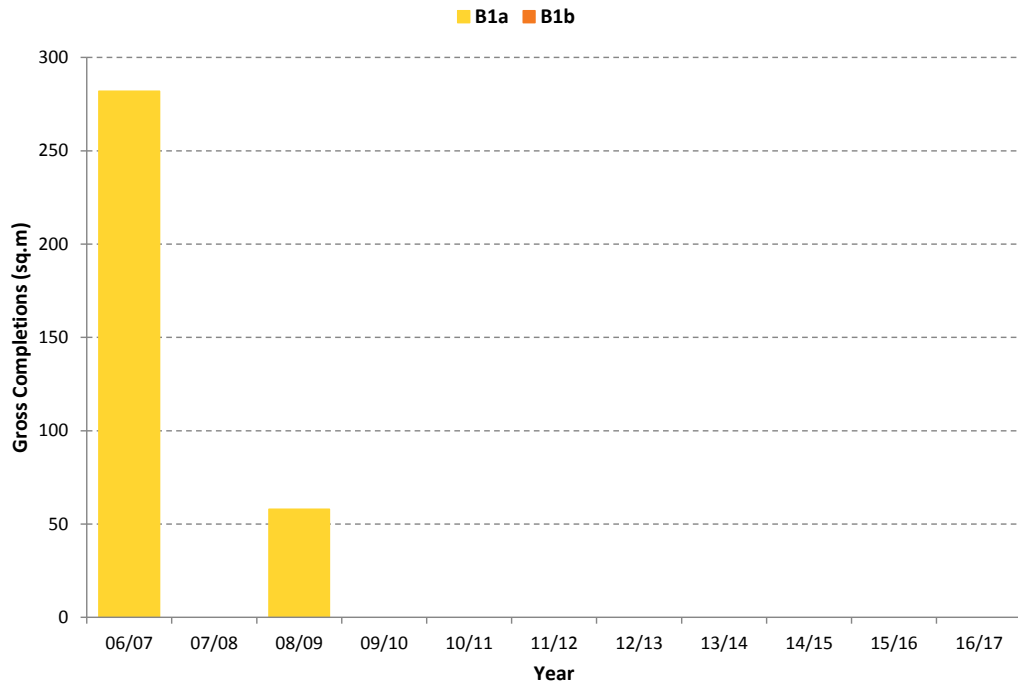


Source: Lewes District Council Monitoring Data / Lichfields analysis

2.29 This indicates that just under 550 sq.m of gross office space was developed per annum across the District between 2006 and 2017. The vast majority (87%) of new floorspace was developed for B1a uses, with the remaining 13% developed for B1b space. In general, completions showed a downward trend over the 11 year period, with completions dropping during the recession and remaining low during the following years. However, 2015/2016 saw completions of over 1,200 sq.m of office space, including both B1a and B1b floorspace.

2.30 Figure 2.10 shows the gross amount of office floorspace developed within Newhaven. This indicates that just 31 sq.m of office floorspace was developed per annum in Newhaven between 2006 and 2017. All of this floorspace was B1a space completed early in the monitoring period; with 83% developed in 2006/07 and the remaining 17% in 2008/09. Figure 2.10 indicates that the market for new office floorspace in Newhaven is not particularly strong. Comparing office floorspace completions in Newhaven and Lewes as a whole shows that just 5.5% of total gross completions in Lewes were in Newhaven.

Figure 2.10 Gross Office Completions in Newhaven, 2006 - 2017

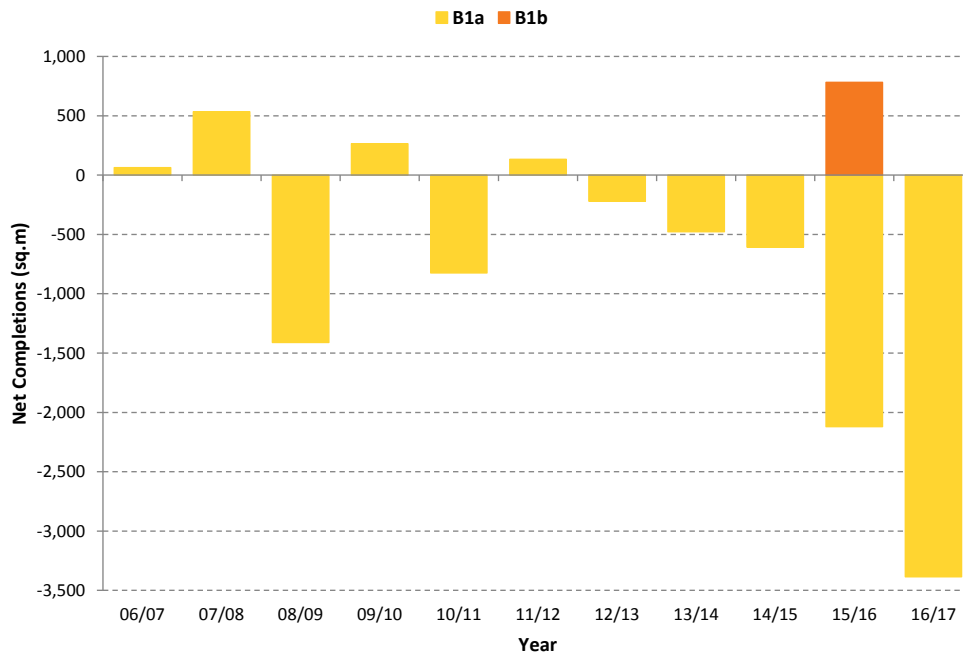


Source: Lewes District Council Monitoring Data / Lichfields analysis

2.31

The net amount of office floorspace developed in Lewes over the last 11 years is summarised in Figure 2.11 below. This shows that Lewes District overall lost office floorspace over the period 2006 – 2017. On average, there has been a net reduction 650 sq.m of office floorspace per annum over the period. This decline accelerated from 2012/13 onwards, which is partly accounted for by the introduction of permitted developments rights for the conversion of B1a premises to C3.

Figure 2.11 Net Office Completions in Lewes, 2006 - 2017

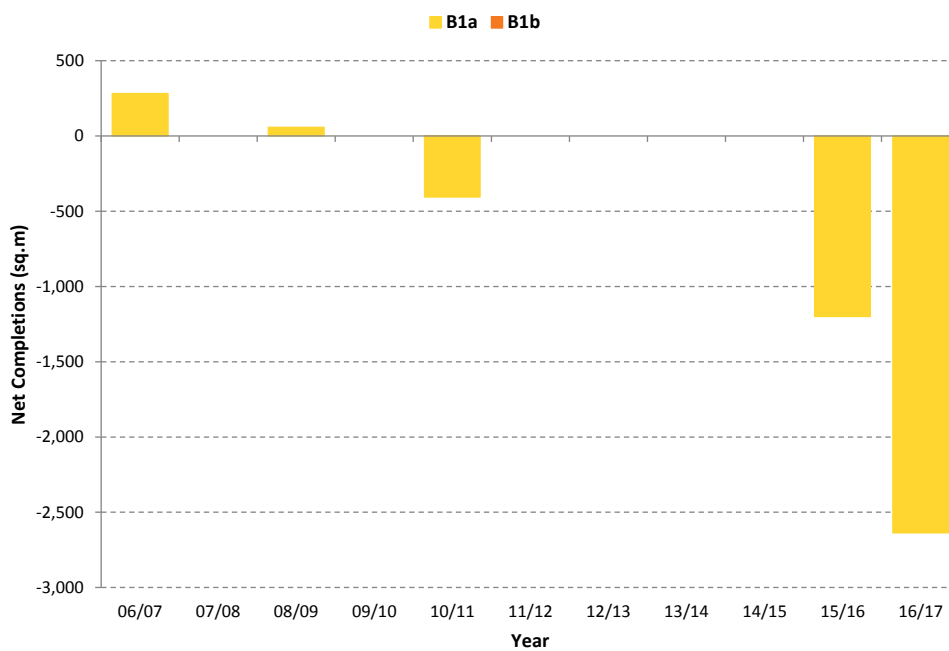


Source: Lewes District Council Monitoring Data / Lichfields analysis

2.32

Figure 2.12 shows the net amount of office floorspace developed in Newhaven over the same period. Similarly to Lewes District as a whole, there has been an overall reduction in the amount of office floorspace in Newhaven. On average, there has been a net reduction of 355 sq.m of office floorspace per annum over the period. The biggest declines have been in the two most recent monitoring years, 2015/16 and 2016/17, which again reflects the loss of B1a office floorspace under permitted development rights.

Figure 2.12 Net Office Completions in Newhaven, 2006 - 2017

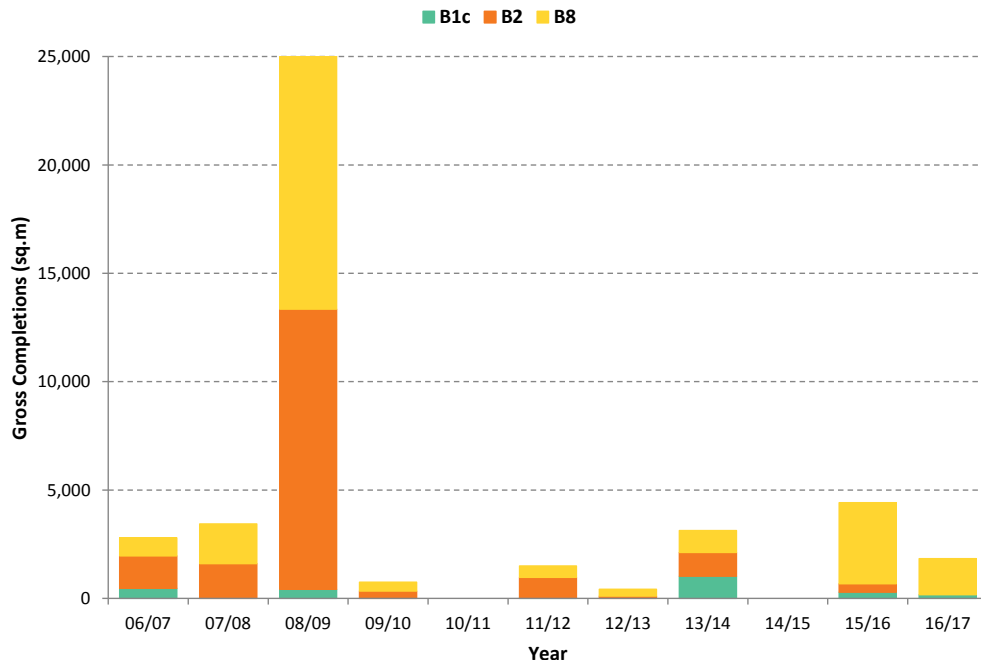


Source: Lewes District Council Monitoring Data / Lichfields analysis

## Industrial (B1c/B2/B8) Floorspace

2.33 The gross amount of industrial floorspace developed in Lewes is shown in Figure 2.13.

Figure 2.13 Gross Industrial Completions in Lewes, 2006 - 2017



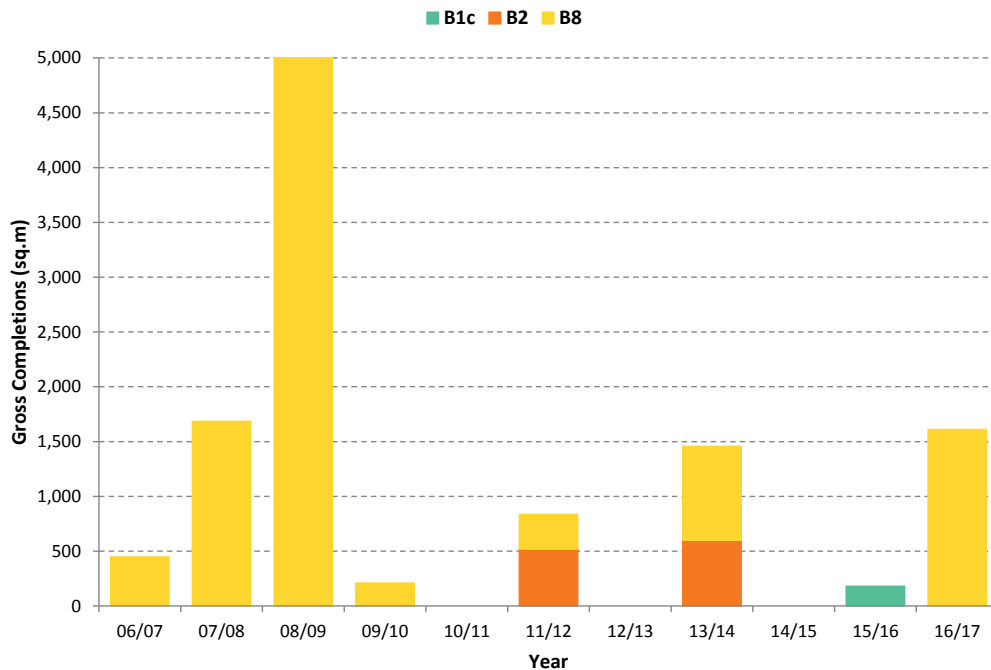
Source: Lewes District Council Monitoring Data / Lichfields analysis

2.34 This shows that just under 4,000 sq.m of industrial floorspace was developed per annum in the District over the 11 year period. Of this floorspace, 5.5% was developed for B1c floorspace, 43.5% for B2 floorspace and 50.9% for B8 floorspace. The year in which most industrial floorspace was delivered in Lewes was 2008/09, with just over 25,000 sq.m delivered. During the rest of period, industrial completions have been more stable than office completions, and have not followed a particular upward or downward trajectory.

2.35 The gross amount of industrial floorspace developed in Newhaven is shown in Figure 2.14.



Figure 2.14 Gross Industrial Completions in Newhaven, 2006 - 2017

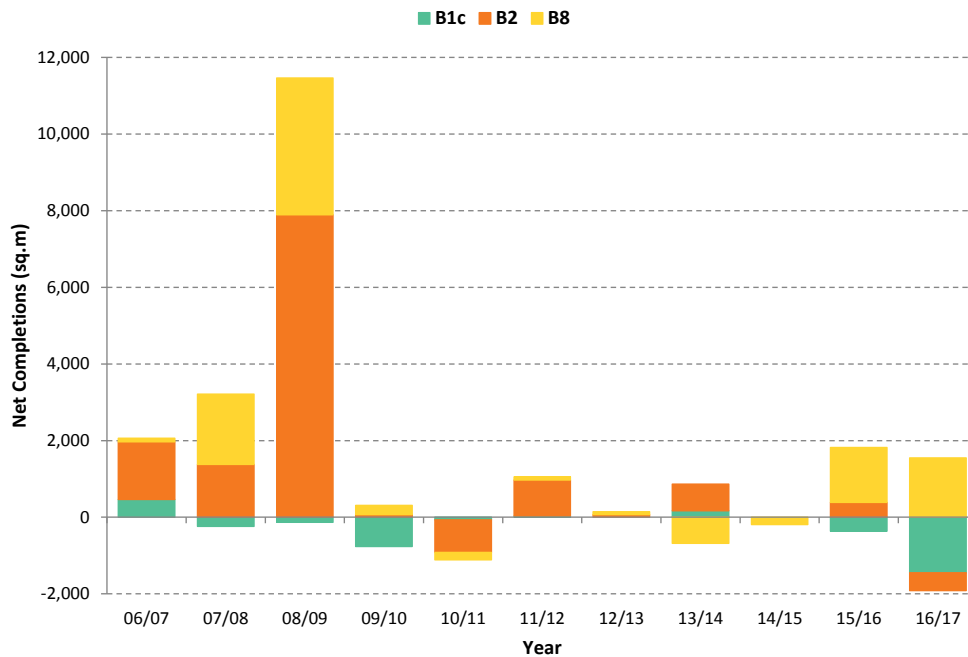


Source: Lewes District Council Monitoring Data / Lichfields analysis

2.36 This shows that just over 1,000 sq.m of industrial floorspace was developed per annum in Newhaven between 2006 and 2017. Of this floorspace, 1.6% was developed for B1c floorspace, 9.7% for B2 floorspace and 88.7% for B8 floorspace. This indicates that Newhaven has a strong warehousing (B8) market relative to Lewes District as a whole. Over 5,000 sq.m of B8 floorspace was delivered in 2008/09, with significant amounts also completed in 2007/08 and 2016/17. Comparing industrial floorspace completions in Newhaven and Lewes as a whole shows that 20.9% of total completions in Lewes were in Newhaven. This indicates that Newhaven’s industrial market is considerably stronger than the office market.

