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Planning Design Economics

**Employment &
Economic Land
Assessment**

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Lewes District Council

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Final Report

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Executive Summary

This Employment Land Review (ELR) has been commissioned by Lewes District Council to inform the Local Development Framework (LDF) Core Strategy and the provision of land for employment uses. Its main aims were:

- a to assess the future demand for and supply of employment land and of sites for employment;
- b to assess the suitability of sites, whether existing, permitted or proposed for future employment land;
- c to identify sites which are unlikely to be needed by the market or are now unsustainable for employment development;
- d to help develop appropriate future policies and proposals for the LDF; and
- e to improve systems for monitoring outcomes and reviewing employment policies.

The study's approach generally follows Government guidance and South East regional guidance on undertaking employment land reviews taking account the aims of PPS4: *Planning for Sustainable Economic Growth*. It focuses on employment space needs for the group of B Use but also considers in broad terms the future employment potential and land needs of other non B Class economic uses such as retail, tourism, healthcare, waste management, and education.

In terms of the land needs for the non B Class economic uses, the District Council will also undertake specialist studies to more accurately determine their future land requirements, and locations, for each sector. This will include the Retail Study and the Infrastructure Position Paper and Delivery Plan.

Economic Context

Lewes District is a relatively rural district, albeit with a largely urban coastal strip, has an attractive environment and good quality of life factors and a reasonably buoyant local economy in which tourism is important. It also has a reasonable industrial base and below average unemployment although recent job growth and business formation rates have been below the regional average, while skills and workplace earnings are also relatively low.

Its main drawbacks and potential constraints to future economic growth include a large part of it lying within the South Downs National Park, flood risk factors which potentially limit supply of employment sites and the relatively low quality of many of its employment sites. The District also has fairly strong reliance on manufacturing and public sector jobs, both of which face decline, low representation in knowledge based and growth sectors, and potential competition from larger economic centres nearby such as Brighton.

Employment Space

Lewes District has a relatively modest supply of employment space, 158,000 m² in total, compared with larger centres nearby such as Brighton & Hove. The great majority of employment space in Lewes District (88%) is industrial, with a relatively small amount of office space, which is concentrated in the town of Lewes. In contrast, factory and warehousing space are heavily concentrated in Newhaven, although there are also significant amounts in Lewes town and the smaller towns.

Lewes District has experienced only moderate net gains in commercial floorspace (5%) in the last decade, mainly warehousing space with a small increase in office space which has been partly offset by a sizeable loss of factory space. Office space growth (12%) was relatively high compared with adjoining districts. and Lewes District's industrial base has held up fairly well in recent years with manufacturing decline offset by gains in warehousing.

An average of 15,800 m² of gross new B class space has been developed annually in recent years, split evenly between B1, B2 and B8, although significant losses have also occurred, particularly of industrial space, reducing the net completion rate to only 3,200 m².

There is a relatively small proportion of modern, purpose-built office stock in Lewes District and, compared with regional averages also much less modern industrial space. This suggests lower quality stock to attract firms although, perhaps reflecting limited amounts of supply, vacancy levels are slightly below average.

The gross supply of B-class floorspace with permission for development stood at 49,500 m² at the end of March 2009, or about three years of recent average take-up rates. A large proportion of this permitted space involved changes of use of rural or existing employment buildings and, reflecting potential losses, the net amount of B-class space that could be built is 31,000 m². In addition, there is 27.2 ha of land allocated for B-class uses in the Local Plan, the most significant site being the 16.8 ha Eastside Business Area in Newhaven.

Although most of the surrounding districts do not have large quantities of available employment land, and several have less deliverable supply than likely demand, there are several major redevelopment proposals which could potentially compete with Lewes District for future employment development. In particular, major office allocations in Brighton, Eastbourne and Haywards Heath could affect any attempts to expand the office sector in Lewes District whilst expansion of industrial estates in Burgess Hill and Uckfield could compete with the Lewes District industrial market to some extent.

Commercial Property Market

Lewes District's commercial property market is fairly localised, and can broadly be distinguished by four separate sub-areas - Lewes town, Newhaven, the remaining 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, centres such as Brighton and Crawley to the west or Hailsham and Eastbourne to the east, which operate as largely separate property markets.

Most current demand for employment space in Lewes District is for industrial premises and levels of demand have been steady, if not particularly high, in recent years. Most demand is for smaller industrial units and is almost exclusively from local firms, with very few enquiries from outside of the District, and little inward investment. The industrial market is reasonably tight in the town of Lewes, but much of the District's stock is located in Newhaven which has a large amount of supply, often unsuited to modern business needs.

There has been limited interest historically for large-scale distribution activities within Lewes District and other locations with better strategic access and availability of larger sites are likely to continue to be more obvious locations for distribution activities.

The coastal towns of Seaford, Telscombe and Peacehaven have limited industrial provision but stock is generally suited to the localised needs of businesses in these areas. In the rural area, there is also good demand for conversions of redundant agricultural buildings to provide small-scale, high-quality office or workshop developments, and a significant level of current provision.

Lewes District is not generally regarded as a significant centre for office development, and has very few, large private sector office occupiers, with the District's office market strongly focused on Lewes town, with no significant demand or provision in the rest of the District. Demand is mainly from local businesses and for smaller units, as well as some provision for local businesses seeking slightly larger or more modern accommodation.

Market views on the future growth prospects of the District saw this as being determined by how far it can move away from public sector (Lewes town) and traditional manufacturing (Newhaven) employment to a more diversified economic base. In particular, a more pro-active marketing approach was seen as potentially helping to attract and encourage higher-value businesses, and a need for stronger place branding.

Current Employment Sites

The District contains a reasonable range of industrial sites of differing quality and type but a very limited range of office sites, and little specific provision for start-up businesses in the urban areas except in Newhaven. Of the 40 sites assessed through this study, around 65% of the employment land area is located within the Newhaven area, with some 12% in or beside Lewes town, 6% in the towns of Seaford and Peacehaven/Telscombe and 15% spread across the rural areas.

This assessment identified 10 existing developed sites of good quality (providing 64 ha of land) and four allocated/undeveloped sites (providing 2.6 ha) which are also of good quality. This better quality land makes up almost 38% of the total supply assessed by this study.

In addition, 22 sites of all the assessed sites are of average quality (providing 96.5 ha) and 7 sites (providing 9.9 ha) are of lower quality. This indicates that the great majority (94%) of the current supply of employment land is of good or average quality, although mostly in the average category. However, as less than 6% of the undeveloped/developable land is of good quality, this suggests most of the land available to meet future needs is also of average quality and not particularly attractive to developers.

Most of the sites rated as 'good' in terms of the assessment criteria are within Lewes town or Newhaven, partly reflecting these towns' better access to roads, public transport, labour supply and services. However, there appear to be very few good existing office sites in the District, and these are primarily within Lewes town with extremely limited provision elsewhere. There is potential for future office provision on some of the allocated employment sites although there are very few, good quality, undeveloped sites suitable for this and again sites likely to support significant new office space are predominantly within Lewes town.

Most of the lower quality sites lie in the more rural areas of the District which suffer from more limited access to motorways, public transport and labour supply. Although performing less well on the assessment criteria, many of these sites appear to meet local needs for low cost space, by firms not requiring good strategic or local road access, and for smaller-scale activities.

Some allocated sites appear reasonably suitable to meet future needs although the number of these that remain undeveloped after many years suggests some may be unattractive to market needs or have constraints to development in this local market. This suggests that the reasonably certain supply of employment land, and the range of types of sites available, could be lower than initial estimates.

While almost 41 ha of undeveloped land was identified with potential for employment development, not all of this is certain to come forward for such uses within a reasonable timescale. Taking account of potential constraints, only some 36 ha of this land has reasonable prospects of being delivered to meet future employment needs. Of this, only 3.1 ha is estimated as likely to be available in the short-term.

Future Economic Potential

Lewes District's future growth is likely to be characterised by a continuing shift away from traditional manufacturing activities into the service sector, with some rationalisation of manufacturing accompanied by movement into higher value sectors. Some small scale growth is possible in service sectors such as business services, ICT and publishing although this will depend to a large

extent on improved connectivity, local start-ups and providing some better quality premises.

The District's manufacturing sector may decline further or at best consolidate but retain some strengths in higher value engineering activities, possibly with some modest growth in environmental industries. This future would rely on retaining traditional established firms but with its base broadened by an injection of small/medium firms attracted by good quality, readily developable sites becoming available, including some in higher value sectors more resilient to overseas low cost competition. No significant role is seen for strategic distribution operations with large units although there will be some growth of smaller scale firms in this sector. Modest expansion in small scale, business service and creative activity firms appears more likely.

Looking at the growth potential of individual economic sectors within Lewes District, aside from creative industries where better potential is identified, the District has only moderate competitive advantages in a few sectors and no single sector stands out as having strong growth potential in Lewes District that could lead to economic 'step change'. In these circumstances, the District's potential future economic role may not be greatly different from its current one given there are few obvious factors likely to instigate significant change.

Overall, the future economic role of Lewes District would involve broadly retaining its existing industries but with a more developed and broader business service sector than now, albeit on a relatively small and modestly growing scale. It would rely on encouraging local start-ups and expansion by small indigenous firms by providing a range of suitable, small, flexibly managed units. Over time, this could create some demand for slightly larger office units and develop the small office market further as well as help to improve the business image of the District. While attracting more business relocations from outside the District would also be beneficial, it would require provision of a better quality and choice of employment sites, and the competing effects of nearby centres suggests greater emphasis should be given to encouraging indigenous growth.

Future Requirements for B Class Space

Based on consideration of various factors, four different estimates of future B Class employment space requirements have been prepared, using different approaches. Three of these reflect assumptions of lower future economic growth and development rates in Lewes District than in the recent past.

The overall space requirements related to these different futures range from 32,700 to 62,000 m² of all types of employment space up to 2026, but between 11,400 and 23,700 m² for office space. This implies a need for between 5.3 ha and 13.6 ha of employment land.

Gross Employment Land Requirements to 2026 (including safety margin & allowance for losses)

	Baseline Job Growth Estimate (m ²)	Enhanced Demand for Offices (m ²)	Reduced Completions (m ²)	Past Completions Continue (m ²)
Industrial space (B1c/B2/B8)	+12,500	+12,500	+36,400	+48,500
Office space (B1a)	+20,200	+23,700	+11,400	+13,500
Total B-class space	+32,700	+36,200	+47,800	+62,000

All but one of these demand estimates produce a level of job generation which is likely to outstrip the additional number of workers generated by planned housing growth in Lewes District.