2.37 Figure 2.15 shows the net amount of industrial floorspace developed in Lewes from 2006 to 2017. On average, the net amount of industrial floorspace developed each year is 1,552 sq.m. Figure 2.15 shows that 2008/09 had net floorspace completions that were significantly higher than other years. Most new net floorspace has been developed for B2 use (an average of 1,055 sq.m per annum), with slightly less net floorspace developed for B8 use (an average of 711 sq.m per annum). As is clear in Figure 2.15, there was a net reduction in B1c over the period, with a net loss of 214 sq.m floorspace per annum.

Figure 2.15 Net Industrial Completions in Lewes, 2006 - 2017

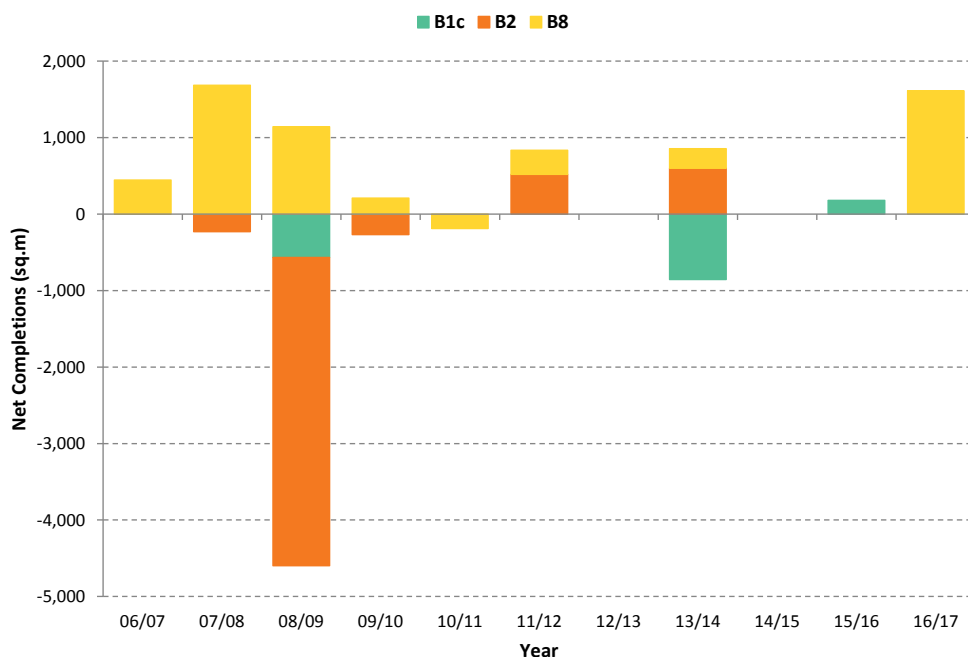


Source: Lewes District Council Monitoring Data / Lichfields analysis

2.38

Figure 2.16 shows the net amount of industrial floorspace developed in Newhaven over the same period. In the majority of monitoring years between 2006/07 and 2016/17, there was a net uplift in industrial floorspace. This was predominantly driven by the development of new B8 space. The average annual net increase in B8 space in Newhaven was 498 sq.m, which the majority (70.0%) of net B8 floorspace completions in Lewes District. However, due to a significant net reduction in B2 space in 2008/09, the average net annual amount of industrial floorspace completed over the period was just 75 sqm.

Figure 2.16 Net Industrial Completions in Newhaven, 2006 - 2017



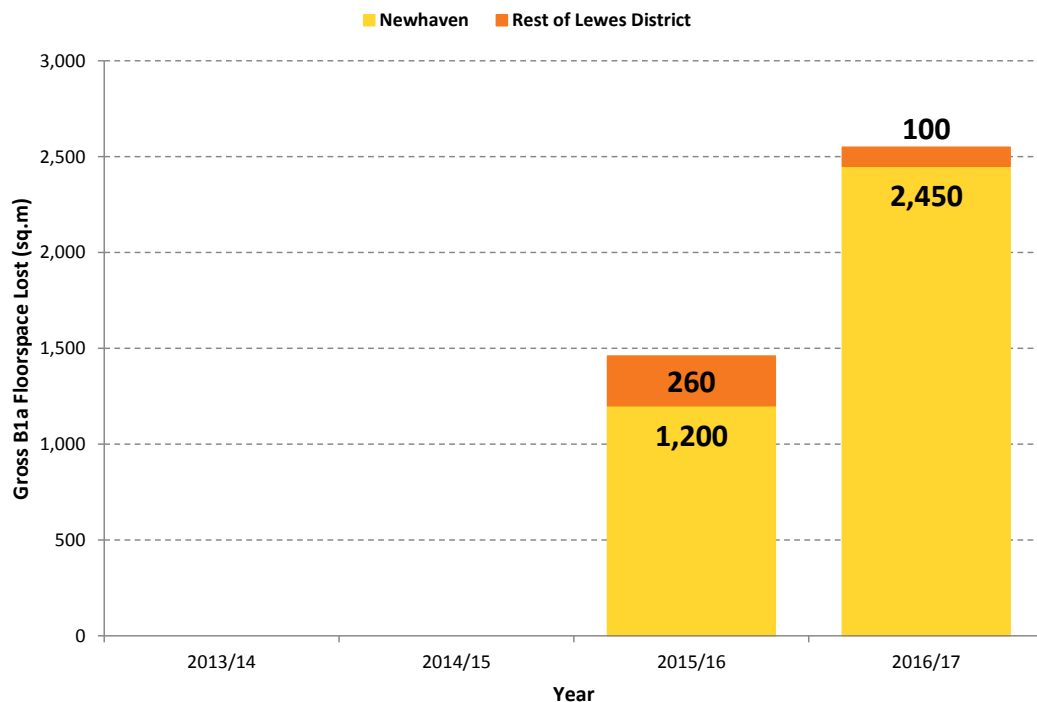
Source: Lewes District Council Monitoring Data / Lichfields analysis

## Permitted Development Rights

2.39 Temporary permitted development rights (PDR) for the change of use from office (use class B1a) to residential (use class C3) came into force in 2013. The PDR was made permanent in 2016, meaning that qualifying office premises can be converted to residential through the prior approval process.

2.40 Figure 2.17 summarises Council monitoring data on office to residential floorspace conversions that have occurred as a result of this policy in both Newhaven and the rest of Lewes District from 2013/14 to 2016/17.

Figure 2.17 Gross Losses of Office Floorspace under PDR, 2013 - 2017



Source: Lewes District Council Monitoring Data / Lichfields analysis

2.41 Figure 2.17 shows that over the two most recent monitoring years, an average of just over 2,000 sq.m of office space has been converted under PDRs each year. The vast majority of converted floorspace (91.0%) has been within Newhaven. This indicates that, when considered against the overall office market in Newhaven, the town has been disproportionately affected by the PDR and associated loss of office space. The data also underlines a two year time lag between the PDR coming into force and conversions of office space actually taking place in the District.

2.42 The majority of this office space that has been lost to residential through PDR has been concentrated within a small number of large premises. For example, the vast majority of converted office premises in 2015/16 relates to Bevan Funnell House on Norton Road in Newhaven (accounting for a loss of 1,200sq.m) while 1,800sq.m of the 2,450sq.m total lost in 2016/17 in Newhaven related to Reprodex House on Norton Road. Beyond these premises, other conversions have been very small in scale and number.

## Property Market Signals and Intelligence

- 2.43 This section provides an overview of the commercial property market in and around Newhaven, including recent trends in demand and supply. The findings are mainly based on discussions with a number of commercial property agents currently active in the town and wider sub-region (see Appendix 1) as well as information derived from published sources and reports.

### Market Geography

- 2.44 At a District-wide level, the commercial property market in Lewes is mainly localised, and can broadly be characterised by four separate sub-areas, comprising Lewes town, Newhaven, the remainder of the coastal strip comprising Seaford, Telscombe and Peacehaven, and the rural areas in the northern part of the District. The market is influenced by, but does not generally extend to, larger commercial centres such as Brighton and Crawley to the west or Hailsham and Eastbourne to the east, which operate as largely separate property markets.
- 2.45 Newhaven is a cross-channel port (with ferry crossings to Dieppe) and industrial centre but competition from larger ports with better facilities has led to the general decline in port traffic and reduced services. However, both passenger and freight volumes have stabilised to some degree in recent years (Table 2.3).

Table 2.3 Passenger and Freight Traffic at Newhaven Port

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total passengers ('000s)	167	270	268	237	244	253	258	267	277	286	399	394
Freight tonnes ('000s)	876	1,046	1,003	1,196	861	824	754	793	706	699	864	n/a

Source: Provisional sea passenger statistics (2015), Port freight statistics (2015) / Lichfields analysis

- 2.46 Today, the town's economy is dominated by manufacturing and other industrial activities, some of which are related to the port. Newhaven's key attractions as a business location include its relatively low cost land and rents compared with other parts of the Sussex coast, lower wage costs, and historically, land availability compared to more constrained locations such as Brighton and Hove. Potential drawbacks include a lower profile image as a business location, limited strategic road access and traffic congestion in some parts of the town, alongside a limited supply of highly skilled labour.
- 2.47 The EZ Implementation & Investment Plan notes that market demand is primarily driven by SMEs and local businesses but the dynamics of the local commercial market has resulted in local firms finding it hard to expand or upgrade to more suitable premises locally. Consequently, new firms are not easily able to locate to Newhaven owing to the lack of good quality and suitable premises. This issue is explored in more detail below.

### Industrial

- 2.48 Newhaven is generally perceived as a good industrial location and industrial uses (B1c, B2 and B8) account for the majority of demand for business space within the town. Levels of demand have been steady over recent years, although local property agents note that Newhaven's relatively peripheral location means that occupier demand tends to be slightly lower than elsewhere across the Sussex coast.
- 2.49 Existing industrial estates tend to be used for a mix of light industrial, storage and distribution and some trade counter uses. Most demand is for smaller industrial units, particularly up to

5,000sq.ft. Demand is almost exclusively from local firms, with very few enquiries from outside of the town, apart from occasional relocations from Brighton where industrial availability is much tighter. As pressure continues to grow in nearby locations like Brighton, Newhaven is expected to become an increasingly attractive alternative to firms who are less willing to relocate too far.

- 2.50 Reflecting the coastal location and lack of good quality strategic road routes, there has been limited interest historically for large-scale distribution activities within Newhaven. Distribution occupiers tend to be firms looking for cheaper space to serve the sub-regional market, rather than regional or national distribution firms. In the longer-term, the market view was that other locations in the sub-region with better strategic access and availability of larger sites would continue to be more obvious locations for distribution activities.
- 2.51 Much of the town's industrial stock is dated and of relatively poor quality. This partly reflects the legacy of former large-scale manufacturing firms which is often unsuited to modern needs. Due to unstable ground conditions in the area, new development typically involves abnormal costs associated with piling which negatively affects viability. Coupled with resolving flood risk and contamination issues, and uncertain demand, this has deterred new industrial development in the town over recent years, despite a number of potential development / relocation opportunities that have failed to overcome the viability hurdle.
- 2.52 There was a general view amongst agents that some of the older industrial space in Newhaven could be demolished since a significant proportion has reached the end of its economic life, but that new replacement provision would be required, particularly because availability of industrial; stock is reported to be limited (reflecting the situation across the wider Sussex area).

## Offices

- 2.53 Newhaven is not characterised as a significant office centre; the District's office market is almost exclusively centred on Lewes town, with no significant demand or provision in the rest of the District, including Newhaven town. The current level of demand for office space is hard to gauge given there has been very limited new supply in Newhaven in recent years. Demand is mainly from local businesses with no large relocations of office firms from elsewhere. Most enquiries are for smaller units under 1,000sq.ft.
- 2.54 Newhaven is in direct competition with larger centres nearby such as Brighton from an office market perspective. As noted in the Newhaven EZ Implementation and Investment Plan, Brighton and other competing locations are offering new, smaller and more attractive space for SMEs that Newhaven currently lacks.
- 2.55 The opening of the Newhaven Enterprise Centre on Denton Island in late 2007 was followed by high levels of demand for this type of flexible workspace, and this indicates that there is significant latent demand for high-quality, small-scale office space in the town. Feedback from the Centre Manager indicates that the Centre is at almost full occupancy, with a waiting list of occupiers seeking to take-up flexible space. The majority of business owners and employees live locally to Newhaven, including some who have recently made the transition from working from home. The latent demand for small scale, high quality office space drawn out by the Enterprise Centre demonstrates that there could be scope for small scale office development in the town in future.
- 2.56 As these businesses grow and expand, many struggle to find suitable larger 'move-on' space within Newhaven of a reasonable quality, and are forced to relocate to other commercial centres nearby such as Seaford, Eastbourne or Lewes. A similar situation is reported to exist across other parts of the Greater Brighton area, the effect of which is that growth is stymied with

companies stuck in substandard premises due to affordability constraints. Smaller scale spaces are then ‘blocked’ generating high demand for smaller spaces among start-up businesses.

- 2.57 In Newhaven, this lack of suitable move-on space is compounded by the abnormal remediation costs of many of the town’s developable sites, which the Council is seeking to address through EZ designation, by encouraging the take up of larger newer – and more affordable – spaces and helping to protect key employment sites under pressure from competing higher-value land uses.

### **Inward Investment**

- 2.58 As a whole, Lewes District has recorded limited success in attracting new investment in recent years, and this trend is reflected in Newhaven town. Although in reality it has reasonable road accessibility (via the A26), as well as access to Gatwick Airport and cross-channel ferry services, Locate in Sussex (the inward investment agency for the County) note that for many businesses the District is perceived as a peripheral location, deterred by the spur road to/from the A27 and the general aesthetics of the town and quality of its environment.

### **Development Viability**

- 2.59 The Council notes within the Newhaven EZ Application Form that the town has suffered from decades of under-investment and it is clear that the market is unable and unwilling to deliver the various sites identified within the EZ to the desired level. For example, viability issues have restricted realisable investment on the Eastside North site despite occupier interest. There has also been a lack of investment from the private sector in key sites such as Bevan Funnell and the Town Centre which, whilst retaining commercial uses, are characterised by under-performance and economic vulnerability.
- 2.60 Over recent years, public sector partners have been involved in regular dialogue with landowners, investors and business to identify the key barriers to growth and work to unlock stalled sites and re-establish Newhaven as a vital part of the Greater Brighton economy. The recurring factors in these discussions have been access, remediation and flood risk rendering re-development commercially unviable.
- 2.61 The majority of Newhaven EZ sites have lain dormant for a considerable time due to viability constraints and it is unlikely that positive development in line with the Vision for Newhaven will come forward over the short to medium term without some form of intervention. The additional support offered by EZ status is expected to be able to help in unlocking these sites for employment-led regeneration. In particular, the uplift in business rates will be used as funding leverage to support the provision of additional infrastructure and site remediation to bring forward sites for employment-generating development, such as improving power supplies, water and sewage links to sites, improving broadband (exploring links to the innovative new Digital Exchange in Brighton), cleaning up contaminated sites and improving immediate site access roads where necessary.