Given an uncertain economic outlook, it is difficult to select the preferred or most likely option from these alternative growth pictures. The estimate which assumes past trends continuing at similar rates is probably less likely in terms of the current more pessimistic economic outlook compared to economic growth patterns over the past decade, and would also put greater pressures on local labour supply. In order to ensure that the District realises its economic potential, it may be best to plan for office development on the basis of at least the growth rate envisaged by the baseline jobs forecast.

The range of estimates of future industrial space needs is wide, with some indicating slightly more space needed only to replace losses to other uses, but others based on past trends pointing to a significant increase required. The lower (job based) estimates of industrial space demand may well underestimate future needs since they differ so greatly from the level of development that has actually occurred in Lewes District in recent years. Given the tight local industrial market and the lack of many good quality, available sites, it would be sensible to plan for a reasonable increase, rather than decline, in industrial stock, particularly in the medium to long-term. For planning purposes, given the difficulties of getting new employment space delivered within Lewes District, it may be better to plan for a moderate level of industrial growth within the wide range of estimated demand. This could be in the range of an additional 30,000 to 40,000 m² of industrial space. This would be very broadly equivalent to the capacity of a 10 ha industrial site.

Development Needs of Non B Class Uses

The job potential and development needs of economic sectors other than the B use classes were also considered. These currently form 71% of all jobs in Lewes District. The Non B Uses could potentially provide an additional 2,370 jobs in Lewes District by 2026, a 10% increase on their 2008 employment level, and significant compared with the forecast 3,700 job increase for B class uses.

The land requirements for most Non B sectors are likely to be modest, partly because many will utilise land already held by the relevant provider (e.g. health, education) or because the use can be incorporated within mixed use

developments, often in town centres. There could be a modest requirement for retail warehouse needs (1-2 ha or so), and possibly another 1 ha for hotel uses and health & fitness facilities and at least 1 ha for waste management uses. Some of these requirements could make use of existing industrial land, possibly 1 ha or so, and more if some of the East Sussex & Brighton Minerals/Waste Core Strategy requirements are located in the District.

Demand/Supply Balance

These estimates of future requirements were compared with estimates of existing employment space and space in the development pipeline. This indicated more than an adequate quantitative supply of industrial space to meet future needs to 2026, under different estimates of future demand. This situation would apply even if a number of sites do not come forward for development. However, there is a risk of a modest shortfall over the 2010-15 period if future demand were to match past levels.

For office space, there could be a shortfall of up to 15,700 m², although this maximum figure could increase to 18,100 m² if some currently uncertain sites fail to come forward for development. This situation could possibly be partly resolved by some industrial sites being redeveloped for office use, although very few sites exist where this could realistically occur and only in Lewes town.

Given the current limited choice, there is a need for more sites in Lewes town for both office and industrial uses for qualitative reasons, ideally an additional 1-1.25 ha office site and a 1-1.5 ha industrial site. Based on past demand and current provision, no need was identified for new allocations elsewhere in the District.

In addition, it would be beneficial if some very modest provision for move-on office space could be achieved in Newhaven, perhaps as part of larger scheme such as the planned Eastside Business Park. There may also be scope to provide some small, low cost, flexible premises in Seaford or Peacehaven to capture any latent demand and stimulate local growth but feasibility would need to be examined and public sector support is likely to be required.

Improving the current stock of employment space would also be important and upgrading of older industrial areas and new provision or sub-division to bring forward more, low cost, small scale industrial units should be encouraged.

Potential New Sites

To meet the identified need for some new sites there is a very limited choice of potential new sites for employment development around Lewes town due to the range of policy and environmental constraints affecting this area. Twelve potential sites were examined drawing on the site assessment for the SHLAA study and other known sites in and around Lewes town.

All of the potential office sites close to the town centre have significant development constraints. There would be scope to provide office development

within any mixed use development of the North Street Strategic site, although its deliverability and timescale would be less certain. There are several other options in and on the edge of Lewes town centre although all have some flood risk problems. If flood risk rules out these sites, options could be a small office campus development on the northern edge of the town at Malling Down (although potential impact on landscape and highway/access issues would need to be addressed if this site was to be delivered) or small office units within surplus lands on the South Downs College site.

In terms of finding potential new industrial sites, the choice is less wide but land at Malling Down, and possibly sites further afield at Ringmer, probably provide the best options. If the North Street site were to be developed for offices and a mix of other uses, this could increase the requirement for additional industrial land at Lewes town to allow relocation of firms established there.

More Effective use of Current Supply

Approaches that could help upgrade older established industrial estates range from stripping and repainting of industrial units, and making environmental improvements to estates through a Business Improvement District (BID) mechanism. Encouragement for owners/developers to do this may be necessary, and would be aided by:

- an LDF policy encouraging such forms of development;
- introduction of Local Development Orders to relax planning requirements within specific industrial areas;
- Council involvement in instigating a BID approach in suitable areas;
- local initiatives to publicise to local firms case studies of improvements to business premises, including costs, local contractors involved and rental or other benefits achieved; and
- exploring potential sources of grant aid to enable small/medium firms to upgrade premises if the market does not deliver these improvements.

Other approaches may be needed to encourage employment development on allocated sites that have failed to attract development. These could include:

- on appropriate sites and where a clear need is demonstrated, allowing a limited amount of higher value “enabling development” or mixed use schemes to help fund infrastructure and support provision of speculative employment premises;
- supporting funding bids or other funding mechanisms to kick-start key infrastructure to open up and stimulate development on key sites, although it has to be recognised that the scope for this may be more limited in future;
- de-allocating sites clearly unlikely to attract employment development and seeking to identify better sites, although the options for new sites appear limited;

- encouraging the maximum flexibility in the types of employment uses and forms of development on sites, including opportunities for design & build by occupiers.

A need was identified for more, small, lower cost office units available on flexible terms and suited to start-up firms moving out of incubation or enterprise centres. In normal circumstances, it appears unlikely that the market will deliver such space in Lewes District. Based on experience elsewhere, three approaches to providing such premises could be considered:

- seek provision of small office units within larger employment developments, residential or mixed use schemes; this could be achieved as part of the S106 obligations with the developer delivering the units for management by the Council or another operator;
- pooling S106 contributions from other developments to help develop or support start-up premises;
- encourage conversion/sub-division of an older industrial unit into a number of small, lower cost office units (a small business centre); if the market did not bring this forward, such a scheme could be instigated by the Council with a development partner.

Release of Sites

The potential to release some of the smaller, poorer performing, employment sites has been considered. However, some of these lower quality sites are occupied and serve a local need at some level, particularly in the rural areas. Others are isolated rural allocations that have failed to attract development interest after some years and may be stronger candidates for release. Any decision to release or retain such sites should take account of any surplus or current land supply, what types of sites are needed for qualitative reasons and whether better replacements can be found.

There may be a case for considering the release of lower performing undeveloped employment allocations to alternative uses if they offer limited prospect of delivering any employment floorspace within the plan period. Generally in Lewes District, a very cautious approach should be taken to release of employment sites to non B Class uses. This reflects the District's constraints on finding new sites in future because of environmental constraints.

Some of the lower quality sites are still in active employment use and should be retained. Several other allocated sites – Balcombe Pit and part of the Woodgate Dairies site - appear to have limited potential of being developed for employment uses in the near future. This would not prevent existing buildings and land being used for low cost, rural based activities and, unless they are causing environmental harm or have potential for residential use, they could be retained as such, with the situation being monitored. If the current allocations fail to serve any need for low cost rural employment space, de-allocation could be considered in future. At the present time, therefore, the study is not

recommending any employment sites be released to other non employment uses.

Development Needs of Non B Class Uses

The development needs of economic sectors other than the B use classes were considered. This indicates that the Non B Uses could provide an additional 2,370 jobs in Lewes District by 2026, a 10% increase on their 2008 employment level, and significant compared with the forecast 3,700 increase for B class uses.

The land requirements for most sectors are likely to be modest, partly because many will utilise land already held by the relevant provider or because the use can be incorporated within mixed use developments, often in town centres. There could be a modest requirement for retail warehouse needs (1-2 ha or so), and possibly another 1 ha for hotel uses and health & fitness facilities. Some of these requirements could make use of existing industrial land, possibly 1 ha or so, and more if some of the East Sussex & Brighton Minerals/Waste Core Strategy requirements are located in the District.

Monitoring

It will be important to monitor future change in the demand and supply of employment space to identify changing patterns and inform any policy responses required. Specific items to be monitored would include:

- a) the levels of future demand for office/industrial space and which of the study's estimates of future requirements this best relates to;
- b) how much of the currently identified supply of employment space is likely to come forward;
- c) the emerging land requirements of Non B uses;
- d) the extent and type of any losses of existing employment land to non B uses;
- e) any on-going deficiencies in provision for specific types of employment premises e.g. small, low cost, business or industrial units.

In addition, this Employment & Economic Land Review was prepared at a time of major economic change in the UK, during the most severe recession in the last 40 years. While some allowances were made for this factor, it is possible that national economic recovery will change the current picture of current supply and future requirements for employment space. For these reasons, it is recommended that this study be updated within a reasonable period, such as 4-5 years from now.

1.0 Introduction

1.1 This Employment Land Review (ELR) has been commissioned by Lewes District Council to inform the Local Development Framework (LDF) Core Strategy and the provision of land for employment uses. In summary, the Council's aims for the study are as follows:

- a to assess the future demand for and supply of employment land and of sites for employment;
- b to assess the suitability of sites, whether existing, permitted or proposed for future employment land;
- c to identify sites which are unlikely to be needed by the market or are now unsustainable for employment development;
- d to help develop appropriate future policies and proposals for the LDF; and
- e to improve systems for monitoring outcomes and reviewing employment policies.

1.2 The principal outputs required from the study are in three stages, namely:

- **Stage 1: Taking Stock of the Existing Situation:** An assessment of the fitness for purpose of the existing land portfolio in order to identify the best employment sites to be retained and protected, and any existing employment sites that are clear candidates for release for other uses.
- **Stage 2: Assessing Future Requirements:** A broad quantitative assessment of the future (plan period) employment land requirements for the District, across the principal market segments, and suitable employment land stock remaining from Stage 1. Stage 2 is also to produce an analysis of the likely 'gap' in supply to be filled.
- **Stage 3: Identifying a Site Portfolio:** 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 in the development plan. Also, the fitness for purpose of the employment site portfolio is to be confirmed, along with recommendations for any poorer sites to be released, and identification of any unresolved gaps in provision. Robust evidence is to be provided to resist pressures for change of high quality employment sites, even where employment uses represent lower land value than alternative forms of development.

Approach and Methodology

1.3 The study's approach generally follows Government guidance on undertaking employment land reviews and also takes into account regional guidance on such studies.¹ It focuses on employment space needs for the group of B Use

¹ *Employment Land Reviews: Guidance Note* (ODPM, 2004) and *South East Plan Supplementary Guidance: Employment Land Reviews* (SEEPB, 2010)

Classes indicated in Table 1.1 but also considers in broad terms the future employment potential and land needs of other non B Class economic uses such as retail, tourism, healthcare, waste management, and education. The needs of employment land and floorspace are considered in the study, and references to “employment space” are intended to mean both these elements. Industrial space in this report includes both manufacturing and distribution uses.

Table 1.1 B-class Employment Land Definitions

B1	Business <ul style="list-style-type: none"> • Commercial offices other than in a use with Class A2 • Research and development - laboratories and studios • Light industry
B2	General Industrial <ul style="list-style-type: none"> • General industry (unless in B1)
B8	Storage or Distribution <ul style="list-style-type: none"> • Storage or distribution centres - wholesale warehouses, distribution centres and repositories

1.4 The overall process by which employment needs have been assessed, and how these would feed into the LDF process, is illustrated by Figure 1.1.

1.5 A key input to this process was consultation with various organisations with an interest in the supply of employment land including employers, economic development and inward investment agencies, business groups, property agents and developers. Appendix 1 contains a list of consultees. Information was also obtained from the annual survey of local businesses carried out by East Sussex County Council.

1.6 The study also draws on previous employment land and economy studies undertaken for adjoining districts as well as other relevant documents including economic strategy documents, planning policy guidance, property market information and published economic statistics. These are listed in Appendix 2.

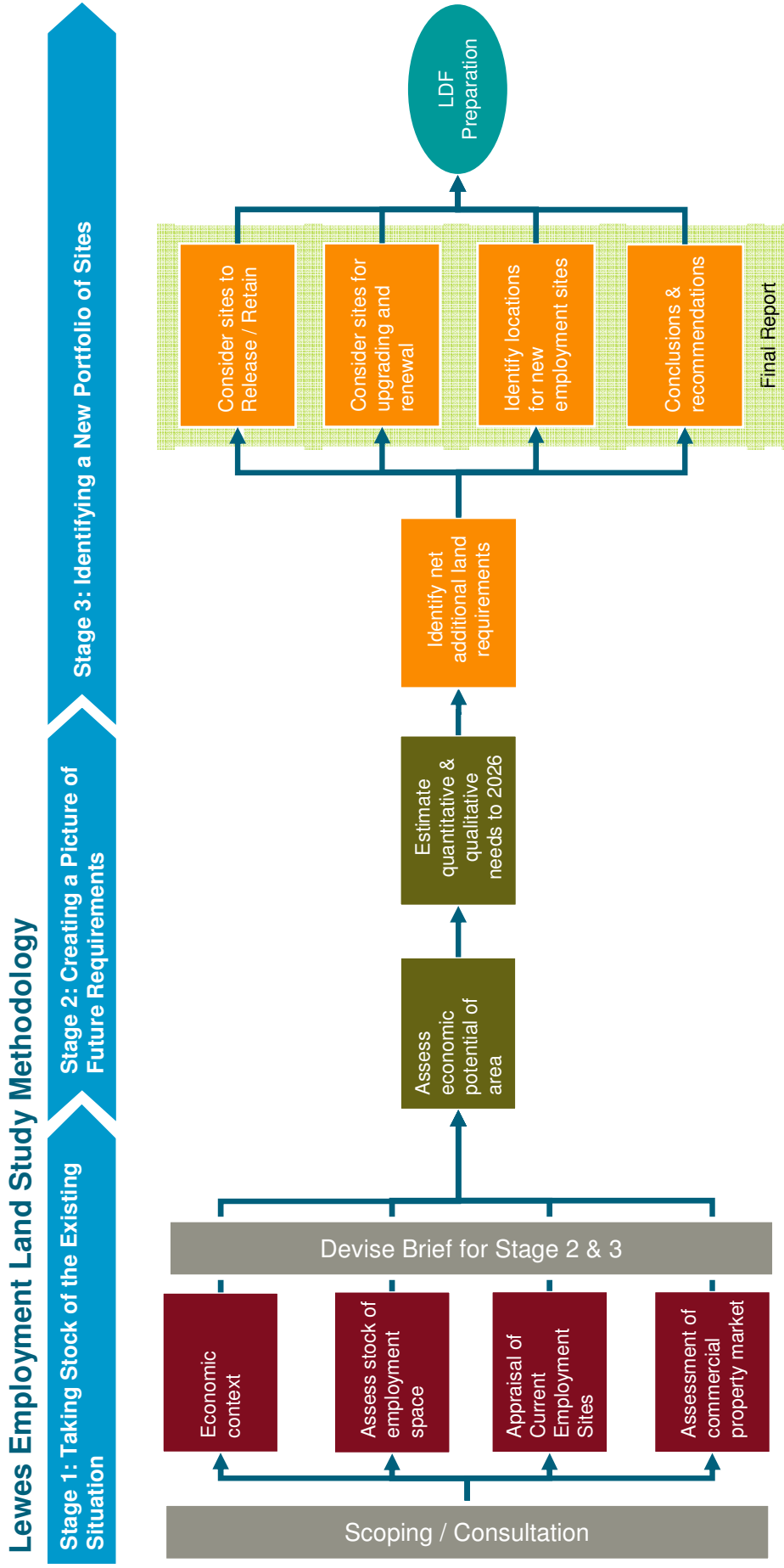
1.7 It is also important to emphasise that, in line with advice in PPS4: *Planning for Sustainable Economic Development*, this study was carried out in parallel with a Strategic Housing Land Availability Assessment (SHLAA).

1.8 The report is structured as follows:

Economic Context (Section 2)	A review of current economic conditions and recent trends in the District and its economic strengths and weaknesses that may affect future needs for employment space.
Overview of Employment Space (Section 3)	Analysis of the current stock of employment space in terms of mix of uses, development rates, gains and losses, age of premises, and levels of provision in adjoining districts.
Assessment of Commercial Property Market (Section 4)	A review of the local commercial property market, including the supply of and demand for different types of employment space and the needs of different market segments.

Appraisal of Current Employment Sites (Section 5)	Assessment of the quality of current land supply against defined criteria including its attractiveness to the market and its ability to meet future needs.
Assessment of Economic Potential (Section 6)	Identification of potential growth sectors that may have specific space requirements, taking into consideration the potential future economic role of the District, key drivers that could influence this and its competitive advantages.
Future Employment Space Requirements (Section 7)	Estimates future B Class employment space requirements in quantitative terms, drawing on employment forecasts and other factors.
Requirements of Non B Uses (Section 7)	Estimates future job growth and space requirements for Non B Uses, based on population growth and discussions with relevant providers
The Demand / Supply Balance (Section 9)	Assessment of the gap between current land supply and future needs, in both quantitative and qualitative terms, by comparing the requirements with availability of existing sites.
Potential New Employment Sites (Section 10)	Identifies a portfolio of potential new employment sites to meet identified future requirements.
Managing the Current Supply (Section 11)	Consideration of measures needed to support the site portfolio and maximise economic growth in Lewes District including the scope to maximise supply through upgrading, redevelopment or intensification of existing sites and release of poorer sites.
Overall Conclusions (Section 12)	Presents conclusions and recommendations from the study.

Figure 1.1 Study Methodology



- 2.4 A significant level of housing growth is likely in the District in future. The District Council had a housing requirement, in the now revoked South East Plan, of 4,400 net additional dwellings between 2006-26. Due to completions between 2006 and April 2009, the residual housing target stood at 3,430 dwellings (202 dwellings per annum). In revoking the South East Plan, the Government made clear that housing delivery targets will be locally derived. At the time of writing this report, the District Council had not identified a locally derived housing target. At this time, it is expected that the District will maintain an anticipated housing delivery target consistent with that set out in the South East Plan. Such a level of new housing would be consistent with historical delivery rates in the District.
- 2.5 Lewes town is the main employment centre with over 36% of all jobs, followed by Newhaven with 16%. The latter is an important port for aggregates and scrap metals and with a commercial fishing fleet and a ferry service to Dieppe, as well as being the main industrial centre. Seaford and Peacehaven, despite having the largest populations in the District, have respectively only 14% and 9% of all jobs.²
- 2.6 As Table 2.1 below indicates, Lewes District has a higher proportion of small businesses and a lower share of larger firms than regional and national averages. This reflects the largely rural nature of the district and its relatively small settlements. The larger employers in the District are in the public sector and include the County Council, Sussex Police, the Sussex Ambulance service and the South Downs NHS Trust. There are a few significant private sector firms such as Fujitsu, Amey, and Harveys Brewery in Lewes town and many small to medium sized industrial firms, particularly in Newhaven.

Table 2.1 Breakdown of Firms by Size

Number of Employees	Lewes District (%)	South East (%)	Great Britain (%)
1-10	87.5	86.2	84.5
11-49	10.2	10.7	10.7
50-199	1.9	2.5	2.5
Over 200	0.4	0.5	0.5

Source: AB1, 2008

- 2.7 Transport accessibility in the District is reasonably good despite its somewhat peripheral location within the region. Lewes town, Newhaven and Seaford have railway stations with direct services to London and along the Sussex coast. The A27 and A259 roads link the coastal towns and Lewes town to neighbouring Brighton and Eastbourne, while the nearby A23/M23 provides access to London. There is a good inter-urban bus network, but most of the rural areas are poorly served by public transport. Traffic congestion is a regular problem along the A259 and in Lewes town. The nearest airport with

² Based on ABI 2008 Middle Layer super-output areas broadly corresponding to these settlements

scheduled flights is London Gatwick, which lies approximately 40 km to the north, while Brighton International (Shoreham) some 20 km west of Lewes town is a small general aviation airport with some business aviation services. As noted above, a ferry service links Newhaven with Dieppe in France.

- 2.8 The District has no university of its own, although the Universities of Brighton and Sussex are both located on the boundary between Lewes District and Brighton & Hove district. The District's further education facilities comprise the Sussex Downs College at Lewes town and Newhaven, and Plumpton College, which focuses on land based courses. There is also a Sixth Form college at Ringmer.