### **Issues and Interventions**

- 2.62 The Newhaven EZ Implementation & Investment Plan identifies a number of key market issues which Newhaven and the EZ will need to address for it to be a successful employment and commercial hub. These include:
- a Poor accessibility and rail links (exacerbated recently by the Southern Railways strikes and lack of confidence in being able to travel);
  - b Little sense of community and place (the one-way system essentially cuts off the town centre from the railway station, ferry terminal and Railway Quay);

- c Rapid obsolescence of ageing industrial buildings and limited availability of quality stock (most obviously on the Avis Way estate);
- d Limited room to expand on existing premises;
- e Flooding issues (though this is currently being dealt with by the Environment Agency and upgrades should be completed this year); and
- f Quality of staff (this can be helped through quality residential provision).

2.63

It also identified a number of key interventions that local agents felt were needed to improve the appeal and success of Newhaven as a business location, namely:

- a Careful planning of office and industrial estates to ensure accessibility and efficiency as well as accommodating a sense of place and community;
- b Identifying and encouraging a higher quality of workforce to the area. This could be done by creating links with colleges and universities nearby as well as providing new quality residential schemes;
- c Mitigating negative effects of neighbouring uses e.g. sewerage works, minerals / aggregate sites; and
- d Competition from Brighton makes establishing a significant office location challenging – so Newhaven needs to capitalise on its existing business and sector base by improving the employment stock to retain and attract a range of companies and sectors.

## 3.0 Employment Land Needs

- 3.1 This section considers future economic growth needs in Lewes District by drawing on several methodologies that are guided by the PPG. These scenarios are used to provide an indicative assessment of the District's future employment land needs for office and industrial (i.e. manufacturing and distribution) uses over the study period to 2030.
- 3.2 The calculations of future land needs set out in this section are intended to work within, and do not supersede, the Council's existing policy position as set out in the Joint Core Strategy 2010-2030. Differences between the policy position and the floorspace needs identified in this section may reflect forecasting variation over time, and the Joint Core Strategy should still be considered the starting point for employment land needs for Lewes District and Newhaven.

### Methodology

- 3.3 The NPPF requires local authorities to “set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth” (para 21). Considering this in evidence base terms, this should be underpinned by a “clear understanding of business needs within the economic markets operating in and across their area” (para 160).
- 3.4 Within this context, a number of potential future economic scenarios have been developed in this study to provide a framework for considering future economic growth needs and the implications on B class employment space in Lewes up to 2030. In line with PPG, these future scenarios draw upon:
- 1 Projections of employment growth in the main B class sectors (**labour demand**) derived from economic forecasts produced by the latest Experian forecasts (March 2017). An alternative, higher job growth scenario has also been considered which explores the employment and spatial implications associated with the potential step-change in employment growth and development activity brought about by the Newhaven EZ.
  - 2 Consideration of **past trends in completions of employment space** based on monitoring data collected by Lewes District Council, and how these trends might change in the future.
- 3.5 All these approaches have limitations and consideration needs to be given as to how appropriate each is to the circumstances in Lewes. Further, to be robust, the economic growth potential and likely demand for employment space in Lewes needs to be assessed under a variety of future scenarios, to reflect both lower and higher growth conditions that could arise in the future.
- 3.6 It should also be noted that the ultimate judgement as to the level of need that Lewes should plan for is not purely quantitative, and that there will be a number of qualitative factors to consider (discussed in other sections of the report). These factors will influence the employment space needs that will need to be planned for, and should be considered alongside the following modelled scenarios.

### A. Forecasts of Job Growth for Lewes District

- 3.7 Forecasts of employment growth Lewes to 2030 were obtained from the March 2017 release of Experian's UK Local Markets Forecasts which takes into account recent regional and national macroeconomic assumptions.
- 3.8 It is important to note that there are inherent limitations to the use of economic forecasts of this type, particularly within the context of recent economic and political changes. National



macroeconomic assumptions are taken as the starting point and then modelled down to the regional and local levels by reference to the existing economic profile and sectoral composition of an area. Local level data is less comprehensive and reliable than at national and regional levels, which can affect how the modelling is calibrated. Similarly, top-down forecasts do not take account of specific local factors that might influence employment growth. However forecasts are seen as a valuable input to indicate the broad scale and direction of future economic growth within different sectors, which helps assess the future land needs for a local area.

- 3.9 Population projections are just one of several inputs used to produce economic forecasts both in terms of future changes in working-age population (i.e. which directly impacts on the demand for jobs) and total population (i.e. which create demand for consumption activities). It is important to note that population projections are frequently revised, as are assumptions around future working-age populations, economic activity rates and national changes to the pension age.

### Scenario 1: Baseline Job Growth

- 3.10 The forecasts of job growth by sector reflect recent trends and are based upon projections at the regional level, and how sectors within Lewes have fared relative to historic growth in the region. Experian forecasts are based on observed past trends. For example, where particular sectors have performed well compared with the regional average (i.e. South East England) the forecasts generally assume that these sectors will continue to drive growth within the District in the future. These projections also reflect the current post-recession economic climate but do not reflect the UK's likely forthcoming exit from the European Union.
- 3.11 These projections indicate overall growth of 7,400 workforce jobs for Lewes over the 20 year period 2010 to 2030, equivalent to 370 jobs per year on average. Table 3.1 shows the fastest growing sectors under this scenario, alongside those that are expected to see a decline in employment. A full breakdown of baseline job growth by sector (i.e. including non B class sectors) is provided in Appendix 4.

Table 3.1 Fastest Growing and Declining Employment Sectors in Lewes, 2010 - 2030

Experian Sector	Use Class	Employment Change (2010 – 2030)	% Change (2010 – 2030)
Professional Services		+1,300	+48.1%
Accommodation & Food Services		+1,200	+57.1%
Education		+1,000	+23.8%
Residential Care & Social Work		+1,000	+30.3%
Retail		+800	+21.6%
Health		+700	+24.1%
Machinery & Equipment		-200	-50.0%
Finance		-200	-50.0%
Other Manufacturing		-700	-87.5%
Public Administration & Defence		-1,100	-26.8%

Source: Experian March 2017 / Lichfields analysis

Key: **GREEN** = B class sector    **ORANGE** = Part B class sector    **RED** = Non B class sector

- 3.12 Professional services and accommodation & food services are expected to be key drivers of employment growth within the District over the 20 year Plan period, while sectors forecast to

incur the largest employment losses during this period include public admin and defence and other manufacturing.

3.13 The total employment change in Lewes resulting from these forecasts is shown in Table 3.2 and Figure 3.1, alongside forecast job growth in the B class sectors. This includes an allowance for jobs in other non B class sectors that generally use office or industrial space (see Appendix 3).

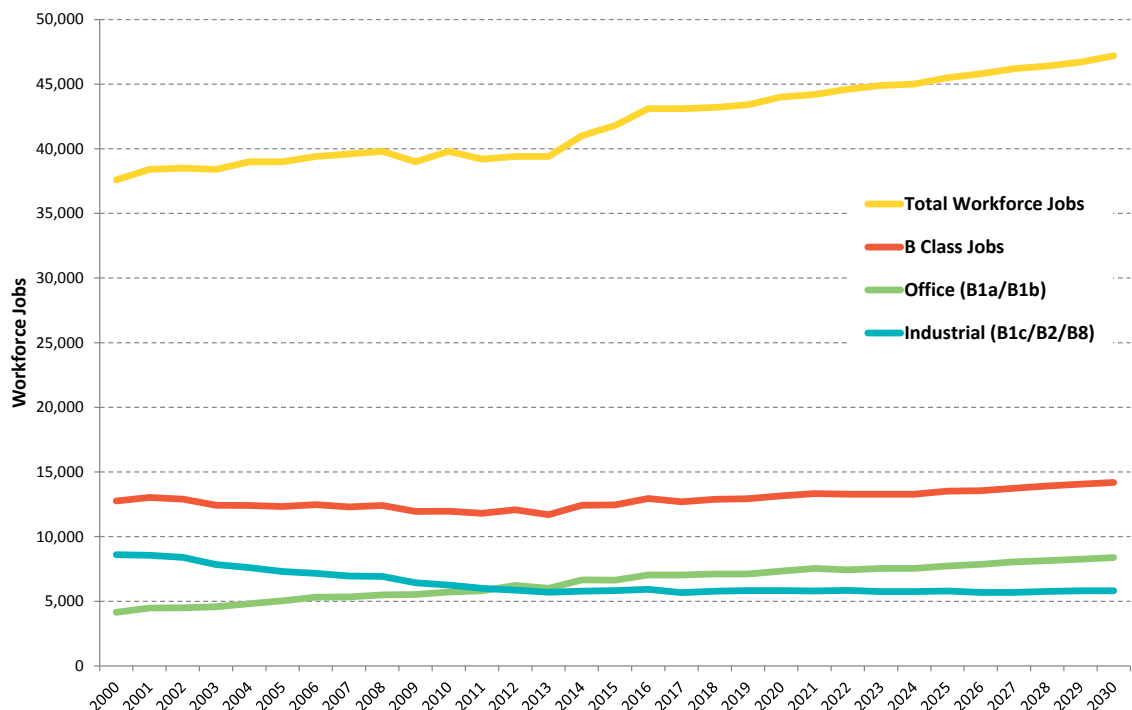
Table 3.2 Forecast Employment Change in Lewes District 2010-2030

Use	No. of jobs		Change
	2010	2030	2010-2030
Offices (B1a/b)	5,720	8,380	+2,660
Manufacturing (B1c/B2)	4,120	3,500	-620
Warehousing (B8)	2,130	2,310	+180
<b>Total B Class Jobs</b>	<b>11,970</b>	<b>14,190</b>	<b>+2,220</b>
<b>Jobs in All Sectors</b>	<b>39,800</b>	<b>47,200</b>	<b>+7,400</b>

Source: Experian March 2017 / Lichfields analysis

3.14 The Experian forecasts indicate overall growth of 2,220 B class jobs over the 20 year Local Plan period. This reflects significant forecast increases in office based jobs of 46.5% over the period. There are minor gains forecast in warehousing of 180 jobs, equivalent to an increase of 8.5%. There is expected to be a fall in manufacturing jobs of 620, which equates to 15.0%. Overall job growth across B class sectors is equivalent to 18.6% over the 20 year period. The majority of this job growth is expected to be in office-based sectors.

Figure 3.1 Total and B Class Employment Growth in Lewes to 2030



Source: Experian March 2017 / Lichfields analysis

3.15 Total job growth of 7,400 is forecast for the District in overall terms over the study period. Outside the B class sectors, job growth is expected to mainly occur within the accommodation and food services, education, and residential care and social work sectors. It should be noted

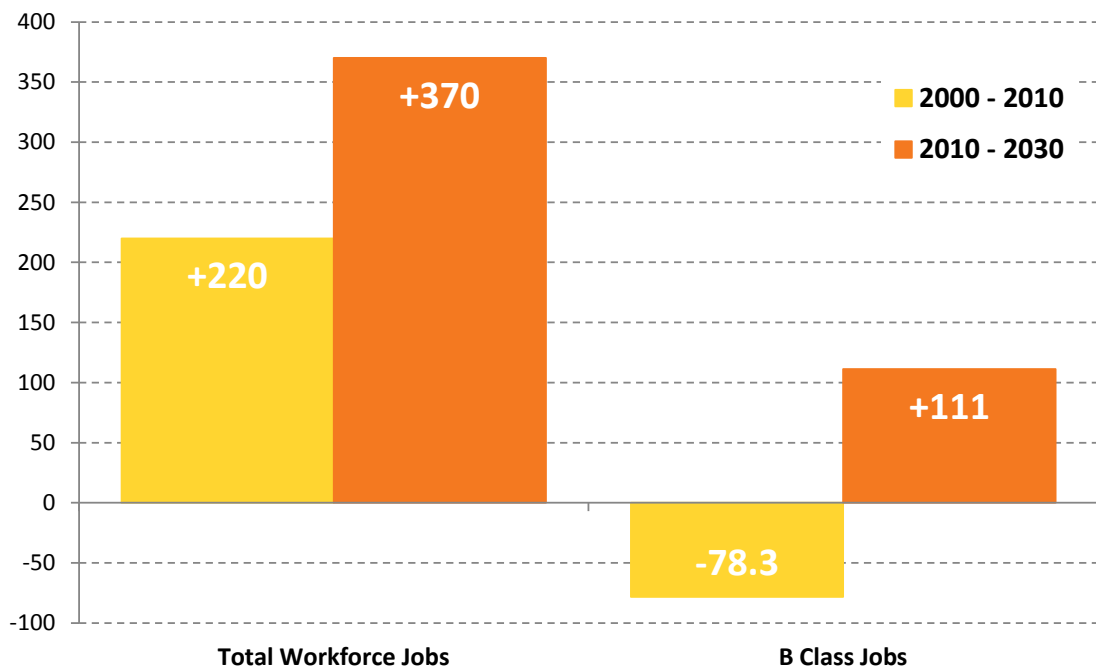
that these key growth sectors will also require additional floorspace to accommodate an increase in employment over the period to 2030 (including some conventional office space) although as noted previously, the spatial implications of this ‘non-B class’ growth are considered using different methodologies and other forms of technical evidence.

3.16 The total GVA growth associated with the Experian employment forecasts for Lewes equates to a 54.3% rise between 2010 and 2030, or 2.7% per year on average over the plan period. In absolute terms, this is equivalent to an increase of just over £920m GVA over the plan period.

### Comparison with Past Trends

3.17 The projected net increase of 2,220 B class jobs up to 2030, which underpins this estimate of future employment space needs, is equivalent to an average of 111 additional B class jobs each year. This contrasts with B class employment decline recorded in Lewes during the ten year period 2000 – 2010, indicating that this historic negative trajectory of job growth is expected to reverse in the District over the period to 2030 (Figure 3.2).

Figure 3.2 Annual Job Growth Implied by the Experian Baseline



Source: Experian March 2017 / Lichfields analysis

3.18 In contrast to B class jobs, total workforce jobs increased from 2000 to 2010 by an average of 220 per annum. Up to 2030, job growth is expected to be higher at an average of 370 new jobs per annum. Therefore, when compared to past performance, the baseline job growth scenario presents a relatively optimistic view of the District’s job growth potential.

### Comparison with Previous Studies

3.19 The job growth implied by the Experian March 2017 forecast for Lewes District is higher than that identified in previous studies.<sup>4</sup> Table 3.3 summarises the implied job change as identified by this study and previous studies. It shows that the current forecasts show significantly higher levels of job growth for both B class jobs and total workforce jobs than the equivalent forecasts

<sup>4</sup> Including the Lewes Employment Land Review 2010 and Update 2012, both prepared by Nathaniel Lichfield & Partners

from 2010 and 2012. Projected job change figures shown in Table 3.3 represent ‘per annum’ figures to allow comparison across the different data sets.