Policy Context

- 2.9 Lying within the relatively prosperous South East region, Lewes District is not subject to any EU designations relating to financial assistance programmes. It is also not covered by Tiers 1 or 2 of the UK's Regional Selective Assistance Programme although businesses can obtain grants under Tier 3. The southern part of the District lies within the Sussex Coast sub-region previously defined by the South East Plan as a priority area for regeneration and investment, given its higher levels of unemployment and deprivation, its lower levels of GVA, earnings, and business formation, its poorer qualified workforce and ageing population. This regeneration is to be achieved within constraints on land supply while respecting the sub-region's high environmental quality and landscapes.
- 2.10 During the course of undertaking this study, the Government revoked the South East Plan. This plan contained a number of policies and strategies that were relevant to economic development in Lewes District and the wider area. Despite these policies no longer existing, it is considered beneficial to still identify them within this section as it provides an indication as to the economic role of Lewes District within the wider area.
- 2.11 For the Sussex Coast sub-region, the now-revoked South East Plan Policy STC3 sought delivery mechanisms to unlock and implement existing allocated business parks, other important sites that have persistently remained undeveloped and other strategic sites with economic development potential, such as Newhaven Eastside and Port. It also aimed to bring forward mixed use development on existing or allocated employment sites where this would deliver necessary employment space at the right time on sites which would be unviable for an employment-only scheme. In addition, improvement and upgrading of existing industrial estates and business areas was sought. In rural areas, existing and allocated employment land was to be protected from other uses where employment land reviews showed them to be essential for the needs of small businesses.
- 2.12 In the Regional Economic Strategy (RES) for the South East, two areas close to Lewes District - the Gatwick Diamond and the Brighton & Hove Diamond - are identified as regional foci for investment and growth. Lewes District lies within

the Coastal South East sub-area, where there are higher levels of economic and social deprivation. Relevant policies on economic development are summarised in Appendix 3.

2.13 An Analysis of Business Growth Potential in Lewes District was undertaken in 2005.³ Key findings from this include:

- 1 Lewes District has opportunities to broaden its economic base by expanding its tourism offer, supporting higher level creative and business services and making more effective linkages between its indigenous businesses and the universities and colleges in the area;
- 2 business growth in the district is unlikely to be driven by significant inward investment but this can be achieved by building on the district's existing assets and natural resources, developing the skills of its people, supporting the growth of existing companies and attracting small high growth businesses from neighbouring areas;
- 3 there may be pent-up demand for business premises in Lewes District - particularly smaller units and move-on accommodation - but the quality of the current stock is often poor and inappropriate for modern businesses.
- 4 creative solutions are needed to bring forward and renovate sites, particularly for B1 use in Newhaven and Lewes town where there appears to be most demand; and
- 5 On some sites, mixed-use developments may be the only way in which employment sites can be brought forward profitably, where there are no other ways for upgrading employment sites. In some situations, limited and well-targeted residential developments could also help cross-finance development of high quality sites to improve availability of modern business units.

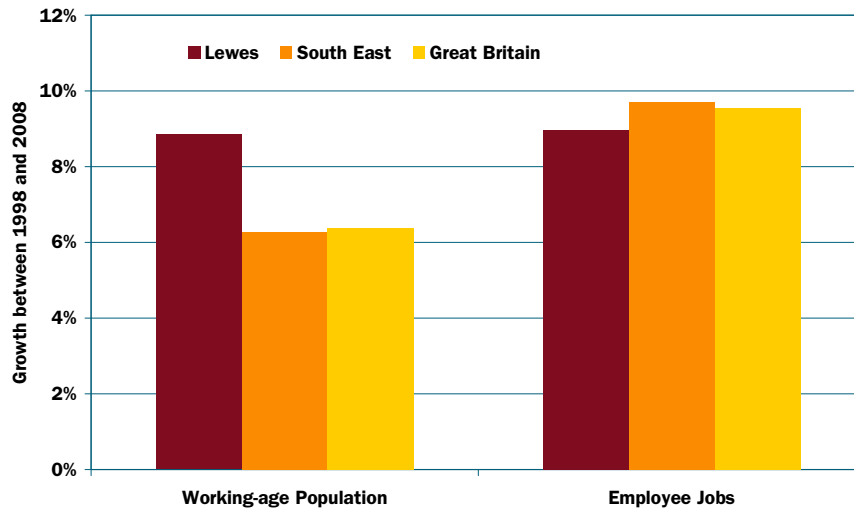
Economic Conditions and Trends

2.14 Current economic conditions and trends in Lewes District are summarised below, with comparisons made, where appropriate, with regional and national averages.

2.15 The overall population of Lewes District (currently 95,200) and, in particular the working age population, has risen by almost 9% between 1998 and 2008, significantly higher than regional and national averages. The number of employee jobs, 32,100 in 2008, rose by a similar percentage over that period although this is slightly lower than national and regional rates (Figure 2.2).

³ *An Analysis of Business Growth Potential in Lewes District* by Step Ahead Research (2005)

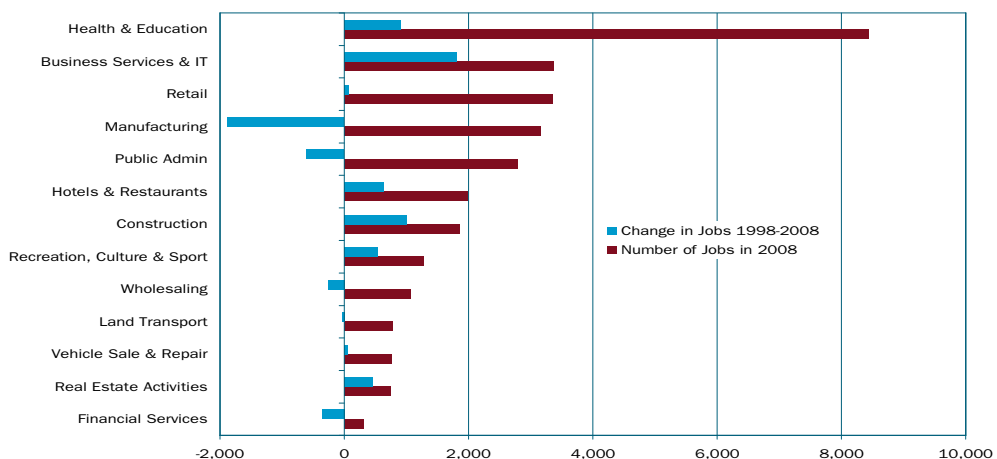
Figure 2.2 Working Age Population and Employee Job Growth 1998-2008



Source: ONS Mid-year population projections and Annual Business Inquiry

- 2.16 In employment terms, the District’s largest sectors are health & education, business services and IT, retail, manufacturing and public administration (Figure 2.3). The largest contributors to job growth in the last decade were business services and IT, health & education, construction and hotels and restaurants. This growth offset large job losses in manufacturing and public administration as well as smaller declines in financial services and wholesaling.
- 2.17 Tourism related activities, with just over 7% of all jobs, form a significant sector although their share of jobs is less than the regional (8.2%) and national (8.2%) averages.

Figure 2.3 Employment Level and Change by Sector

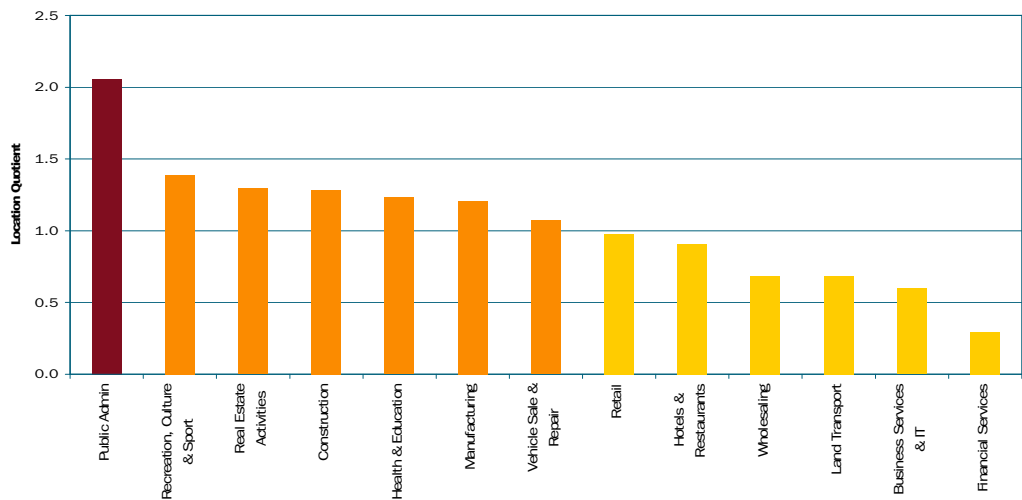


Source: ABI 2008

- 2.18 Figure 2.4 shows the location quotients of these key sectors, where a value of 1 indicates that the sector accounts for the same proportion of total

employment in Lewes District as in the wider South East, and over 1 indicates above average representation of that sector in Lewes District. This analysis further confirms the strong reliance of the District's economy on public sectors including administration, health and education, as well as manufacturing despite its recent job losses. The recreation, culture and sport, real estate and construction sectors also have high location quotients. Conversely, despite being a major contributor to recent job growth, the typically higher growth business services sector remains under-represented in the District compared to the regional average.

Figure 2.4 Location Quotient of Key Economic Sectors



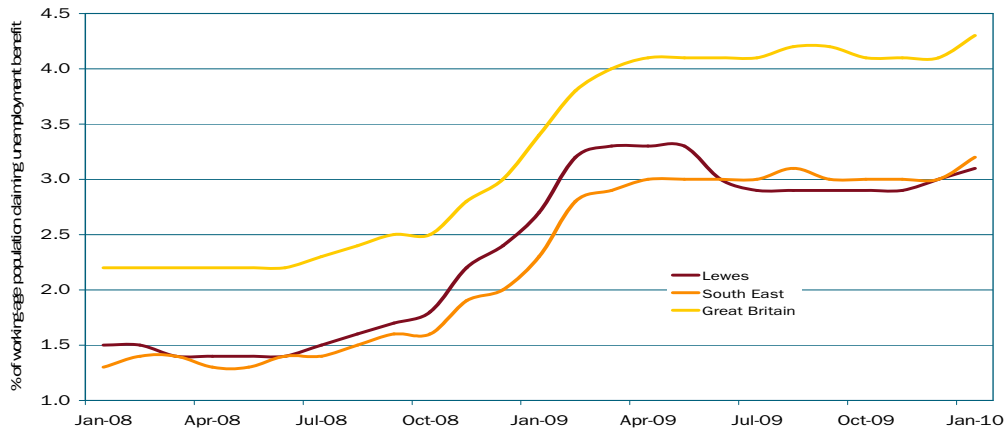
Source: ABI, 2008

- 2.19 Between 1997 and 2007 the number of VAT registered firms in the District grew by around 20%, a rate slightly below that of the South East (24%) and Great Britain (21%). With 60 VAT registrations per 10,000 working-age population in 2007, the District's recent rate of new business formation is also similar to regional (63) and national (55) averages. Both these indicators pre-date the recent major recession and formation rates may now be lower.
- 2.20 Lewes District's economic activity rate, the proportion of working age residents in or seeking employment, at 85% is significantly higher than the regional (82%) and national (79%) figures. This suggests limited scope to expand local supply from current residents .
- 2.21 The District also has a high rate of self-employment, with 17% of the working-age population falling within this category compared with just 10% in the South East and 9% nationally.
- 2.22 Claimant unemployment has more than doubled in Lewes District since the start of the recession to 3.1% (Figure 2.5). However, its rate remains similar to that in the South East (3.2%) and significantly below the national average (4.2%), a pattern that has prevailed historically. On the wider Annual

Population Survey Measure⁴, the unemployment rate is higher at 5.0%, although this remains in line with the regional rate (5%) and below that of Great Britain (6.9%).