Table 3.3 Projected Employment Change in Lewes District by Study

Use	Annual Projected Job Change		
	2010 ELR (2008-2026)	2012 Update (2012-2031)	2017 Update (2010-2030)
Total B class jobs	+32	-1.5	+111
Jobs in All Sectors	+206	+149	+370

Source: Lichfields analysis

### Translating Jobs to Floorspace

3.20 The B class element of the Experian March 2017 employment growth forecasts have been converted to net future employment space needs by applying the latest published job density figures for different types of employment space, which take account of recent trends in occupancy for the different B class uses. The following average ratios have been applied to job forecasts:

- 1 **Offices:** 1 job per 12.5sq.m for general office space;
- 2 **Industrial:** 1 job per 43sq.m as an average across B1c and B2 uses; and
- 3 **Warehousing:** 1 job per 65sq.m for general, smaller scale warehousing (assumed to account for 100% of warehousing stock in Lewes).

3.21 The assumptions are based on latest Homes & Communities Agency (HCA) guidance on job density ratios produced in 2015. The guidance takes account of recent trends in terms of changing utilisation of employment space, with the key change being the more efficient use of office floorspace due to the higher frequency of flexible working and hot-desking. This has resulted in a reduction in the amount of floorspace per office worker assumed compared to earlier guidance.

3.22 An allowance of 10% is added to all floorspace needs to reflect normal levels of market vacancy in employment space. Where a reduction in jobs is forecast (e.g. manufacturing), the associated negative floorspace was halved. This reflects that while there may be ongoing manufacturing job losses (e.g. as firms use more efficient production approaches), it does not automatically follow that all of the existing employment space will be lost.

Table 3.4 Net Employment Space Needs in Lewes, 2010 - 2030 (Baseline Job Growth)

Use	Floorspace (sq.m)
Offices (B1a/B1b)	36,570
Manufacturing (B1c/B2)	-13,910
Distribution (B8)	12,920
<b>Total B Class</b>	<b>35,580</b>

Source: Lichfields analysis

3.23 As shown in Table 3.4, the resulting net B class floorspace implication is positive, driven by an increase in office and distribution floorspace which exceeds the decline in manufacturing floorspace implied by the 2017 Experian forecasts.

## B. Past Development Rates

- 3.24 Because they reflect market demand and actual development patterns on the ground, in some cases long term completion rates of employment floorspace can provide a reasonable basis for informing future land needs. Completions over such a period as ten years or more should even out demand fluctuations over a business cycle, and normally provide a reasonable basis for estimating future needs provided land supply has not been unduly constrained. Whereas job forecasts show growth in net terms, past trend-based assessments take into account development that offsets the redevelopment of employment sites, and from the recycling of sites.

### Scenario 2: Past Development Rates

- 3.25 Monitoring data on past completions by B class use between 2006/07 and 2016/17 was provided by Lewes District Council and is summarised in detail in section 2.0. During this 11 year period, the District recorded total net completions of B class employment space of 9,800sq.m, equivalent to 890sq.m per year on average. Development has been uneven across the B class uses, with B2 and B8 net completions contributing the most floorspace (1,055 and 710sq.m per annum respectively), while there was an average net loss of B1 floorspace of 730sq.m per annum.
- 3.26 One view of future growth in Lewes could simply assume that the past development rates carry on in the future at the long term average. If it were assumed that past net completion rates were to continue over the 20 year period to 2030, this would equate to an increase of 31,035sq.m of manufacturing and distribution space and a reduction of -13,215sq.m of office space by 2030. Overall employment needs are significantly lower than that estimated using job based forecasts (Table 3.5), although the relative balance between office and industrial uses switches.
- 3.27 Monitoring data for Newhaven Parish has been used as a proxy to analyse completions within Newhaven town. From 2006/07 to 2016/17, Newhaven recorded a total net reduction in B class floorspace of 3,080sq.m, equivalent to a loss of 280sq.m per year on average. The only B use class to record a net increase over this period was B8, recording average net completions of 500sq.m. There were net reductions in B1a, B1c and B2 floorspace across the period, and no change to B1b floorspace.

## Summary of Net Employment Space Needs

- 3.28 Drawing together the results from each of the future growth scenarios for Lewes, the net B class employment floorspace needs for the District over the period 2010 to 2030 reflect a range of potential scenarios (Table 3.5).

Table 3.5 Net Floorspace Needs by Scenario to 2030 (sq.m)

	1. Baseline Job Growth (2017 Experian)	2. Past Development Rates
Offices (B1a/B1b)	36,570	-13,215
Industrial (B1c/B2/B8)	-990	31,035
<b>All B Uses</b>	<b>35,580</b>	<b>17,820</b>

Source: Lichfields analysis (totals rounded)

## Net Land Needs

3.29 The final step, for both scenarios, is to translate floorspace into land needs for both office (B1a/B1b) and industrial (B1c/B2/B8) uses. This has been calculated by applying appropriate plot ratio assumptions to the net floorspace estimates presented above using the following assumptions and local adjustment factors to reflect the pattern of development in Lewes:

- **Industrial (B1c/B2/B8)** – a plot ratio of 0.4 is applied so that a 1 ha site would be needed to accommodate a footprint of 4,000sq.m of employment floorspace; and
- **Offices (B1a/B1b)** – it is assumed that 80% of new floorspace would be in lower density, business park developments with a plot ratio of 0.4, with 20% in higher density town centre locations at a plot ratio of 2.0.

3.30 The resulting net land needs for the two scenarios are set out in Table 3.6.

Table 3.6 Net Land Needs by Scenario to 2030 (ha)

	1. Baseline Job Growth (2017 Experian)	2. Past Development Rates
Offices (B1a/B1b)	7.7	-2.8
Industrial (B1c/B2/B8)	-0.2	7.8
<b>All B Uses</b>	<b>7.5</b>	<b>5.0</b>

Source: Lichfields

## Planning Implications

3.31 Whilst the net employment space needs presented above represent the minimum recommended quantum of employment floorspace to plan for within Lewes District over the study period, the Council will need to take a view on the extent to which additional space should be planned for over and above the net needs to allow for factors such as delays in development coming forward, for replacing employment space that is lost in future and to take account of other market factors.

3.32 The former South East England Partnership Board (SEEPB) guidance on employment land assessments recommended an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years. This is equivalent to 10% of the total 20 year study period for this study. Table 3.7 provides an illustration of indicative 'gross' land needs by scenario for Lewes District to 2030 after applying this 10% buffer or margin (to positive needs only).

Table 3.7 Indicative Gross Land Needs by Scenario to 2030 (ha)

	1. Baseline Job Growth (2017 Experian)	2. Past Development Rates
Offices (B1a/B1b)	8.5	-2.8
Industrial (B1c/B2/B8)	-0.2	8.6
<b>All B Uses</b>	<b>8.3</b>	<b>5.8</b>

Source: Lichfields

## Employment Land Needs in Newhaven

- 3-33 Using the updated demand analysis presented above, it is possible to estimate the proportion of the Lewes District-wide employment floorspace and land needs that could reasonably be attributed to the town of Newhaven.
- 3-34 Table 3.8 below summarises the existing contribution that the town plays in supporting the overall District economy across a range of metrics including employment, employment floorspace and B class development. It then uses these proportions to estimate a specific employment land need for Newhaven, assuming existing economic relationships were to continue over the Plan period.

Table 3.8 Gross Land Needs in Newhaven to 2030

Approach	% of Lewes District Total	1. Baseline Job Growth (2017 Experian)	2. Past Development Rates
Employment	14.6%	1.2	-
Employment Space	40.2%	3.3	-
B Class Development	-	-	-1.1 <sup>¥</sup>

Source: Lichfields analysis

¥Calculated from Newhaven town monitoring data (2006/07 – 2016/17)

## EZ Delivery and Job Growth

- 3-35 The Newhaven EZ Implementation and Investment Plan provides an overview of the employment impact associated with the estimated potential scale of development across the EZ sites over the 25 year life of the zone. Development capacity estimates suggest that just under 68,500sq.m<sup>5</sup> of new commercial floorspace could come forward across the 8 EZ sites over the 25 years. This states that overall, the new development proposed for the EZ would accommodate circa 1,450 FTE employees. This represents the gross employment position – i.e. the total amount of employment that could be accommodated in the EZ.
- 3-36 In order to estimate the net additional economic impacts, the Implementation and Investment Plan considers what proportion of this employment will be additional to the local economy and the extent to which that employment will support wider employment in the local area through supply chain linkages and employee spending. For the purposes of the assessment, the local area is considered to be East Sussex and the Greater Brighton City Region. After taking account of displacement and local economic multipliers, the EZ is expected to deliver approximately 900 net additional jobs across all of its sites. These jobs cover a range of different sectors including office (B1a/b), industrial (B1c/B2), warehousing (B8), retail, leisure and utilities.
- 3-37 This represents more than double the scale of job growth implied under the baseline Experian job demand scenario for Newhaven (assuming current shares of employment continue). It is not possible to quantify the employment space needed to accommodate this step change EZ job growth (in absence of detailed sector breakdowns) but this provides an illustration of the additional job growth potential within Newhaven over the plan period, and the scale of growth that the EZ has the potential to facilitate if sector opportunities can be accommodated through the provision of suitable sites and other types of business support.

<sup>5</sup> This includes the 'aspirational scenario' of development for the Railway Quay site

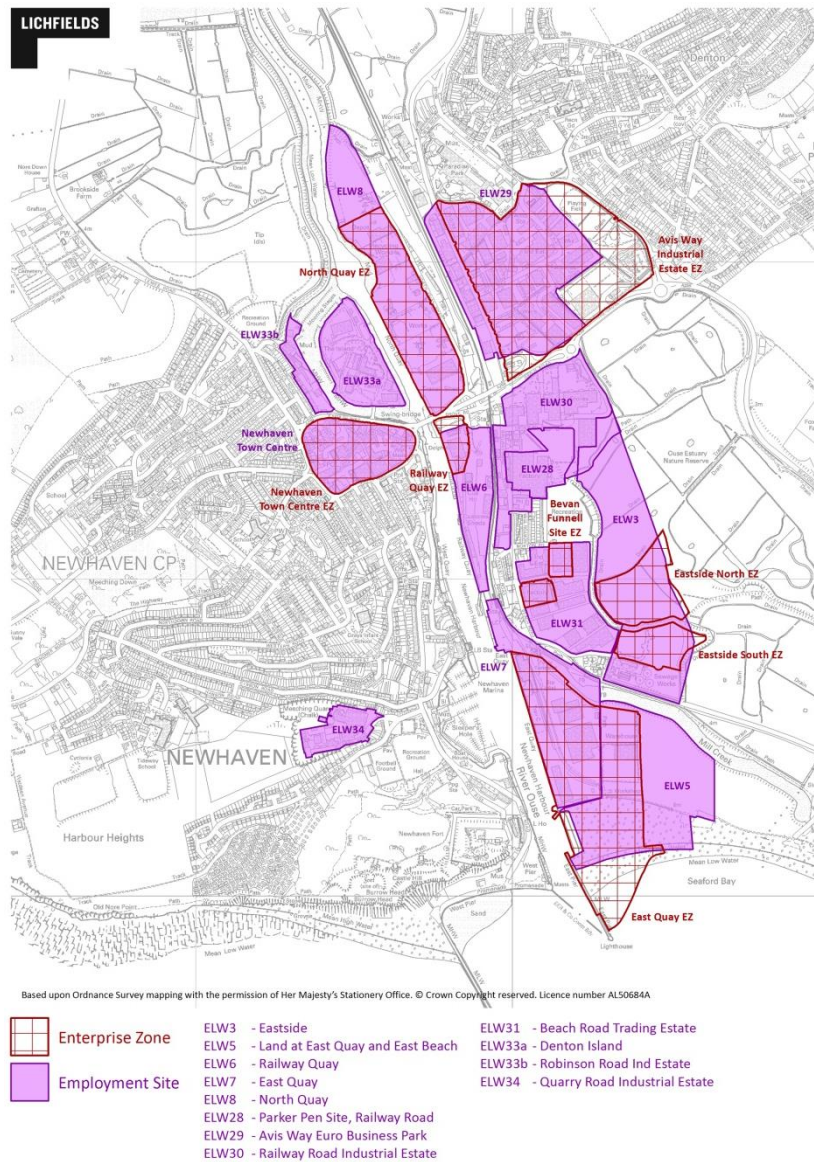
## 4.0 Demand / Supply Balance

4.1 This section presents the findings of an assessment of Newhaven’s employment land supply. It considers the characteristics and quality of the town’s portfolio of employment sites, their current role and suitability to meet future employment development needs. It also draws together updated forecasts of future employment land needs from section 3.0 and estimates of land available on the town’s existing and allocated employment sites to identify any need for more provision of employment space, or surpluses of it, in quantitative and qualitative terms.

### Site Appraisals

4.2 In consultation with the Council it was agreed that the assessment should focus on 13 sites in the town including the 8 EZ sites; in total these sites amount to just over 116ha of land. The location of the assessed sites is shown on the map in Figure 4.1 below.

Figure 4.1 Map of Employment Sites Assessed



Source: Lichfields based on Lewes DC



- 4.3 Each of the 13 identified sites were inspected and assessed by Lichfields and assessed against the following broad PPG criteria:
- a Current condition and occupier type/mix;
  - b Site size, characteristics and potential development constraints;
  - c Attractiveness to the market, including vacancy and market activity on sites; and
  - d Future development potential and capacity.
- 4.4 A plan showing the assessed sites is included at Appendix 5, while the criteria used in the assessment of each site are set out at Appendix 6.
- 4.5 A summary of the site appraisals is provided in Table 4.1 below. This provides an overall profile of the main employment sites in Newhaven and their general ‘fitness for purpose’, drawing upon the Newhaven EZ Implementation and Investment Plan development capacity assessments for EZ sites where relevant.
- 4.6 Those sites identified as having ‘high’ prospects and potential to meet Newhaven’s future economic needs generally have land available for accommodating new business development and are located within areas of the town that attract the greatest levels of market demand. These sites should provide the focus for accommodating business needs in future. It is recommended that the Council continues to promote their development and seeks to overcome barriers to employment delivery where these exist.
- 4.7 In contrast, sites identified as having ‘low’ prospects and potential are characterised as having limited physical capacity to accommodate new development over the remaining plan period and generally attract lower levels of market and occupier demand.
- 4.8 ‘Medium’ sites sit somewhere in-between and while they could provide prospects for supporting employment development in future, there are currently some uncertainties and the sites are therefore likely to represent longer term opportunities.

For each site, an indication is provided as to whether it could be categorised as having either ‘strategic’ or ‘local’ significance in terms of meeting Newhaven’s future economic development needs. This helps to define the potential profile and role that each site could play going forward and is particularly relevant in the context of EZ proposals to drive economic growth in the town. Those sites identified as ‘strategically significant’ are considered to be important in supporting Newhaven to achieve the scale of ‘step change’ growth envisaged as part of the EZ proposals while ‘locally significant’ sites are considered to be better suited to meeting more localised business needs and ‘churn’.