2.23 In January 2010 there were 7.6 claimant unemployed workers for every notified job centre vacancy in the District. This was higher than the ratios for the region (5.8) and for Great Britain (7.2) indicating poorer prospects for the unemployed to find work locally than in other parts of the region.

Figure 2.5 Claimant unemployment Jan 2008 to Jan 2010



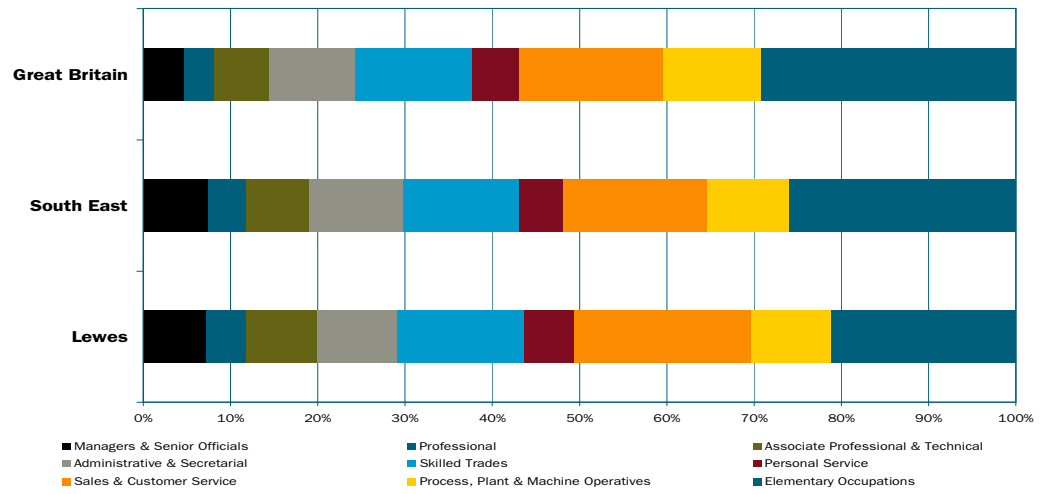
Source: Annual Population Survey

2.24 The District’s resident workforce has lower than average skill levels when compared to the South East as a whole, with fewer graduates, and a higher proportion with no qualifications. However, its occupation profile is broadly in line with the national average (Figure 2.6).

2.25 Turning to the types of jobs required in the District, the most sought-after occupations amongst claimant unemployed workers are lower skilled, ‘elementary occupations’ (21%), ‘Sales & Customer Service occupations’ (20%) and ‘Skilled Trades’ (15%). However, in general there was a higher proportion of unemployed seeking higher-skilled managerial jobs and a lower proportion seeking lower-skilled jobs than in the region as a whole.

⁴ this records all those searching for work but who are currently unemployed regardless of whether they are claiming job-seekers allowance or not

Figure 2.6 Skills levels of Lewes District's Residents relative to South East/GB

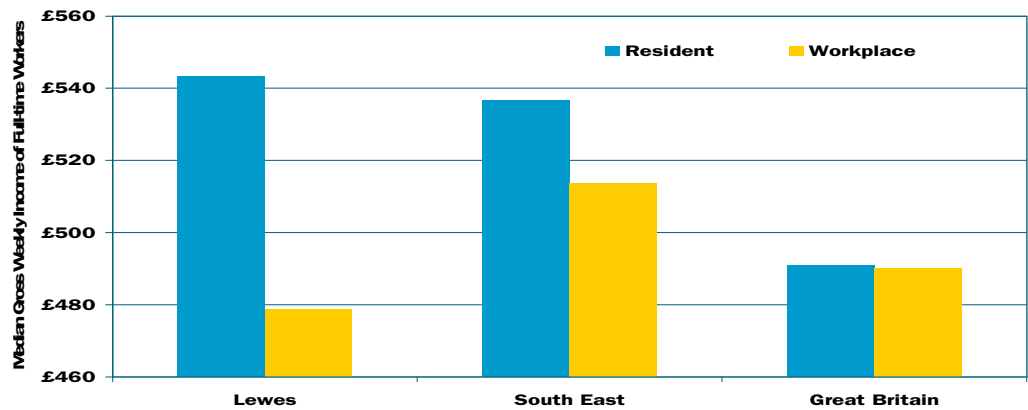


Source: APS

2.26

As is typical for areas in the South East with high rates of commuting to London, resident wages in Lewes District are very high at 11% above the national average. However, residents who work in the district earn much less, with workplace wages 2% below those in Great Britain as a whole and 7% lower than the South East average (Figure 2.7).

Figure 2.7 Median Weekly Gross Earnings



Source: ASHE, 2009

2.27

Lewes District has generally low levels of deprivation, and is ranked as the 218th most deprived local authority areas out of 354 in England, which places it among the least 50% deprived such areas.⁵ However, some areas of the District, particularly Newhaven and Peacehaven, have pockets of more concentrated deprivation, although this is not considered severe by national standards.

⁵ As measured by the Index of Deprivation 2007

Inward investment

2.28 Although no quantitative data on inward investment or inquiries is available, some indications on the relative attractiveness of the District for business investment were obtained from Locate East Sussex. In general, there has been very limited inward investment into Lewes District in recent years, and there have been several large firms moving away, primarily from Newhaven. These 'losses' have primarily been due to the general restructuring of the manufacturing sector to which Newhaven is heavily exposed. Inward investment and relocations to the District have been limited for a number of reasons including:

- a lack of available serviced development land without development and/or planning constraints;
- an ageing stock of premises that do not meet modern business requirements;
- a generally tight industrial market with low levels of availability; and
- a lack of awareness of Lewes District as a location to do business.

Knowledge-based industries

2.29 Knowledge-based industries are those sectors of the economy where value-added is derived from the intensity and accumulation of knowledge, often fostered through innovation and increasing use of technology. Firms within this sector tend to grow faster and have greater future potential than other sectors and so are considered an important indicator of an economy's competitiveness and future growth prospects.⁶ Some 20.5% of Lewes District's businesses were knowledge-based in 2005 - the same proportion as in Great Britain as a whole, although this was significantly lower than the South East rate of 24.3%.⁷

Functional Economic Area

2.30 Examining commuting flows can help in defining the functional economic area within which a District lies (Figure 2.8). In 2001, 57% of Lewes District's working residents worked within the District giving a relatively low rate of self-containment. In total 17,400 residents travelled out of the District to work elsewhere, predominantly to the nearby centre of Brighton & Hove (19%), but also to Mid Sussex (5%), Wealden (4%) and Crawley (3%). There were also significant flows into Greater London (4%), particularly to the City and Westminster. At the same time, approximately 12,200 workers commute into Lewes District, predominantly from Brighton (11%), Wealden (8%) and Mid Sussex (4%).

2.31 On this basis, Lewes District is a net exporter of labour, with in the order of 5,200 out-commuting residents, 13% of its resident workforce. These flows

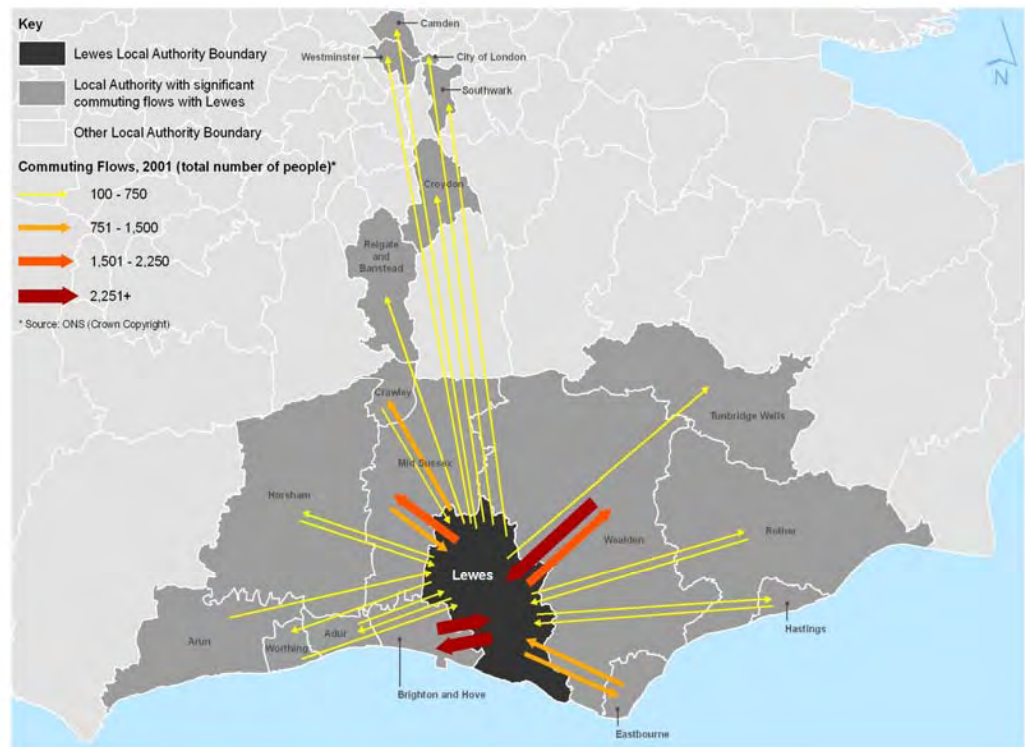
⁶ Based on definition adopted by the Organisation for Economic Co-operation and Development (OECD), includes high-technology manufacturing such as pharmaceuticals, computers and aerospace, and services such as telecommunications, financial intermediation, computing and research and development.

⁷ UK Competitiveness Index, 2008

also demonstrate close economic linkages to other centres on the south coast, particularly Brighton, but also Eastbourne. They also indicate the importance of the Brighton Main Line and other transport links in maintaining close economic links with London, Gatwick and Crawley.

2.32 A widely accepted approach to identifying Functional Economic Market Areas is by reference to Travel to Work Areas (TTWAs), which are relatively self-contained, internally contiguous labour market areas. A commonly used definition is that at least 75% of the TTWA's resident economically active population also work in the area, and of all those working in the area at least 75% also live in the area.⁸ Under this definition, Lewes District would fall within a wider economic area of Sussex focused on Brighton and also including Mid Sussex, Wealden and Eastbourne.

Figure 2.8 Primary commuting flows to/from Lewes District



Source: 2001 Census

Strengths, Weaknesses, Opportunities and Threats

2.33 Taken as a whole, the District has a reasonably buoyant local economy with below average unemployment although job growth and business formation rates have been below the regional average, while skills and workplace earnings are also relatively low. Drawing together the above analysis, the economic strengths and weaknesses of the area, together with potential opportunities

⁸ Functional Economic Market Areas: An economic note, DCLG (February 2010) based on 2001 Census data

and threats which will influence its ability to support new employment space in the future are summarised below:

Table 2.2 SWOT Analysis of the Lewes District Economy

Strengths	Weaknesses
<ul style="list-style-type: none"> • Low unemployment • High economic activity rate • Good transport links to London, Brighton and Gatwick • Attractive rural environment & quality of life factors • Reasonable manufacturing base • Tourism centre 	<ul style="list-style-type: none"> • Lower quality of employment sites • Road congestion • Low skills & workplace wages • Below average business formation • High reliance on public sector & manufacturing jobs • Low representation in growth sectors
Opportunities	Threats
<ul style="list-style-type: none"> • High proportion of self-employed indicates entrepreneurial activity • Low cost base (premises and wages) • South Downs National Park could encourage tourism growth • Potential spin-offs from Gatwick Airport & Gatwick Diamond growth • Sussex Innovation Centre as local focus for knowledge based firms 	<ul style="list-style-type: none"> • High dependence on London economy • Lower proportion of high-growth knowledge-intensive businesses • High dependence on public-sectors jobs • Competing role of Brighton • New National Park could constrain future development

Source: NLP analysis

3.0 Current Employment Space

3.1 This section provides an overview of the current stock of employment space in Lewes District, and recent trends and changes to the supply of such space. Both the amount of employment land and the quantity of built employment floorspace are considered across the main types of employment uses - primarily offices (use class B1(a)), warehousing/distribution (B8) and manufacturing industry (B1(c)/B2). Trends in the supply of employment space in the District were assessed from the following sources:

- commercial floorspace data from the ONS and Valuation Office Agency (VOA);
- Lewes District Council's annual monitoring data on commercial space;
- the EGi Property Link database and other commercial property sources.

Floorspace trend data on most other uses defined as economic development by PPS4 is not typically available from these sources.

Main Employment Areas

3.2 The main centres of economic activity and employment within the District include:

- 1 Lewes town centre;
- 2 the port of Newhaven and its surrounding industrial area;
- 3 a number of larger industrial estates including the Malling Brooks Business Area, Phoenix /North Street Industrial Estate, Cliffe Industrial Estate and Cradle Hill Industrial Estate in Seaford;
- 4 the small managed office/workshop facilities of the Newhaven Enterprise Centre and the Sussex Innovation Centre (on the border with Brighton);
- 5 a number of rural employment sites, predominantly comprising converted farm buildings.

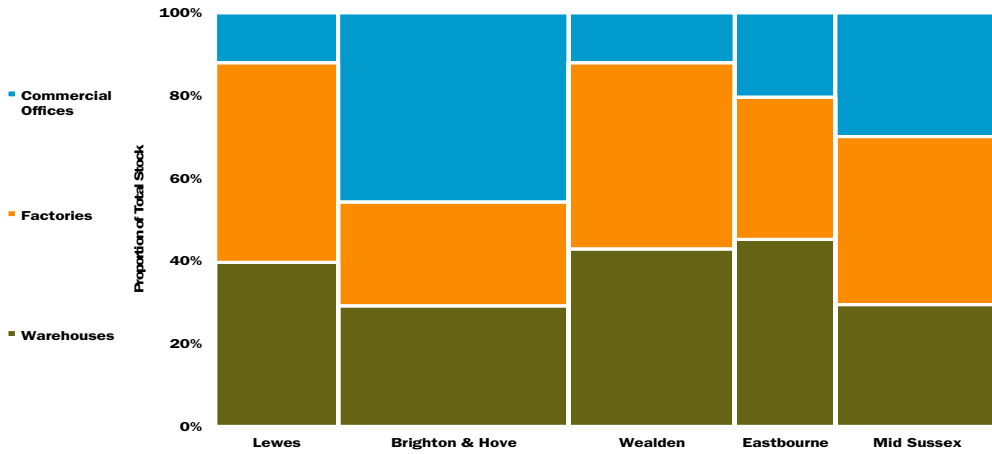
There are no large office centres or office parks in the District.

Current Stock of Employment Space

3.3 In 2008, Lewes District contained some 457,000 m² of B class floorspace. A breakdown of this space by main uses and a comparison with employment space levels in nearby districts are shown in Figure 3.1. This indicates that some 88% of employment space in Lewes District is in industrial premises, with a relatively small level (12%) of office provision. Over half the industrial space comprises manufacturing premises, the rest distribution. The width of each bar on the Figure indicates that Lewes District also has a much smaller supply of employment space overall than neighbouring Brighton & Hove and also less than all other nearby districts except Eastbourne. It also has a

smaller proportion of commercial office space than all nearby districts except Wealden.

Figure 3.1 Area chart showing totals stock and proportions of commercial stock by main use types

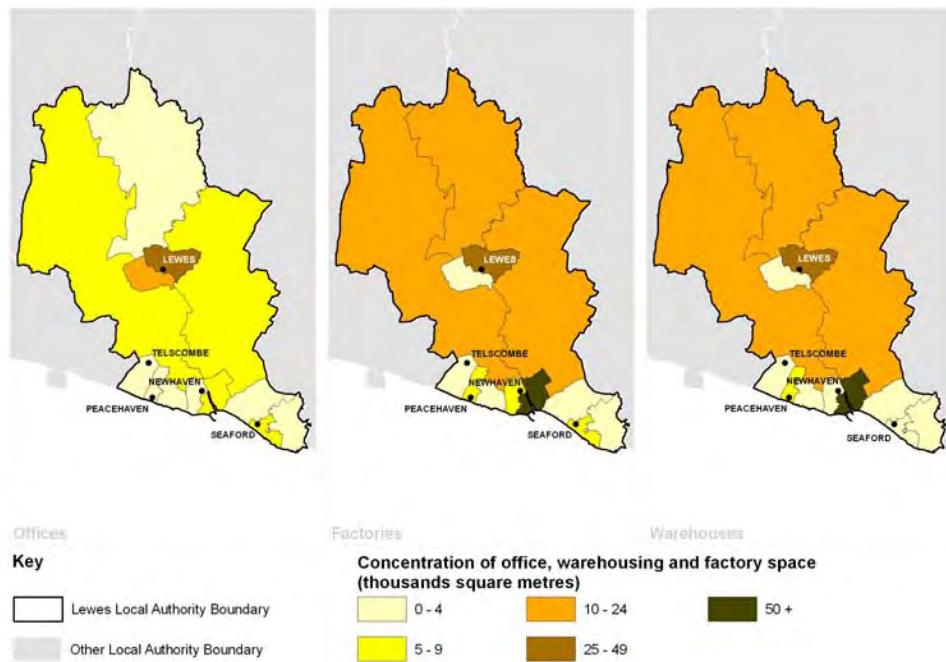


Source: ONS/VOA Statistics Note: width of bars indicates total amount of employment space

3.4

An indication of the geographical distribution of the current stock of employment space across the District is given by Figure 3.2 below. This shows that office space is overwhelmingly concentrated in the town of Lewes, with very low levels in the coastal towns and rural areas. In contrast, factory and warehousing space is heavily concentrated in Newhaven, although there are also significant amounts in Lewes town and the rural area.

Figure 3.2 Distribution of B Class Floorspace by Medium-Level Super Output Area



Source: ONS/VOA

Figure 3.3 Change in Stock of B Class Floorspace 1998-2008



Source: ONS/VOA

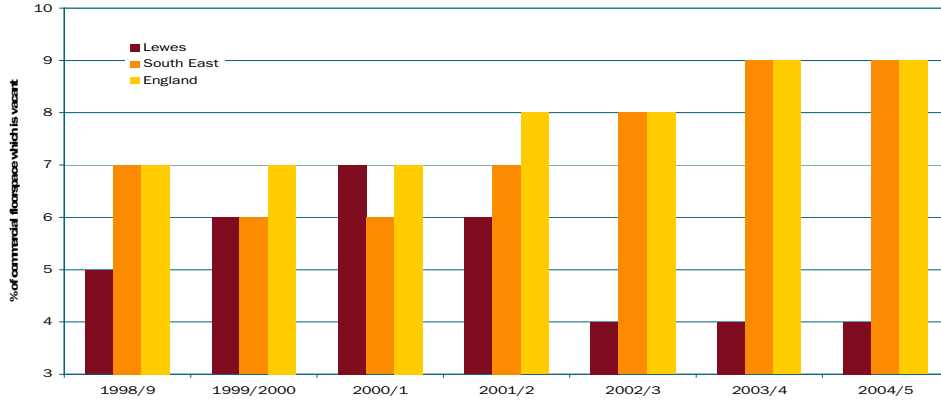
- 3.5 An indication of the overall scale of change in employment floorspace in Lewes District and surrounding districts over the past decade is provided in Figure 3.3.
- 3.6 This indicates that Lewes District experienced a net increase in all B class floorspace of some 23,000 m² (or 5%) over the period 1998-2008, with a large gain in warehousing space (+29,000 m²) and a modest increase in office space (+6,000 m²) offset by a sizeable fall in factory space (-12,000 m²). This general pattern is not dissimilar to that in some nearby surrounding districts.
- 3.7 Lewes District experienced a higher growth rate in office space (+12%) than all surrounding districts except Wealden (28%), albeit from a small base. However, its proportionate growth in warehousing space (19%) was lower than all surrounding districts except Brighton which experienced no change. The small decline in factory space (-5%) in Lewes District was much less than in Brighton (-21%) and Eastbourne (-14%) although other districts recorded no change (Wealden) or small increases (Mid Sussex). Overall, this suggests Lewes District's industrial base has held up fairly well in recent years with manufacturing decline offset by gains in warehousing and modest growth in office space.