Table 4.1 Summary Site Appraisals

Site Ref	Site Name	Size (ha)	Included in EZ?	Current use / Occupier Mix	Strength of market demand	Future development potential*	Scope for meeting future needs	Significance (local / strategic)
ELW8	North Quay	12.9	Y	Mix of transport, waste, aggregates and energy uses	Orange	Longer term mixed commercial / industrial development and intensification opportunities	Green	Strategic
ELW29	Avis Way Euro Business Park	18.7	Y	Broad mix of industrial occupiers	Green	Immediate and longer term intensification opportunities	Green	Strategic
ELW6	Railway Quay	5.0	Y	Mix of light industrial occupiers	Orange	Short term opportunity for small scale commercial units	Green	Strategic
ELW3	Eastside (North and South)	17.0	Y	Largely undeveloped, B1/8 development under construction on south site	Green	Short to medium term phased mixed commercial uses	Green	Strategic
ELW31	Beach Road Trading Estate	7.4	Y	Range of industrial occupiers	Green	Longer term intensification opportunities	Orange	Local
ELW7	East Quay (West)	10.7	Y	Newhaven Port Office and Eon Rampion Offshore Facility	Orange	Immediate opportunity for offshore wind O&M facility, followed by medium term mixed commercial	Green	Strategic
ELW5	Land at East Quay and East Beach	15.9	Y		Green		Strategic	
TC	Town Centre	5.9	Y	Mainly retail uses with some office premises	Orange	Small scale retail and commercial redevelopment opportunities	Orange	Local
ELW33b	Robinson Road Industrial Estate	1.5	N	Mix of workshops and Council depots	Orange	Limited immediate opportunities	Red	Local
ELW33a	Denton Island	5.4	N	Newhaven Enterprise Centre, College, retail warehousing	Green	Limited immediate opportunities	Red	Local
ELW30	Railway Road Industrial Estate	5.0	N	Mix of retail, office and warehousing	Orange	Small scale intensification opportunities	Orange	Local
ELW28	Parker Pen Site, Railway Road	3.3	N	Vacant / cleared	Orange	Limited potential due to planning consent for residential development on site	Red	n/a
ELW34	Quarry Road Industrial Estate	2.4	N	Low grade workshops, garages and warehousing/storage	Red	Small scale intensification opportunities Site is within Spatial Policy 7 (strategic housing allocations)	Orange	Local

Source: Lichfields \*Draws upon EZ Implementation and Investment Plan development capacity assessments for EZ sites

Note: Green = strong/high, orange = medium, red = weak/low

## Newhaven Demand/Supply Balance

- 4.9 Section 3.0 identified a need for between -1.1ha and 3.3ha of employment space in Newhaven up to 2030 in gross terms (after applying a 10% buffer or margin). This reflects a relatively modest scale of growth that could be supported by the town's economy over the plan period.
- 4.10 The introduction of the Newhaven EZ offers significant potential to generate a higher level of job growth within the town over the period to 2030 including within the key growth sectors of renewable energy, marine and environmental technologies and their associated supply chains, building upon the existing strengths of the town and opportunities created by the Rampion Offshore Wind Farm and the new University Technical College (UTC@harbourside).
- 4.11 In quantitative terms, the latest Council monitoring data suggests that Newhaven would have sufficient employment space to meet business needs arising from the future growth scenarios to 2030 developed as part of this study. Whilst Council monitoring data (as at March 2017) indicates that the pipeline of extant planning permissions in Newhaven would result in a net loss of B class floorspace in the town if implemented in full, there are a number of undeveloped sites and intensification/infill opportunities on existing sites within the town (including at East Quay/East Beach and Eastside (north and south EZ sites)). This includes a number of derelict and under-utilised sites that offer significant opportunities for regeneration, near to or adjoining the port.
- 4.12 The Council estimates that implementation of the EZ would enable Newhaven to deliver a substantial increase of around 55,000sq.m of new commercial floorspace, as well as refurbishing a further 15,000sq.m, creating the conditions that existing businesses need to expand as well as new investors. This 'commercial floorspace' incorporates a range of uses including but not limited to, B use classes.
- 4.13 Much of this supply represents a longer term opportunity and the Council notes in its EZ Application Form that various viability barriers will need to be overcome before commercial development can take place on the town's development sites. As noted in section 2.0, qualitative market feedback suggests that there is an immediate requirement for good quality 'move on' space in the town to enable growing firms (including those that have become established within the Newhaven Enterprise Centre on Denton Island) to be retained in Newhaven rather than having to relocate elsewhere.

## Sector Opportunities

- 4.14 An analysis of the spatial distribution of businesses in relation to Newhaven undertaken as part of the Newhaven EZ Implementation and Investment Plan identified that the two best positioned priority sectors that the EZ could seek to attract in the short to medium term are **environmental technology and services**, and **advanced engineering**. Both of these sectors build on existing local strengths including opportunities created by the Rampion Offshore Wind Farm and UTC@harbourside and are prioritised in the SEP as offering realistic and significant growth prospects as well as opportunities for economic diversification. Both sectors will potentially overlap with elements of the marine sector (e.g. marine-related manufacturing and offshore energy provision), building on existing strengths and infrastructure assets. Of these, advanced engineering is likely to generate the greatest employment opportunities.
- 4.15 Manufacturing is a major employer in Newhaven and, despite recent job losses, the presence of high-tech manufacturing and evidence of growing manufacturing sub-sectors are likely to provide shorter term opportunities for growth. This is related to the advanced engineering sector, where Newhaven may become an attractive location for investment as pressure for land

increases in other parts of the region. Newhaven is also well placed to benefit from investment in environmental technologies; however the scale of employment in this sector is likely to be lower.

- 4.16 The development of Newhaven as a centre for renewable technologies is also recognised in SELEP's Strategic Economic Plan, noting that the town offers substantial potential for growth but is currently dominated by low value-added manufacturing and wholesale and retail trade employment.
- 4.17 As identified in the Newhaven EZ Implementation and Investment Plan, the two priority sectors of environmental technology and services and advanced engineering are predominately industrial focused in terms of land use and can be relatively 'land hungry' in terms of day-to-day activities. Accommodating these sectors will require provision of larger scale sites including undeveloped/cleared sites capable of accommodating new build specialist facilities. Within the wider Greater Brighton sub-region, Newhaven is well placed to capture these growth opportunities due to the relative availability of land within the town, so it will be important to safeguard suitable sites (including those designated as part of the EZ) to enable the town to compete effectively for these growth sectors.
- 4.18 Some of the sites that have been assessed as part of this study stand out as offering particularly good prospects for targeting and accommodating the two key growth sectors including North Quay, East Quay, Eastside and parts of Avis Way (albeit the latter offers more in the way of intensification opportunities rather than large scale new development). Other sites appear to provide more limited opportunities to capture future growth within environmental technology and advanced engineering due to their comparative size, location and physical capacity for (re)development.

## 5.0 Potential Impacts of Permitted Development Rights

5.1 This section brings together the analysis contained within previous sections to consider the evidence base for implementing Article 4 Directions to protect employment land in Newhaven from the existing office to residential PDR and the forthcoming light industrial to residential PDR. The two PDRs are considered in turn below.

5.2 Although the existing and forthcoming PDRs represent a key measure to boost housing supply across the country, they also pose a number of potential risks to future economic vitality and could undermine the competitiveness of office and industrial locations. Potential risks include:

- 1 Permanent loss of business space;
- 2 Creating uncertainty for businesses and the local planning authority; and
- 3 Limiting the ability of local areas to plan effectively for business needs and growth.

5.3 As noted previously, an Article 4 Direction can only be implemented if it is necessary to protect local amenity or locally-significant economic activity in an area. Prior to making an Article 4 Direction an evidence base must be established to justify the exceptional circumstances for withdrawing permitted development rights. This evidence base must demonstrate the harm to local amenity and impact on the proper planning of the area created by such rights.

### Office to Residential PDR

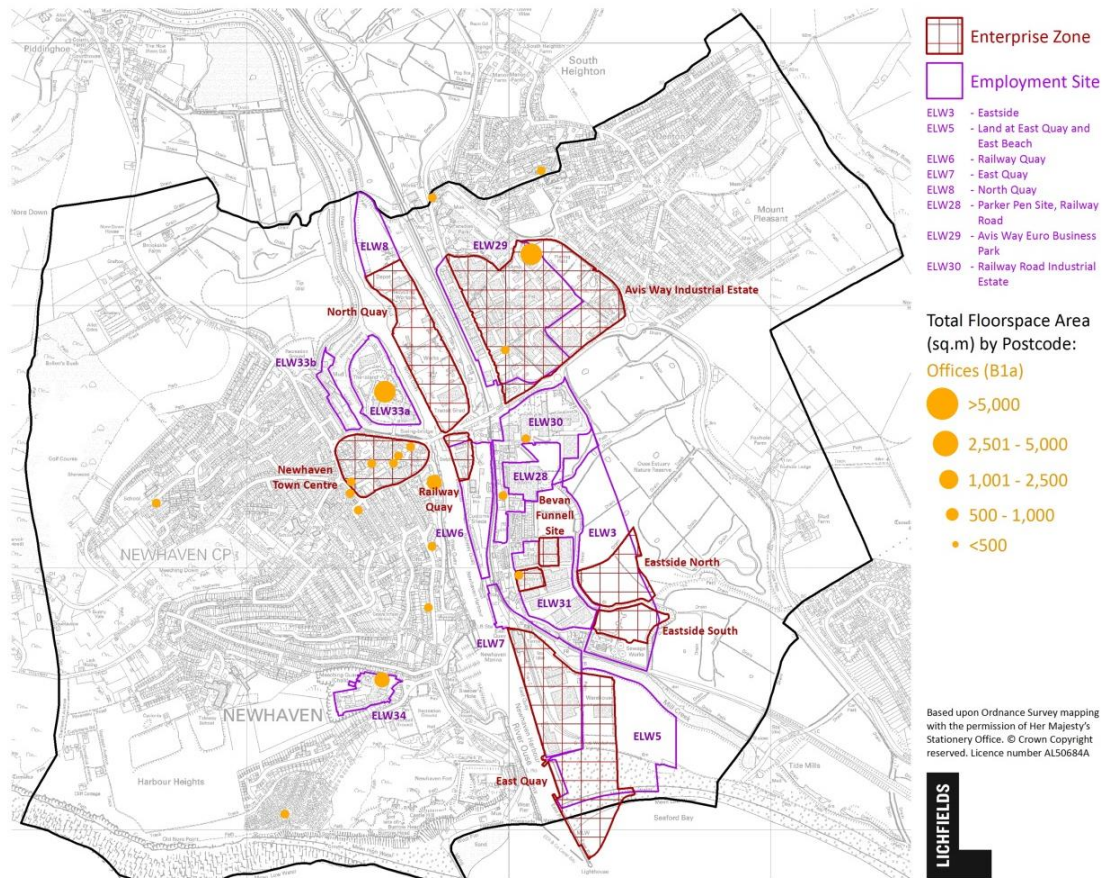
5.4 The total stock of office (B1a) floorspace in Newhaven recorded by the VOA is 8,075sq.m. This represents 11.0% of the total 73,373sq.m office floorspace in Lewes District. Newhaven has a very limited office market and is not characterised as being a significant office centre. It is in direct competition with larger centres nearby such as Brighton and demand almost exclusively comes from local businesses for small scale premises.

5.5 Over the monitoring period 2006 to 2017, there has been a gradual erosion of office floorspace in Newhaven. On average, 355sq.m was lost each year over this period, representing just under half of all losses in Lewes District.

5.6 Following the introduction of office to residential PDRs in early 2013, conversions were slow to occur within Lewes District and Newhaven. Analysis of Council monitoring data indicates that office floorspace that has been lost through PDRs in Newhaven has generally comprised a limited number of large premises (most notably Bevan Funnell House and Reprodex House in the Beach Road Industrial Estate) rather than for example, a large number of small office premises dispersed across the town.

5.7 The small scale, secondary nature of Newhaven's portfolio of office space means that the potential stock of 'at risk' office space is relatively small. The best quality office space currently available in the town (i.e. at the Newhaven Enterprise Centre) is within the Council's control (as the site/centre owner) and therefore it is assumed not to be at risk from conversion at the current time. Beyond the Enterprise Centre, Figure 5.1 shows that the remaining office space tends to be clustered in and around the town centre, at Avis Way and dispersed across the more residential areas of the town.

Figure 5.1 Office Premises in Newhaven



Source: VOA (2017) / Lichfields analysis

5.8 Of the 8,075sq.m office floorspace in Newhaven, 6,041sq.m is within the EZ and/or other employment sites, which equates to 74.8%. The location of this floorspace is split out in Table 5.1 below. It is clear that office floorspace is concentrated in a number of these sites, namely Avis Way Euro Business Park, Denton Island and the town centre. Around half of the office space is within the EZ sites, while the other half is within the other key employment sites assessed as part of this study.

Table 5.1 B1a Floorspace within Enterprise Zone and Employment Sites

Site ref.	Site Name	Total Floorspace
ELW8	North Quay	0
ELW29	Avis Way Euro Business Park	1,749
ELW6	Railway Quay	0
ELW3	Eastside (North and South)	0
ELW31	Beach Road Trading Estate	78
ELW7	East Quay	0
ELW5	Land at East Quay and East Beach	0
TC	Town Centre	1,121
<b>Enterprise Zone Sites Total</b>		<b>2,948</b>
ELW33b	Robinson Road Industrial Estate	0
ELW33a	Denton Island	1,651

Site ref.	Site Name	Total Floorspace
ELW30	Railway Road Industrial Estate	556
ELW28	Parker Pen Site, Railway Road	0
ELW34	Quarry Road Industrial Estate	886
<b>Other Employment Sites Total</b>		<b>3,093</b>
<b>TOTAL</b>		<b>6,041</b>

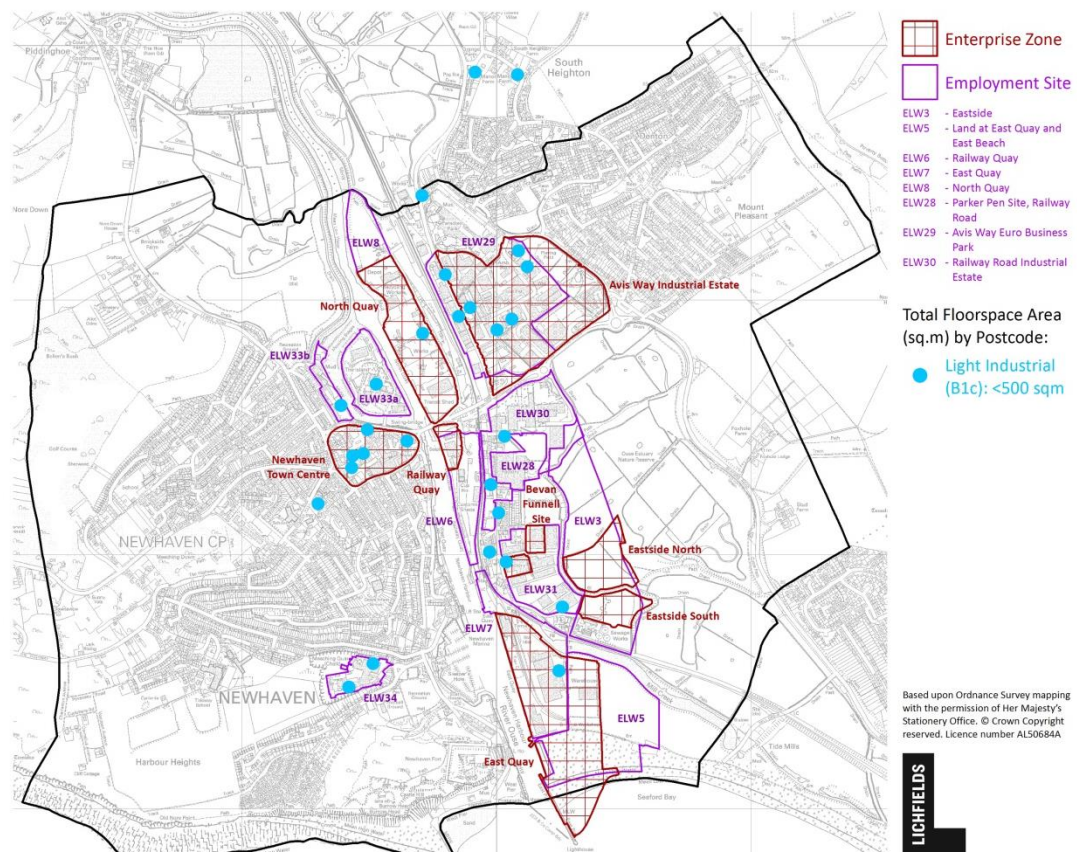
Source: VOA (2017) / Lichfields analysis

- 5.9 The office space on these sites is assessed as being of relatively good quality. Site assessments identified that Avis Way Euro Business Park is an important employment location with high levels of occupancy, albeit the amount of office floorspace on this site is significantly outweighed by the quantum of workshop, factory and warehouse space. Denton Island also scored well in the site assessment, on the basis that the small-scale office space within the Newhaven Enterprise Centre is high quality and attracts a good level of demand. Office space in the town centre is of mixed quality and is predominantly small in scale.
- 5.10 In assessing the 'local significance' of office floorspace and the case for an Article 4 Direction, it is important to consider whether:
- the supply of office floorspace is significant in the context of Lewes District; and
  - the supply, type and quality of office floorspace within the EZ and other employment sites is significant in the context of Newhaven.
- 5.11 In respect of a), as set out above, it is clear that Newhaven is a relatively minor office location within the context of Lewes District. Just 11.0% of office space in Lewes is in Newhaven. Lewes town is the main office location in the District, with Seaford and Peacehaven being secondary office locations. In respect of b), in quantitative terms, the majority (74.8%) of Newhaven's office floorspace is within the EZ and other employment sites. The office space is of mixed quality, the best being recently developed space, for example the Newhaven Enterprise Centre, which is controlled by the Council. Furthermore, the office market in Newhaven is assessed as being relatively small, with demand characterised by local businesses looking for small premises.
- 5.12 It is therefore considered that Newhaven's office premises are not economically significant in the context of Lewes District, nor are office premises within the EZ/other employment sites of a scale or quality to be considered significant in the context of the economic function of the EZ. On this basis, it would appear difficult to justify the implementation of an Article 4 Direction to protect office space from PDRs solely in terms of its local or strategic economic significance. However, in the context of the recent EZ designation, a potential justification could focus upon the Council's need to exert greater control over Newhaven's office market and offer, in particular the scale, nature and spatial distribution of take-up and losses of office floorspace in the town in future.
- ### Light Industrial to Residential PDR
- 5.13 The total stock of light industrial (B1c) floorspace in Newhaven is recorded as 28,130sq.m. This represents 22.8% of the 123,514sq.m light industrial space in Lewes District. Monitoring data indicates that the town's stock of light industrial floorspace has gradually declined over the period 2006 to 2017, at an average of 113sq.m each year. These losses reflect the District-wide trend over this period, with around half of all lost space occurring in Newhaven.
- 5.14 Newhaven is generally perceived as a good industrial location and industrial uses account for the majority of demand for business space within the town. Levels of demand have been steady

over recent years, and local property agents note that the supply of space in the town has become steadily tighter as limited new development has occurred in recent years (in a large part due to viability issues). As noted previously, most demand is for smaller units (which are likely to fall under the 500sq.m threshold for the PDR). Much of the town’s stock is dated and is reported to have come to the end of its working life, while a particular gap in the market is identified for medium sized ‘move on’ space that is of a good quality.

5.15 The latest economic forecasts imply a relatively modest scale of growth within industrial sectors in Newhaven over the plan period, although the implementation of the recently designated EZ in Newhaven offers potential to drive forward step change growth in a number of key growth sectors including environmental technologies and advanced engineering. There is a limited quantitative case to safeguard and protect the town’s existing light industrial space to enable the EZ to achieve its growth potential, particularly given the reactively dated and poor quality of Newhaven’s current portfolio of industrial premises. However, if new higher quality development can be enabled and kick started through the EZ (and there are signs that this is already starting to happen, e.g. at Eastside), it will be important to be able to protect this accommodation from pressure by higher value or alternative uses.

Figure 5.2 Light Industrial Premises under 500 sq.m in Newhaven



Source: VOA (2017) / Lichfields analysis

Note: dots are based on postcodes and may represent more than one light industrial building under 500sq.m.

5.16 There are 104 light industrial premises in Newhaven under 500 sq.m which have a combined total floorspace of 14,975 sq.m. Given that total light industrial floorspace in Newhaven amounts to 28,130sq.m, just over half (53.2%) can be considered ‘at risk’ of being converted through the forthcoming PDR. As shown in Figure 5.2, a significant number of these premises fall within the EZ and/or identified employment sites. Light industrial floorspace is concentrated in Avis Way



Euro Business Park, Beach Road Trading Estate, Quarry Road Industrial Estate and the town centre. Table 5.2 identifies the number and total floorspace of B1c premises that are below 500sq.m that are within the EZ and employment sites.

Table 5.2 B1c Floorspace Below 500sq.m within Enterprise Zone and Employment Sites

Site ref.	Site Name	Number of Premises <500sq.m	Total Floorspace in Premises <500sq.m
ELW8	North Quay	1	177
ELW29	Avis Way Euro Business Park	15	3,427
ELW6	Railway Quay	0	0
ELW3	Eastside (North and South)	0	0
ELW31	Beach Road Trading Estate	25	2,040
ELW7	East Quay	4	898
ELW5	Land at East Quay and East Beach	0	0
TC	Town Centre	10	1,339
<b>Enterprise Zone Sites Total</b>		<b>55</b>	<b>7,881</b>
ELW33b	Robinson Road Industrial Estate	4	716
ELW33a	Denton Island	7	569
ELW30	Railway Road Industrial Estate	5	806
ELW28	Parker Pen Site, Railway Road	0	0
ELW34	Quarry Road Industrial Estate	12	1,618
<b>Other Employment Sites Total</b>		<b>28</b>	<b>3,708</b>
<b>TOTAL</b>		<b>83</b>	<b>11,589</b>

Source: VOA (2017) / Lichfields analysis

- 5.17 Table 5.2 shows that there are 55 light industrial premises below 500sq.m within EZ sites, with a further 28 in the other employment sites. Therefore, the vast majority (79.8%) of light industrial premises that would be eligible for the PDR in Newhaven are within the EZ and/or other employment sites. These premises have a combined total floorspace of 11,589sq.m, which equates to 77.4% of all <500sq.m light industrial floorspace in Newhaven.
- 5.18 In assessing the 'local significance' of light industrial floorspace and the case for an Article 4 Direction, it is important to consider whether:
- a the supply of light industrial floorspace is significant in the context of Lewes District; and
  - b the supply, type and quality of light industrial floorspace within the EZ and other employment sites is significant in the context of Newhaven.
- 5.19 In respect of a), as set out above, it is clear that Newhaven is a relatively important location for light industrial activities in Lewes; 22.8% of light industrial space in Lewes is in Newhaven. The town is considered to have a strong light industrial market, with consistent levels of demand. In respect of b), the vast majority (77.4%) of <500sq.m light industrial floorspace in Newhaven is in the EZ and/or other employment sites. Site assessments have identified that these sites are generally functioning well as industrial locations, with a range of industrial premises generally having high levels of occupancy. Avis Way Euro Business Park and Beach Road Trading Estate in particular have a high concentration of light industrial activity.
- 5.20 This analysis shows that Newhaven, and specifically the sites assessed as part of this study, is an important business location which supports considerable light industrial activity. The PDR could therefore have a significant impact on the continued employment function of key

employment locations in Newhaven. On this basis, there would appear to be a case for the implementation of an Article 4 Direction to remove the light industrial to residential PDR to cover both the EZ and other employment sites. It is likely that the use of an Article 4 Direction would help to safeguard light industrial space in Newhaven and ensure the economic function of the EZ is not undermined. Furthermore, given priority sectors identified in the Newhaven EZ Implementation and Investment Plan (e.g. environmental technology and services and healthcare and biologics) are likely to require light industrial space, removing the PDR would prevent the loss of floorspace which could support the growth of these sectors. Although some of the EZ and other key employment sites do not have any light industrial space below 500sq.m, if an Article 4 Direction were to cover all the sites, it would afford protection to and assurance to any developers who might seek to provide light industrial floorspace over the lifespan of the EZ.

5.21

It should be noted that the implementation of an Article 4 Direction in this way would not preclude the conversion of light industrial, or other employment floorspace, to residential or other use. However, the removal of the PDR would mean proposals for change of use would be subject to the usual development management process and would be considered by the Council on a case-by-case basis. It would therefore still be possible for some of the town's more dated light industrial stock which might be suitable for conversion to undergo a change of use during the lifespan of the EZ if justified.

## 6.0 Conclusions and Implications

- 6.1 This section draws together overall conclusions and considers potential policy approaches in relation to employment space within the Enterprise Zone and other key employment sites. It also considers potential policy approaches in relation to both the office and light industrial PDRs.

### Meeting Future Needs

- 6.2 The future growth scenarios considered in this study indicate the broad scale and type of growth associated with different approaches to modelling employment space requirements for Newhaven over the 25 year lifespan of the EZ. Scenario 1, based on forecast job growth, implies that there would be considerable land needs for office space, as well as additional need for distribution space. Employment forecasts show a decline in manufacturing jobs, which in land terms would translate to losses in manufacturing floorspace.
- 6.3 Scenario 2, which is based on past development rates, provides a rather different outlook. It suggests that there will be losses of office space, while there would continue to be growth in industrial space.
- 6.4 The Joint Core Strategy 2010-2030 identifies a total employment floorspace requirement for Lewes of 74,000sq.m, comprising 60,000sq.m industrial space and 14,000sq.m office space. These requirements remain the adopted policy position for the District.

### Newhaven Demand/Supply Balance

- 6.5 When apportioned to Newhaven, these future growth scenarios identify a potential need for between -1.1ha and 3.3ha of employment space in Newhaven up to 2030 in gross terms (after applying a 10% buffer or margin). This reflects a relatively modest scale of growth that could be supported by the town's economy over the plan period.
- 6.6 In quantitative terms, the latest Council monitoring data suggests that Newhaven would have sufficient employment space to meet business needs arising from the future growth scenarios to 2030 developed as part of this study.
- 6.7 The Council estimates that implementation of the EZ would enable Newhaven to deliver a substantial increase of around 55,000sq.m of new commercial floorspace, as well as refurbishing a further 15,000sq.m, creating the conditions that existing businesses need to expand as well as new investors. This 'commercial floorspace' incorporates a range of uses including but not limited to, B use classes. Much of this supply represents a longer term opportunity as it is noted that various viability barriers will need to be overcome before commercial development can take place on the town's development sites.

### Sector Opportunities for the EZ

- 6.8 The employment floorspace requirements set out in the Joint Core Strategy 2010-2030 set out the District's aspiration to deliver a significant amount of employment floorspace to drive job growth. The EZ designation for sites in Newhaven is intended to kick-start this growth. The Newhaven EZ Implementation and Investment Plan identified that the two best positioned priority sectors that the EZ could seek to attract in the short to medium term are environmental technology and services, and advanced engineering. Both of these sectors stand to benefit from local assets such as Rampion Offshore Wind Farm and UTC@harbourside and are prioritised in the SEP as offering realistic and significant growth prospects as well as opportunities for economic diversification. Manufacturing, specifically high-tech manufacturing and other sub

sectors, are likely to be provide short term opportunities for growth. Given pressures on land across East Sussex, Newhaven is likely to be considered an attractive location for investment in advanced engineering.

## Potential Impacts of Permitted Development Rights

- 6.9 This study assesses the evidence for introducing an Article 4 Direction to remove the existing PDR for office to residential and/or the forthcoming PDR for light industrial to residential. All of the sites that have been assessed through this study appear to play an important role in supporting the Newhaven Economy; regardless of which individual sites may or may not be proposed for Article 4 Directions, the more general need remains to protect the town's employment sites through the planning process to enable Newhaven to achieve its growth potential.

### Office to Residential PDR

- 6.10 In qualitative terms, Newhaven's office market is relatively modest. It faces competition from larger centres nearby, most notably Brighton, and demand comes almost exclusively from local businesses looking for small premises. In quantitative terms, office floorspace in Newhaven amounts to 8,075sq.m, which is equivalent to 11.0% of office floorspace in Lewes District.
- 6.11 Furthermore, demand for office space is limited, and the best quality office space in the town is within the Council's control. Ultimately, office premises within the EZ are not considered to have sufficient local significance, in the context of Lewes District or Newhaven, to provide a case for the removal of the office to residential PDR. However, the Council may consider that the need to exert greater control over office development in the context of the EZ designation provides a sufficient basis to remove the PDR. The need to protect the relatively modest office base in Newhaven to ensure that going forward there is a mix of employment uses in the town could provide another justification for seeking to implement an Article 4 Direction.

### Light Industrial to Residential PDR

- 6.12 In qualitative terms, Newhaven's industrial market is considerably stronger than its office market. Demand for light industrial space has been steady over recent years and the EZ designation may prove to be a fillip to the development of new light industrial space in Newhaven. In quantitative terms, there are 104 light industrial premises under 500sq.m in Newhaven, which have a combined floorspace of 14,975sq.m. Of these, 83 premises are within EZ and/or the other key employment sites assessed as part of this study, which have a combined floorspace of 11,589sq.m.
- 6.13 Therefore, it is considered that light industrial premises within the sites assessed in this study play a relatively important economic role, both within Lewes District and Newhaven. On the basis of this analysis, there would appear to be some case for the introduction of an Article 4 Direction to remove the light industrial PDR, on both EZ and non-EZ sites. This is likely to provide a more conducive planning policy context which would allow the policy ambitions of the EZ to be achieved. Given priority sectors identified in the Newhaven EZ Implementation and Investment Plan such as environmental technology and services and healthcare and biologics are likely to require light industrial space, removing the PDR would provide assurance and facilitate the growth of these sectors. An Article 4 Direction would allow proposals for change of use to be considered on a case by case basis through the development management system.