Vacancy

- 3.8 Based on commercial property being marketed in March 2010, there was approximately 4,700 m² of office space available, largely located within the towns of Lewes and Newhaven, and indicating a vacancy level of around 9%.
- 3.9 The equivalent figure for industrial space was 23,300 m², or 6% of the stock, spread over a variety of locations including the recently built Mid Sussex Business Park (within Tidy Industrial Estate) near Burgess Hill, Cliffe Industrial Estate in Lewes town and various industrial areas in Newhaven. Whilst the office vacancy figures appears broadly in line with the 8-10% availability rate that is typical for a normal market with a reasonable amount of space available

for firms to relocate and expand, industrial vacancy appears low, suggesting quite a tight market.

Figure 3.4 Vacancy of commercial property



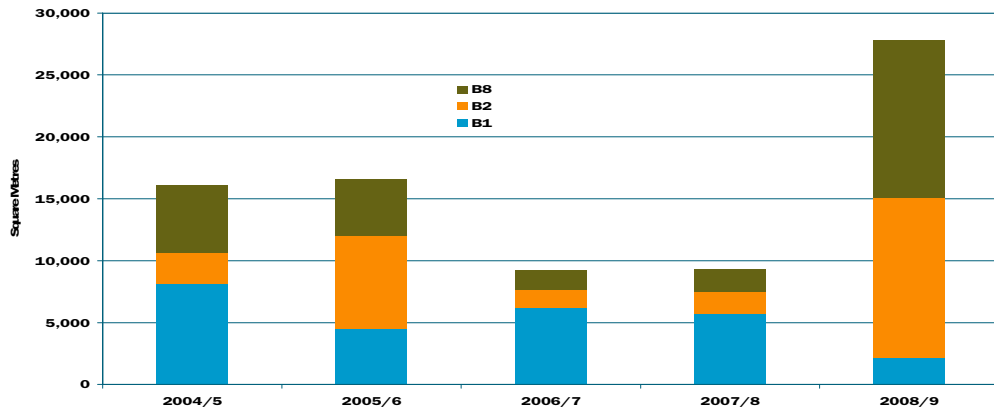
Source: VOA/Neighbourhood Statistics

3.10 A historic view of vacancy levels in Lewes District can be given by Valuation Office Agency data, as shown in Figure 3.4, although this only gives information up to 2004/5. This shows that commercial property vacancy in Lewes District has mostly been fairly low, and generally lower than regional and national averages, and exceptionally low in the period 2002 - 2005.

Development Rates

3.11 The gross amount of floorspace developed for employment uses in Lewes District over the last five years is shown in Figure 3.5 below. An average of 15,800 m² of B Class space was developed per annum, split fairly evenly between B1, B2 and B8 space. Within the B1 completions, the majority appears to be for office space (as opposed to light industrial), although breakdowns are only available for the last three years and much space is classified as general B1.

Figure 3.5 Gross Development Rates 2004 - 09



Source: Lewes District Annual Monitoring Reports

Losses of Employment Space

- 3.12 Only two years data is available on losses of employment premises, and it is not clear whether this provides a representative picture. This shows that over the period 2007-9 there was an annual average loss of 12,600 m² p.a. Most of this involved losses of B1(c)/B2/B8 industrial space (7,800 m² p.a.) or mixed B1 space (3,400 m²) with only a very small proportion being office space (1,400 m²). In general, the losses consisted of a large number of small-scale changes of use either between B-classes (e.g. change of use from B8 to B2) or to non B class uses.
- 3.13 The 'genuine' losses (away from B-classes) amounted to approximately 10,400 m² in the 2008/9 monitoring year, predominantly consisting of small changes of use to residential, community (e.g. churches) and leisure uses (e.g. gyms). Taking account of this average level of losses, the net annual increase in employment space in Lewes District would be a fairly low 3,200 m².

Age of Premises

- 3.14 Although only covering the period up to 2003, ONS data on the age of premises can give some indication of the age of stock in the District. This shows that there is a high proportion of very old office stock in Lewes District with 45% being built before 1940 compared with just 19% in the South East. In addition, the proportion of post 1990 office premises was 14% in Lewes District, much lower than the 24% average for the South East. This suggests a lack of modern, purpose-built office premises.
- 3.15 With regard to industrial stock, less than 1% of factory space and only 5% of warehousing space in Lewes District was modern space built after 1990, compared with regional averages of 5% and 18% respectively. This excludes the recently built industrial units at Mid Sussex Business Park. Overall, however, this indicates a fairly ageing and poorer quality stock of business premises in Lewes District than in other parts of the region.

Emerging Supply of Employment Space

- 3.16 The supply of employment space in the development pipeline comes from sites allocated for employment development in the Local Plan and other sites with planning permission. The gross supply of B-class floorspace with extant permission stood at 49,500 m² in March 2009. Of this, only 28% was on sites allocated by the Local Plan with an extant planning permission in place.
- 3.17 This reflects a large proportion of permissions being changes of use of rural or other existing employment buildings including:
- a from agricultural buildings to 11,900 m² of business units (B1) at Sharpsbridge Farm, Newick;
 - b from a nursery outlet to 6,200 m² premises for vintage car restoration/repair at Merlins, Ringmer; and
 - c from a 4,000 m² B2 industrial unit to B8 use.

- 3.18 This gross availability figure of 49,500 m² is equivalent to just over three years of gross average annual completions.
- 3.19 There have also been some significant extant permissions that involve changes of use away from B-class employment space, and this means that the net amount of available B-class space to be developed is lower, at 31,000 m².
- 3.20 In addition to this 31,000 m² of net space, there is a further 27.2 ha of land allocated for B-class use in the Local Plan, but without planning permission. The most significant site is the 16.8 ha Eastside Business Area in Newhaven.

Employment Space in Adjoining Areas

- 3.21 It is also important to understand the extent of available employment land in adjoining districts and any major new economic developments coming forward there which might compete with the District for future demand. A brief review has therefore been undertaken below of the current position in each area.

Brighton & Hove

- 3.22 The City of Brighton & Hove has a highly skilled workforce and significant business base of knowledge-intensive services, particularly financial and business services and creative sectors. The supply of employment land in the city is constrained by its small area and the natural barriers of the sea and the South Downs. Other than a concentration of offices in the city centre, it does not have any single dominant employment centre, but a range of relatively small areas and industrial estates spread across it. The 2006 ELR and 2009 update found that many existing sites are the subject of fragmented ownerships, which could constrain future redevelopment. Transport access is also poor for many sites but vacancy is generally low. There is indicated to be a shortfall of modern industrial space which will continue in the short to medium term. Much of the office stock is in older buildings with very few major new office developments since the early 1990s. A major economic driver, and one which may have significant impacts on Lewes District, is the Sussex Innovation Centre at Falmer which lies on the boundary between the two districts.
- 3.23 In 2006, planning commitments amounted to 34,200 m² of net office space and just 300 m² of net new industrial space, although this masks some significant gains and losses. The largest gains were expected to come from 137-147 Preston Road (16,700 m²) and Woodlard's Field, Lewes Road (5,000 m²). The 2009 study did not update these figures although the identification of development areas in the Core Strategy could increase the District total figures to around 135,000 m² for offices and 6,000 m² for industrial space.
- 3.24 The draft Core Strategy sets out a number of key development sites which could provide 104,300 m² of new office space and 14,000 m² of industrial space. The most significant scheme is the New England Quarter, west of the London Road, the preferred location for 34,000 m² of new office development. Other key development areas include the Edward Street Quarter (30,000 m² of additional high quality office floorspace including new headquarters for Amex)

and Preston Barracks where a mixed use, employment-led development scheme is sought to provide 18,600 m² employment floorspace with some affordable managed workspace.

Eastbourne

- 3.25 This small District to the east of Lewes District largely comprises the Eastbourne urban area. Due to its close proximity in travel time via the A27 it is a significant market competitor for Lewes District and is the largest town other than Brighton likely to have an influence on the District's economy. Eastbourne has a mixed economy with a reasonable amount of office stock located in the town centre and several, newer out-of-centre business parks such as Highfield Office Park.
- 3.26 There are a wide range of relatively small industrial estates spread across the urban areas, with no dominant location. Examples include Hampden Park Industrial Estate, Highfield Industrial Estate and Hawthorn Industrial Estate.
- 3.27 There is a total of 35.7 ha of employment land available, the majority of this in Local Plan allocations and including the following key sites:⁹
- land at South Broadwater (between Upperton Farm and Broadwater Lake) (allocated for 35,000 m² of offices);
 - land at Sovereign Harbour, Eastbourne (allocated for 31,000 m² of offices);
 - land East Of Tutts Barn (allocated for 9,000 m² of offices and 18,000 m² of industrial space);
 - land North of St Anthony's Hill (allocated for 9,000 m² of office space and 17,000 m² of industrial space).
- 3.28 However in the 2008 Eastbourne & Wealden Employment Land Review, significant concerns were indicated on the deliverability of some of these sites. Although there is therefore an oversupply of land, once deliverability is taken into consideration, demand and supply are roughly in balance for office, factory and warehouse space. The undeveloped site considered most likely to come forward is the proposed Polegate Business Park, although this may have to secure a high proportion of pre-lets in order to be viable.

Wealden

- 3.29 This large, rural district adjoins Lewes District to the east and north, while the southern part has close functional links with Eastbourne. It includes the towns of Hailsham, Uckfield and Crowborough. In general, the economy is under-represented in higher value sectors with predominantly small-scale service sector employment which serves local markets. Industrial/warehousing space is concentrated in Uckfield (Bellbrook Industrial Estate and Ridgewood

⁹ Eastbourne Council's Annual Monitoring Report, 2009

Industrial Estate) with smaller concentrations in the main centres of Crowborough (Farningham Road and Millbrook Industrial Estates), Heathfield (Station Road and Ghyll Road Industrial Estates), Wadhurst (Durgates Industrial Estate and Wadhurst Business Park), Forest Row (Station Road Industrial Estate) and Hailsham (Diplocks Way Industrial Estate).

- 3.30 The base case scenario in the 2008 Eastbourne & Wealden Employment Land Review suggests that there would be an undersupply of viable office space of some 23,600 m², and a shortfall of 30,100 m² of industrial/warehousing space given the likely viable supply, although the actual planned supply is significantly higher than this.
- 3.31 According to the Employment Land Review, there is approximately 65 ha of employment land available for development, the majority for a mixture of B-class uses.¹⁰ The most significant new developments in the pipeline are:
- the proposed Ashdown Business Park at Maresfield (close to Uckfield), allocated as a high quality strategic business park for around 20,000 m² of predominantly B1 uses;
 - land to the North of Dittons Road, Polegate which has extant permission for 35,000 m² of office space; and
 - an extension to Hackhurst Lane Industrial Estate, Lower Dicker which has permission for 4,000 m² of office and 8,000 m² of industrial space.