## Appendix 1: Consultees

Abbi Burgess, Newhaven Enterprise Centre

Natalie Carpenter, Lewes District Council

Alec Fuggle, Lewes District Council

Andrew Halfacree, Flude Commercial

Philip Johnson, Locate East Sussex

David Martin, Stiles Harold Williams

Chris Oakley, Oakley Commercial

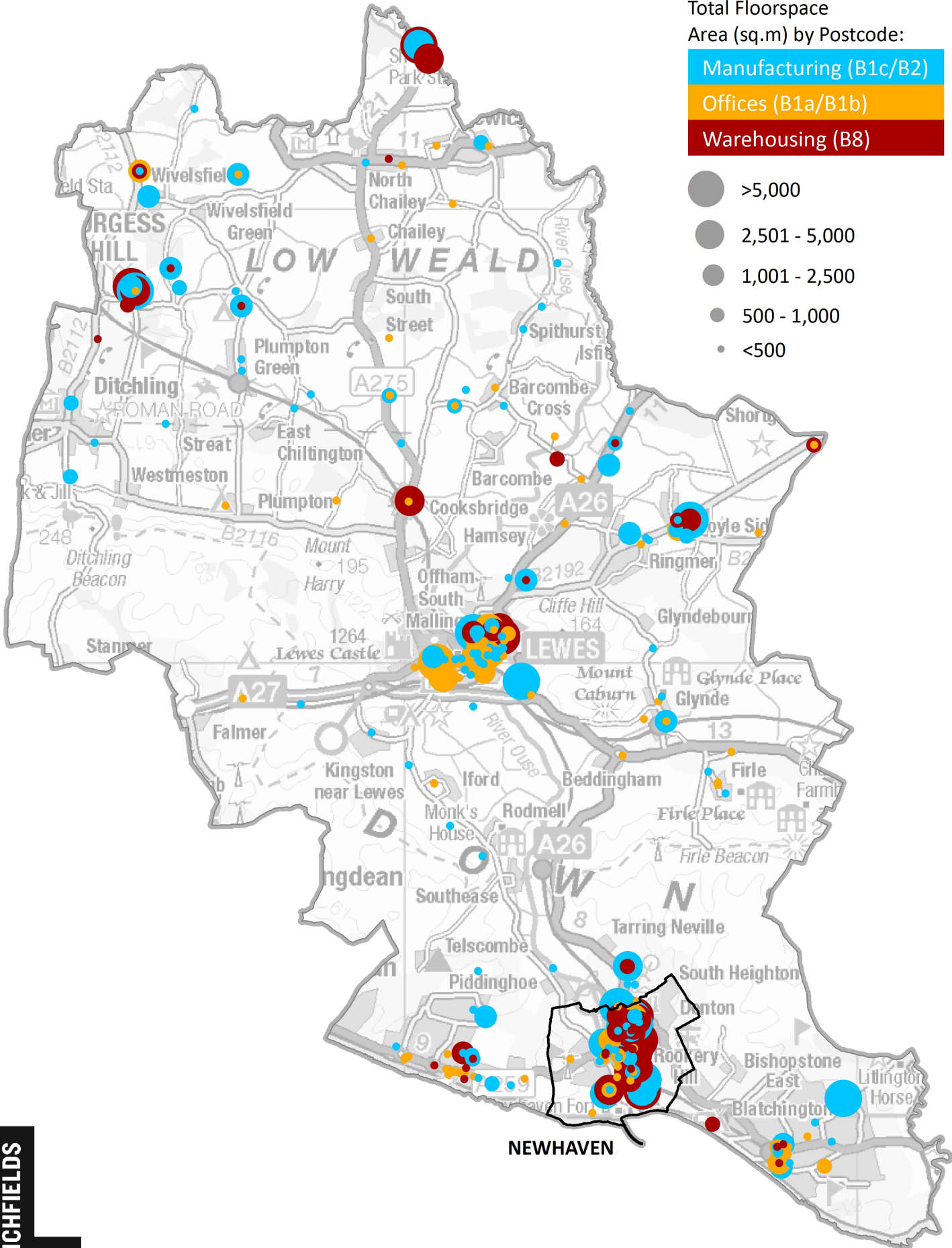
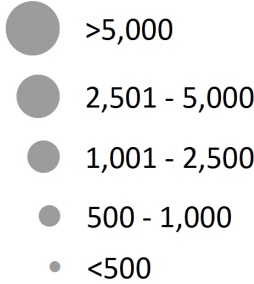
Peter Sharp, Lewes District Council

Ed Sheath, East Sussex County Council

Max Woodford, Lewes District Council

## **Appendix 2: VOA Floorspace Maps**

Total Floorspace  
Area (sq.m) by Postcode:



LICHFIELDS

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Total Floorspace Area (sq.m) by Postcode:

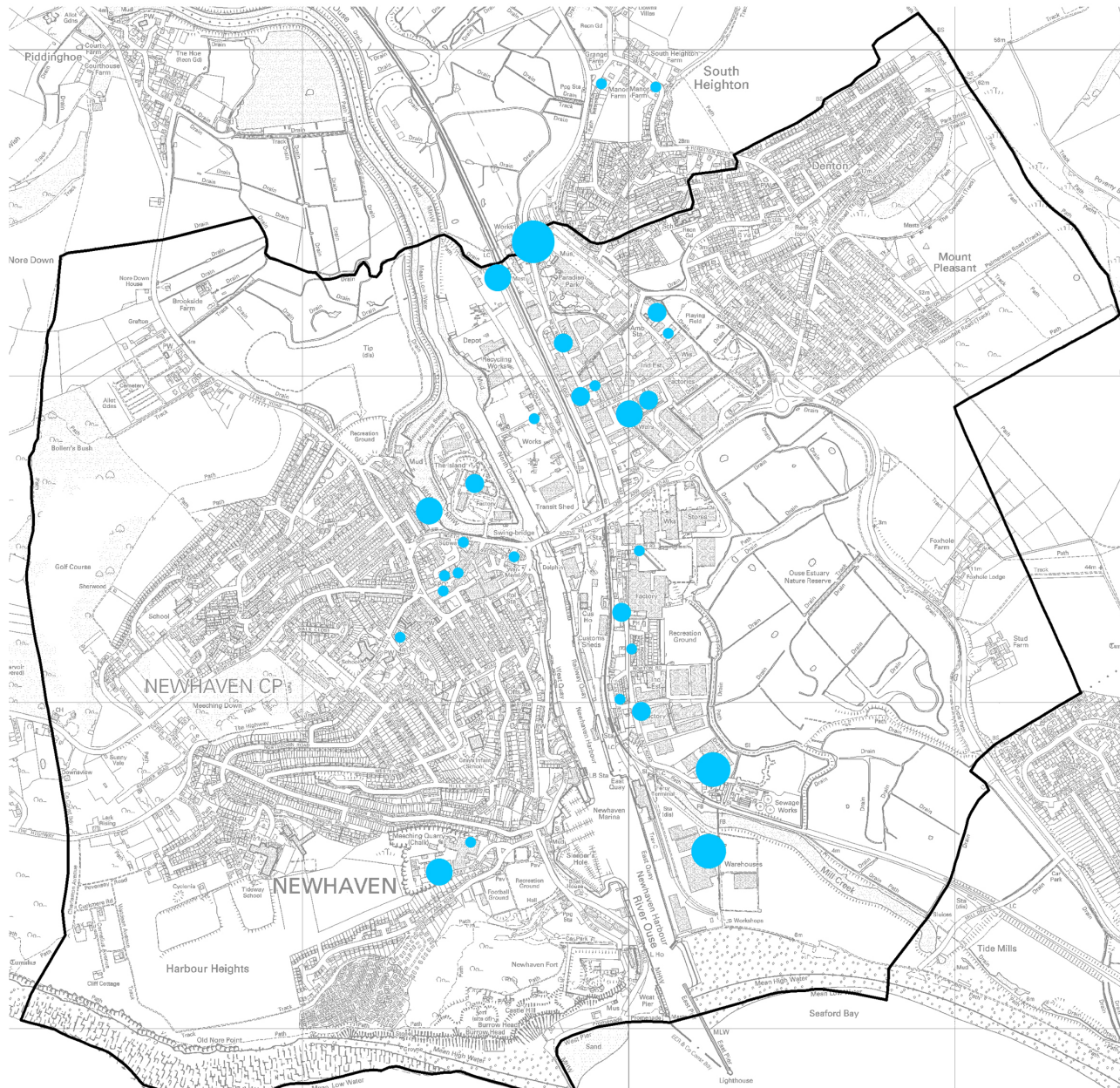
Offices (B1a/B1b)

- >5,000
- 2,501 - 5,000
- 1,001 - 2,500
- 500 - 1,000
- <500

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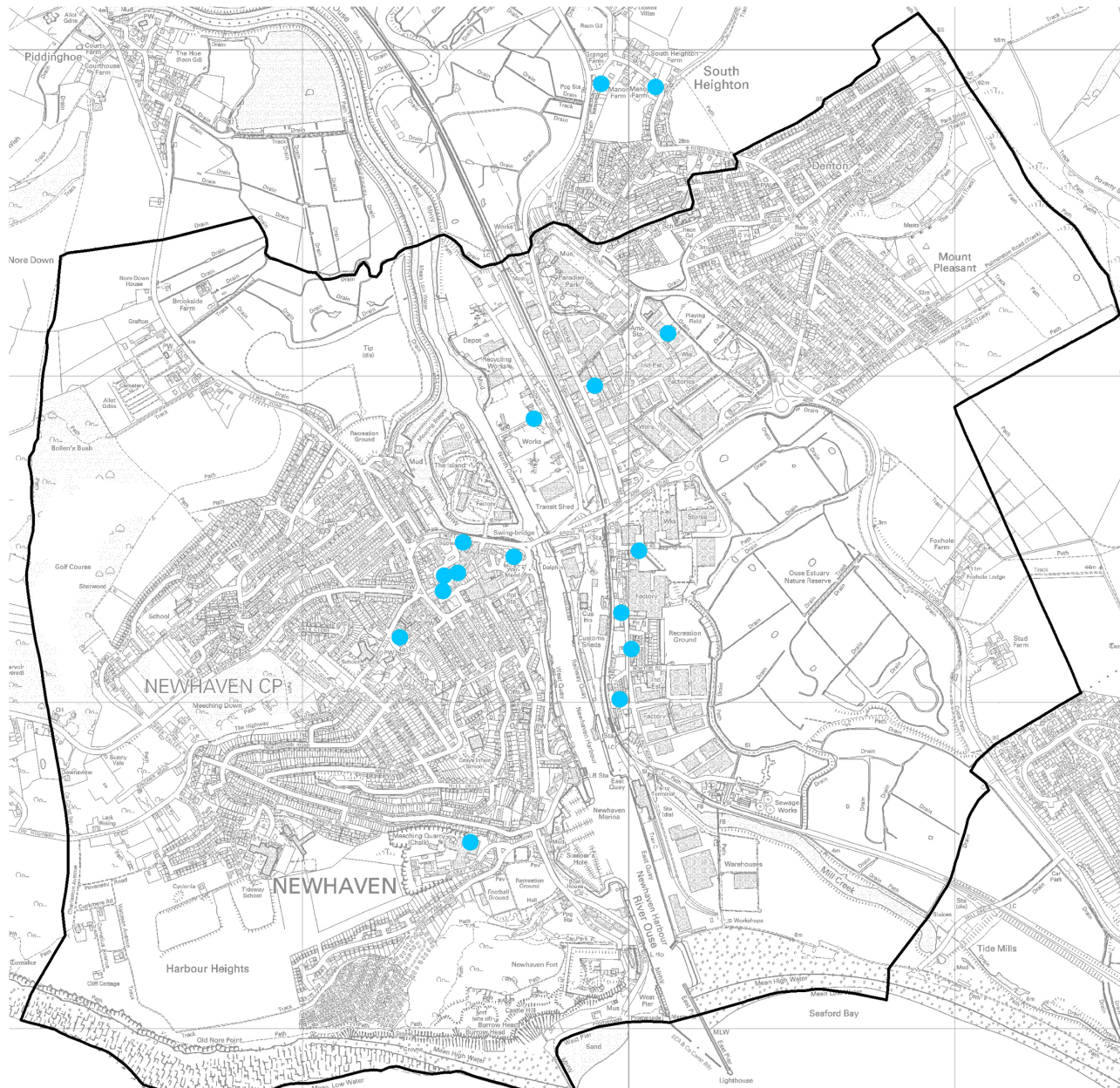


Total Floorspace Area (sq.m) by Postcode:

Light Industrial (B1c)

- >5,000
- 2,501 - 5,000
- 1,001 - 2,500
- 500 - 1,000
- <500

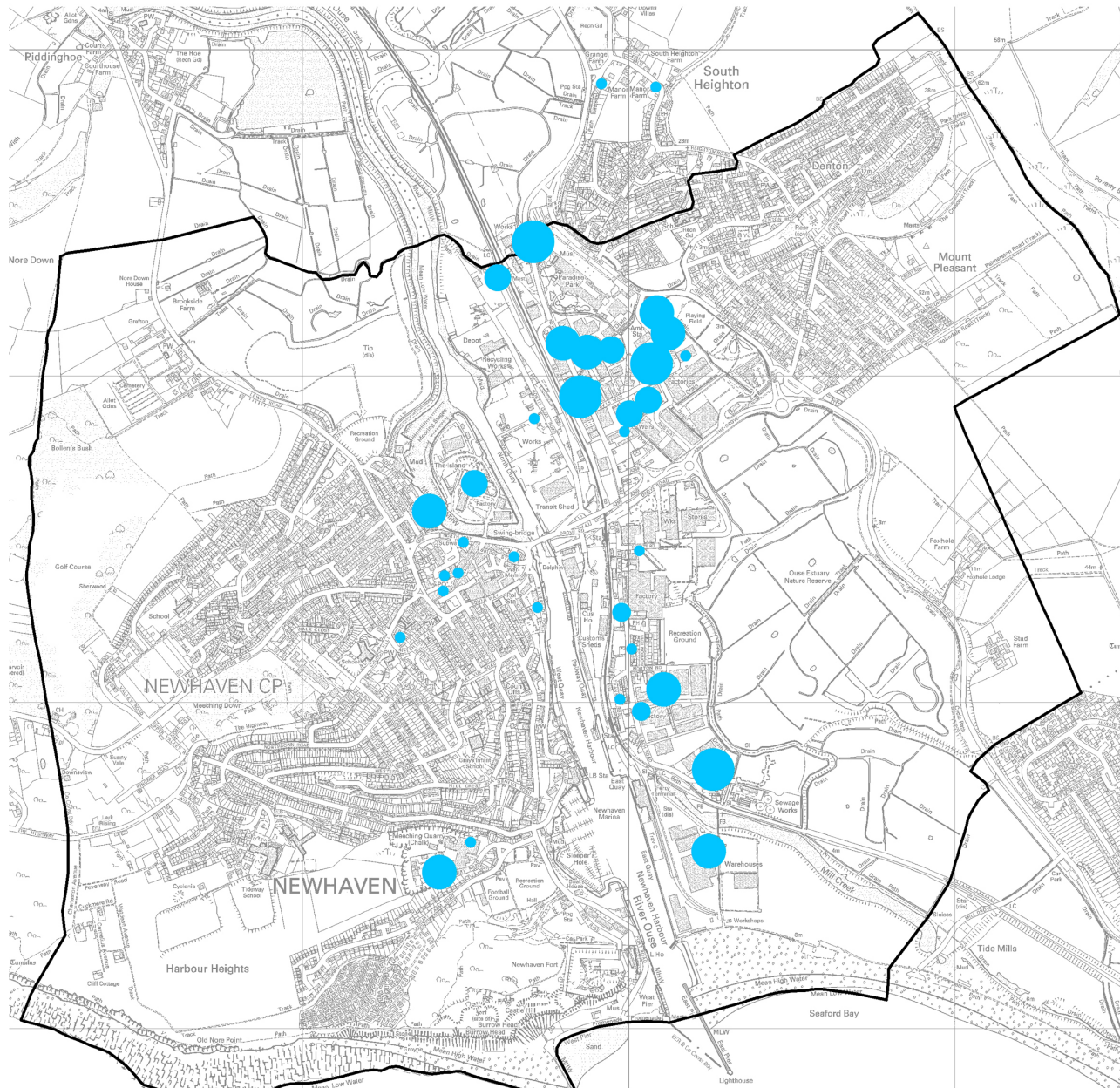
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Total Floorspace  
Area (sq.m) by  
Postcode:

● Light Industrial  
(B1c): <500 sqm

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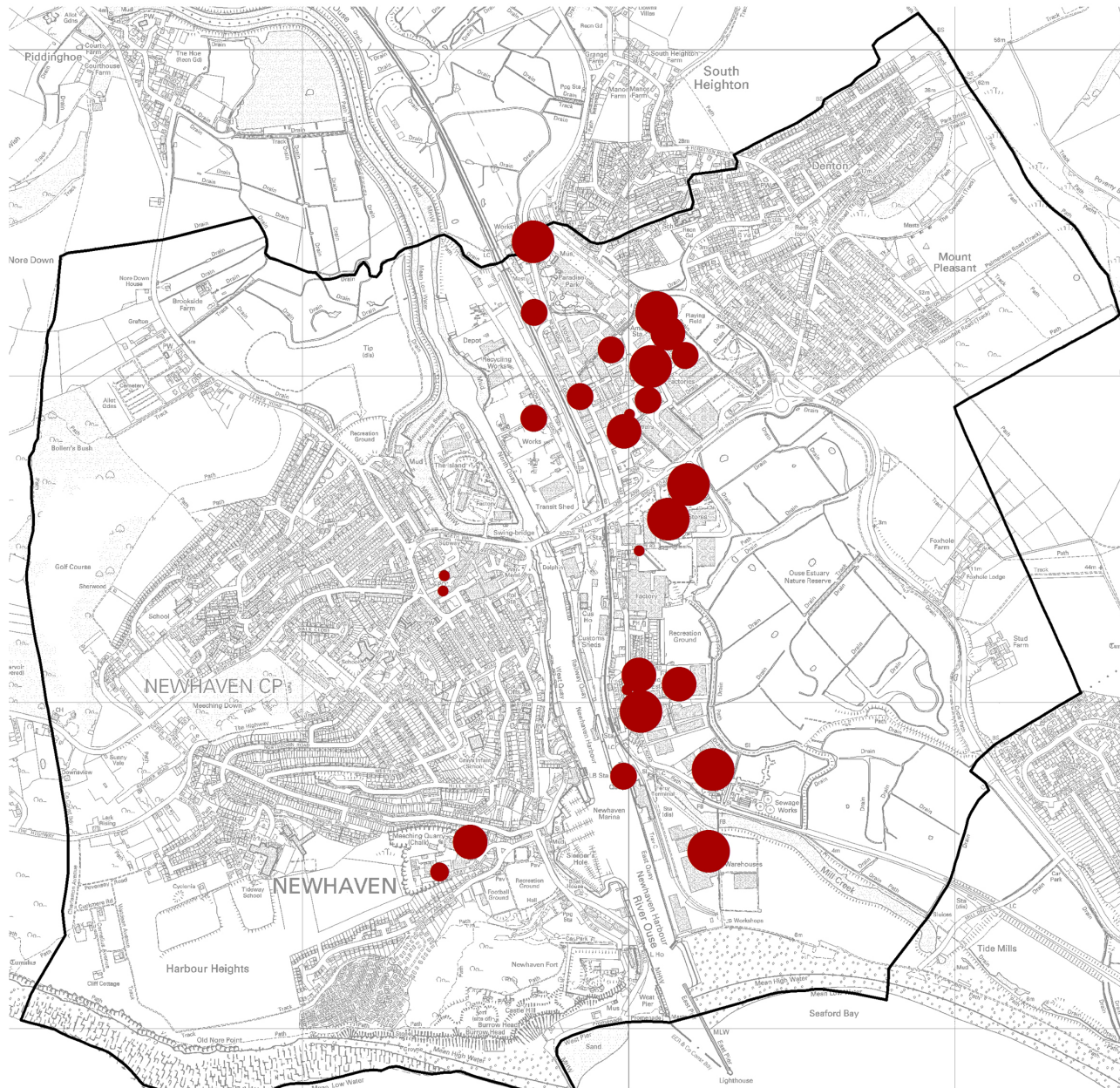


Total Floorspace Area (sq.m) by Postcode:

Manufacturing (B1c/B2)

- >5,000
- 2,501 - 5,000
- 1,001 - 2,500
- 500 - 1,000
- <500

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Total Floorspace  
Area (sq.m) by  
Postcode:

Warehousing  
(B8)

- >5,000
- 2,501 - 5,000
- 1,001 - 2,500
- 500 - 1,000
- <500

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## Appendix 3: Definition of B Class Sectors

The method used for re-categorising the employment forecasts by sector into B-Class uses is summarised below.

Apportionment of B Class Sectors to Land Uses

Sector	Proportion of Jobs by Use Class		
	B1 office	B2 industrial	B8 warehousing
Agriculture, Forestry & Fishing	Non B-Class		
Extraction & Mining	Non B-Class		
Food, Drink & Tobacco	0%	100%	0%
Textiles & Clothing	0%	100%	0%
Wood & Paper	0%	100%	0%
Printing and Recorded Media	0%	100%	0%
Fuel Refining	0%	100%	0%
Chemicals	0%	100%	0%
Pharmaceuticals	0%	100%	0%
Non-Metallic Products	0%	100%	0%
Metal Products	0%	100%	0%
Computer & Electronic Products	0%	100%	0%
Machinery & Equipment	0%	100%	0%
Transport Equipment	0%	100%	0%
Other Manufacturing	0%	100%	0%
Utilities		73%	
Construction of Buildings	Non B-Class		
Civil Engineering	Non B-Class		
Specialised Construction Activities	0%	48%	0%
Wholesale	0%	24%	76%
Retail	Non B-Class		
Accommodation & Food Services	Non B-Class		
Land Transport, Storage & Post	0%	0%	52%
Air & Water Transport	Non B-Class		
Recreation	Non B-Class		
Media Activities	100%	0%	0%
Telecoms	100%	0%	0%
Computing & Information Services	100%	0%	0%
Finance	100%	0%	0%
Insurance & Pensions	100%	0%	0%
Real Estate	100%	0%	0%
Professional Services	100%	0%	0%
Administrative & Supportive Services	28%	0%	0%
Other Private Services	Non B-Class		
Public Administration & Defence	10%	0%	0%
Education	Non B-Class		
Health	Non B-Class		
Residential Care & Social Work	Non B-Class		

Source: Experian 2017 / Lichfields analysis

## **Appendix 4: Experian Baseline Forecasts**

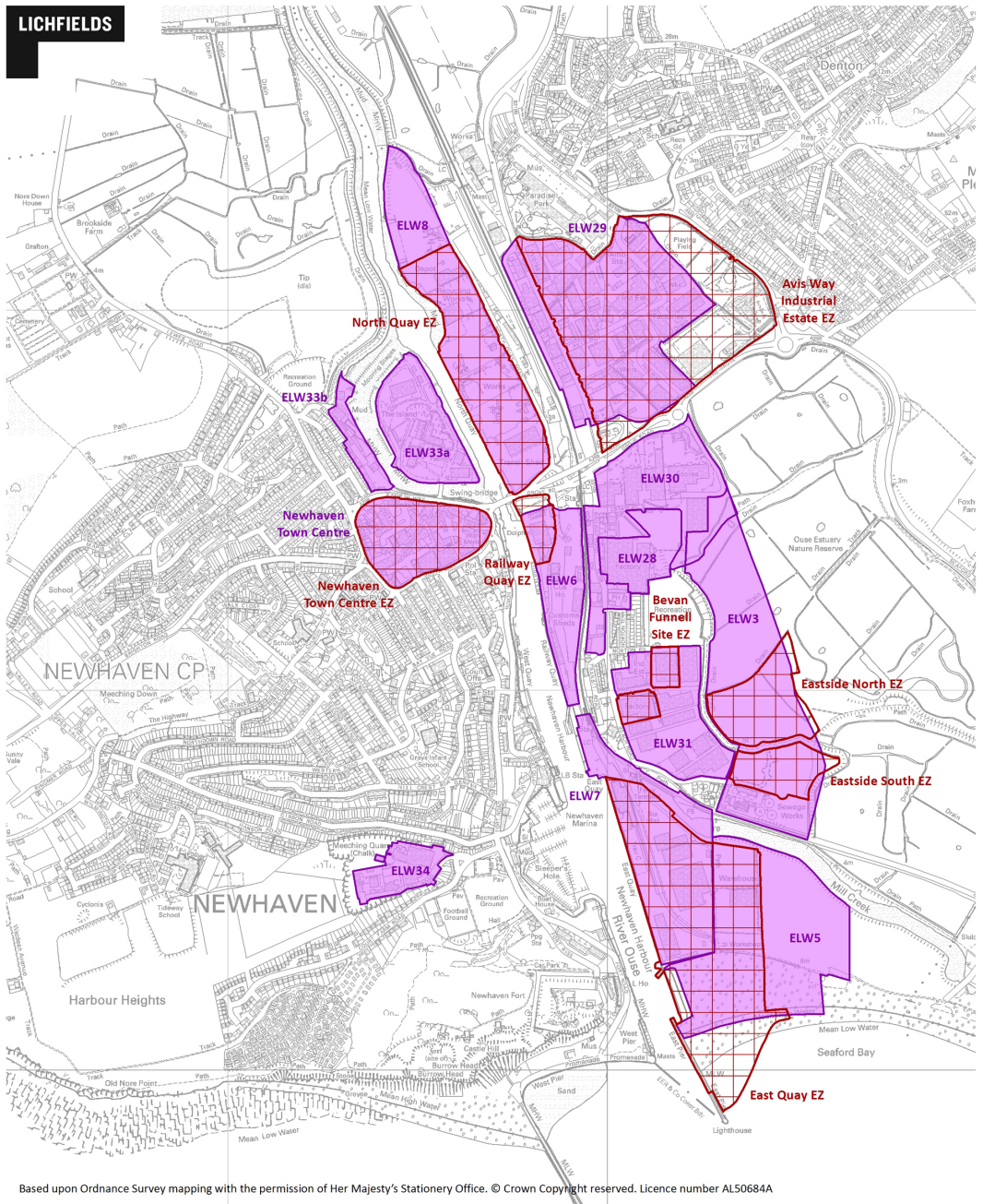
Table A4.1 Experian (2017) Workforce Jobs Forecast for Lewes, 2010 to 2030

Sector	Workforce Jobs		Change 2010-2030	% Change 2010-2030
	2010	2030		
Agriculture, Forestry & Fishing	600	500	-100	-16.7%
Extraction & Mining	0	0	0	0.0%
Manufacturing - Food, Drink & Tobacco	0	0	0	0.0%
Manufacturing - Textiles & Clothing	0	0	0	0.0%
Manufacturing - Wood & Paper	0	0	0	0.0%
Manufacturing - Printing & Recorded Media	0	0	0	0.0%
Fuel Refining	0	0	0	0.0%
Manufacturing - Chemicals	0	0	0	0.0%
Manufacturing - Pharmaceuticals	0	0	0	0.0%
Manufacturing - Non-Metallic Products	300	300	0	0.0%
Manufacturing - Metal Products	300	200	-100	-33.3%
Manufacturing - Computer & Electronics	500	400	-100	-20.0%
Manufacturing - Machinery & Equipment	400	200	-200	-50.0%
Manufacturing - Transport Equipment	0	0	0	0.0%
Other Manufacturing	800	100	-700	-87.5%
Utilities	500	800	300	60.0%
Construction of Buildings	900	1,100	200	22.2%
Civil Engineering	700	600	-100	-14.3%
Specialised Construction Activities	2,100	2,600	500	23.8%
Wholesale	1,900	2,000	100	5.3%
Retail	3,700	4,500	800	21.6%
Land Transport, Storage & Post	1,300	1,500	200	15.4%
Air & Water Transport	0	0	0	0.0%
Accommodation & Food Services	2,100	3,300	1,200	57.1%
Recreation	1,200	1,600	400	33.3%
Media Activities	300	700	400	133.3%
Telecoms	0	0	0	0.0%
Computing & Information Services	500	1,100	600	120.0%
Finance	400	200	-200	-50.0%
Insurance & Pensions	0	0	0	0.0%
Real Estate	900	1,400	500	55.6%
Professional Services	2,700	4,000	1,300	48.1%
Administrative & Supportive Services	1,800	2,400	600	33.3%
Other Private Services	1,400	1,600	200	14.3%
Public Administration & Defence	4,100	3,000	-1,100	-26.8%
Education	4,200	5,200	1,000	23.8%
Health	2,900	3,600	700	24.1%
Residential Care & Social Work	3,300	4,300	1,000	30.3%
<b>Total</b>	<b>39,800</b>	<b>47,200</b>	<b>7,400</b>	<b>18.6%</b>

Source: Experian (2017)/Lichfields analysis

## Appendix 5: Site Plan





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- |   |                        |   |                                       |
|---|------------------------|---|---------------------------------------|
|  | <b>Enterprise Zone</b> | ELW3 - Eastside                         | ELW31 - Beach Road Trading Estate     |
|  | <b>Employment Site</b> | ELW5 - Land at East Quay and East Beach | ELW33a - Denton Island                |
|   |                        | ELW6 - Railway Quay                     | ELW33b - Robinson Road Ind Estate     |
|   |                        | ELW7 - East Quay                        | ELW34 - Quarry Road Industrial Estate |
|   |                        | ELW8 - North Quay                       |                                       |
|   |                        | ELW28 - Parker Pen Site, Railway Road   |                                       |
|   |                        | ELW29 - Avis Way Euro Business Park     |                                       |
|   |                        | ELW30 - Railway Road Industrial Estate  |                                       |

## **Appendix 6: Site Assessment Criteria**

## Site Assessment Criteria

The criteria for assessing the quality/condition of EZ and other employment sites are set out below. These criteria mainly relate to the inherent value of a site rather than current conditions on it, although such characteristics would also be noted.

Each site is given a rating between 'very good' and 'poor' against each of the six assessment criteria. No individual weightings are attached to different criteria.

Ratings can reflect a combination of different factors applying to the same criteria and a balanced judgment has to be made on an appropriate overall score.

### 1. Strategic Access

Very good: within circa 2 km of trunk road or other key A road/ via good unconstrained roads.

Poor: over circa 5 km from trunk road or other key A road /access, and/or through constrained/local roads, and/or through town centre or residential areas etc.

### 2. Local Access

Very good local access by all means is possible: via free moving good roads avoiding residential areas/difficult junctions; unconstrained vehicle access to the site with good visibility/lack of queuing; close access to range of town centre public transport services.

Poor: difficult/narrow road access, via residential roads, difficult site access junction, congested local roads; low level/limited range/infrequent public transport services nearby or no possibility of creating suitable access to the site.

### 3. Proximity to Labour and Services

Very good: near centre of urban area with one or more core services nearby (schools, healthcare, retail and service provision, local employment opportunities and peak time public transport services); proximity to sizeable residential areas providing local labour supply.

Poor: remote isolated site, no core local services or residential areas nearby.

### 4. Compatible of Adjoining Uses

Very good: within larger employment area/would be compatible with existing and/or adjoining uses.

Poor: B2/B8 adjoining residential/other sensitive uses with no scope for mitigation.

### 5. Development & Environmental Constraints

Very good: generally level site, regular shape, over 3 ha in size; low flood risk (Zone 1); no conservation or landscape constraints on scale of development; no adverse ground conditions or abnormal development costs; no other significant constraints on new development.

Poor: sloping/uneven site; under 0.5 ha, irregular/narrow shape, other severe constraints; within flood risk Zone 3; conservation or landscape constraints on scale of development; adverse ground conditions or abnormal development costs.

## **6. Market Attractiveness**

Very good: high profile/high quality appearance, managed site; good environment and quality of occupiers; limited vacancy; viewed as attractive by agents/occupiers; recent investment/development activity, strong demand, units rarely available.

Poor: low quality unattractive appearance/location; attracts lower end users and high level of vacant space/buildings; vacant units not marketed; no recent investment; units remain vacant for lengthy period.



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