Mid Sussex

- 3.32 This large rural district lies north west of Lewes District in West Sussex and contains the main towns of Burgess Hill, Haywards Heath and East Grinstead.
- 3.33 Haywards Heath functions as a sizeable office centre, in part due to its good rail connectivity. Vacancy is currently above average, although this is perceived to be due more to relatively poor quality space than a lack of demand in this location. The proposed Station Quarter redevelopment scheme, which includes approximately 10,000 m² of new office space, is expected to go some way towards meeting this 'gap' in the market, although no planning application has yet been submitted. In contrast, East Grinstead functions as a secondary office centre with poorer transport links, and due to its location at the northern edge of the District, is not likely to be a competing location for Lewes District.
- 3.34 Burgess Hill, however, lies close to the Lewes District boundary and is a large industrial location with the Victoria Business Park the principal industrial estate. The town has successfully attracted industrial occupiers from Brighton and the district's Employment Land Review notes particular potential for further growth in high-skilled manufacturing. However, beyond existing planning commitments, there is no land remaining here for development.

¹⁰ Wealden Council Annual Monitoring Report, 2009

- 3.35 There was some 97,290 m² (net) of employment floorspace committed for development in March 2009 on 29 ha of land.¹¹ This includes 24,200 m² of office space and 74,500 m² of general industrial space (B1(c)/B2/B8). The main existing outstanding employment allocations in the District are extensions to the Victoria Business Park, Burgess Hill, which total 4.4 ha.
- 3.36 The Employment Land Review has recommended that, in addition to existing commitments, 1.7 ha of land for B1(a) office development should be identified at Haywards Heath and 5-8 ha of high quality land for industrial and warehouse development (B1(c), B2 and B8) should be identified in Burgess Hill to meet demand over the 2006-26 plan period, although these recommendations are yet to be reflected in the draft Core Strategy.

Conclusions

- 3.37 Overall, Lewes District has a relatively modest supply of employment space compared with larger centres nearby such as Brighton & Hove. The vast majority of space in Lewes District is industrial, with a relatively small amount of office space which is concentrated in the town of Lewes. In contrast, factory and warehousing space are heavily concentrated in Newhaven, although there are also significant amounts in Lewes town, Seaford, Peacehaven and Telscombe.
- 3.38 Lewes District has experienced moderate net gains in commercial floorspace in the last decade, mainly warehousing space with a small increase in office space which has been partly offset by a sizeable loss of factory space.
- 3.39 An average of 15,800 m² of gross new B class space has been developed annually in recent years, split evenly between B1, B2 and B8, although significant losses have also occurred, particularly of industrial space, reducing the net completion rate to only 3,200 m².
- 3.40 There is a relatively small proportion of modern, purpose-built office stock in Lewes District and, compared with regional averages also much less modern industrial space.
- 3.41 The gross supply of B-class floorspace with permission stood at 49,500 m² at the end of March 2009, broadly equivalent to three years of recent average take-up rates. A large proportion of this permitted space involved changes of use of rural or existing employment buildings and, reflecting potential losses, the net amount of B-class space that could be built is 31,000 m². In addition, there is 27.2 ha of land allocated for B-class uses in the Local Plan, the most significant site being the 16.8 ha Eastside Business Area in Newhaven.
- 3.42 Although most of the surrounding districts do not have large quantities of available employment land, and several have less viable supply than likely demand, there are several major redevelopment proposals which could

¹¹ Mid Sussex Annual Monitoring Report, 2009

potentially compete with Lewes District for future employment development. In particular, major office allocations in Brighton, Eastbourne and Haywards Heath could affect any attempts to expand the office sector in Lewes District whilst expansion of industrial estates in Burgess Hill and Uckfield could compete with the District's industrial market to some extent. The likely extent of such competition is considered further in the following section.

4.0 Lewes District's Commercial Property Market

4.1 This section describes current property market conditions in Lewes District and the general area around it, including recent trends in the demand for and supply of office and industrial premises. These findings are based on discussions with a number of commercial property agents and various economic development and business organisations and firms active in the area (see Appendix 1).

Overview

4.2 In early 2010, the UK commercial property market was still recovering from the financial crisis of 2007/8 and the ensuing recession and property slump. Falls in the capital value and rental levels of office and industrial premises of up to 40% combined with stricter lending criteria from banks and the abolition of tax relief on empty property mean that property development is less profitable, finance is hard to obtain and the risks of developing space without an end-user identified are high. As a result, speculative development has become very rare in virtually all of the UK outside London. This is particularly the case in more economically marginal locations, and those without a significant existing commercial property market, where lenders and developers are likely to be especially cautious.

4.3 However, there are differing views on how the market will evolve in the coming years. For example, competing forces such as a scaling back of public sector space requirements but a fall in employment land prices may play out in different ways in different locations. In any case, this study looks over the long-term of the plan period up to 2026 and the inherent qualities of the District as a commercial location must therefore be considered.

4.4 Lewes District's main attractions for firms are its relatively low cost land and rents compared with other parts of the Sussex coast, lower wage costs, and land availability compared to more constrained locations such as Brighton and Hove. Potential drawbacks include a lower profile image as a business location compared with nearby Brighton, limited strategic road access and traffic congestion in some parts of the District, and a limited supply of skilled labour.

4.5 The commercial property market in Lewes District is fairly localised, and can broadly be distinguished by four separate sub-areas - 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, centres such as Brighton and Crawley to the west or Hailsham and Eastbourne to the east, which operate as largely separate property markets.

4.6 Looking at these sub-areas in more detail, Lewes town is an attractive historic market town, situated within a gap in the South Downs. It is the County town of East Sussex and benefits from mainline railway services to London Victoria. It has a mixed economy, with heavy reliance on public administration employment

but with significant stock of commercial office and industrial space. Newhaven is a cross-channel port and industrial centre but, in recent years, competition from larger ports with better facilities has led to the decline in port traffic and decline in services. The town's economy is dominated by manufacturing and other industrial activities, but very few of these are now related to the port, and many are in long term decline (e.g. Parker Pen). The remaining coastal towns of Seaford, Telscombe and Peacehaven form a fairly self-contained, localised market.

- 4.7 The rural part of the district, north of Lewes town, lies within either the South Downs National Park or the Low Weald character area. This area is characterised by small villages, some of which support limited employment space in converted rural buildings and small estates, against the backdrop of transition from an agricultural economy to increasing emphasis on remote home working and small service sector businesses. In geographical terms, this area is generally much closer to Uckfield, Burgess Hill and Haywards Heath.

Industrial Demand/Supply

- 4.8 Most current demand for employment space in Lewes District is for industrial premises (which includes both manufacturing and distribution uses) and levels of demand have been steady, if not particularly high, in recent years. 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 465 m² (5,000 sq. ft), but also reasonable demand for units up to 930 m² (10,000 sq. ft), and much less demand above 930 m² (10,000 sq. ft). Demand is almost exclusively from local firms, with very few enquiries from outside of the District, apart from occasional relocations from Brighton where industrial availability is much tighter. A common view was that there would be continued demand for more small to medium sized industrial units, but some concern about prospect of new industrial development occurring to meet this demand in the longer-term.
- 4.9 In terms of supply of industrial premises in the District, there is some limited modern, good quality industrial space in Lewes town where the demand/supply balance is reasonably tight. However, much of the District's stock is older and significant poorer quality space focused around Newhaven. Much of the supply in Newhaven is a legacy of former large-scale manufacturing firms (e.g. the Parker Pen factory), and therefore 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.
- 4.10 Ringmer has a sizeable industrial estate with potential expansion land nearby, is reasonably near Lewes town and is perceived as a relatively attractive location, both in its own right and as an alternative for firms unable to find suitable premises in Lewes town itself. However, as in Lewes town, there is a shortage of good quality industrial premises at present.

- 4.11 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. The proposed business park at Newhaven Eastside could provide a mix of industrial units with serviced plots and design & build packages, but would be less likely to attract “flagship” inward investment, for which it has been targeted in the past. The recently developed Chichester Business Park was noted as a possible example of this type of mixed business park development.
- 4.12 Each of the coastal towns of Seaford, Telscombe and Peacehaven has at least one existing industrial estate. These estates are relatively small-scale and comprise older accommodation, but are fairly low cost and suited to the local needs of businesses in these areas. Some, such as the Cradle Hill Industrial Estate, Seaford have grown to become medium-sized estates but remain dominated by smaller units. Based on discussions with some firms and business organisations in Seaford, there is felt to be a shortage of good quality industrial space, particularly for slightly larger units that would allow local firms to expand or upgrade their premises as well as inadequate provision for start-up firms. There was also a view that Seaford needs more and better industrial provision for town of its size while some small office premises would be desirable. Some firms had reportedly relocated from the area due to lack of space. For any new provision, a site on the western side of the town beside the A259 was seen as better than expansion of the less accessible Cradle Hill estate. Local business consultees considered that providing new land would lead to new employment premises being built, whether by developers or by the firms themselves. However, other views suggested industrial land available in Newhaven was able to meet much of Seaford’s needs.
- 4.13 In contrast, the view of commercial agents covering this coastal area was that there was limited incentive or need to develop new space in these locations, particularly as the existing occupiers had generally modest requirements and would only support low rental levels. A need to upgrade and renew some of the units on these sites was perceived, particularly those nearing the end of their useable life, but no clear evidence that the market would deliver this to any great extent.
- 4.14 Reflecting the coastal location and lack of good quality strategic road routes, there has been limited interest historically for large-scale distribution activities within Lewes District. The long-term decline of Newhaven port means the area is no longer a natural staging point for import or export freight to any great extent. Therefore, 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.

Office Demand/Supply

- 4.15 Lewes town is not generally regarded as a significant centre for office development, and has very few large private sector office occupiers - the largest being Fujitsu - with mainly public sector occupiers including East Sussex County Council, Sussex Police, Sussex Ambulance Service and the South Downs NHS Trust. This primarily reflects the status of Lewes as the County town, but also its general lack of modern office premises compared to more established centres such as Brighton and Crawley. The District's office market is almost exclusively centred on Lewes town, with no significant demand or provision in the rest of the District, although there is some stock in converted buildings in the rural area.
- 4.16 This view is supported by a 2006 study for the Newhaven Partnership which indicated there was no reported demand for office space in Newhaven.¹² However, the opening of the Newhaven Enterprise Centre in late 2007, and the subsequently high levels of demand for this space, indicates that there was significant latent demand for high-quality, small-scale office space in the coastal part of the district (many business owners at the centre come from Seaford, Peacehaven or Telscombe). As these businesses develop there may be a need for slightly larger 'move-on' office space in Newhaven or the neighbouring towns, but evidence suggests that the coastal area is never likely to attract larger office occupiers. There does, however, appear to be recognition that the latent demand drawn out by the Enterprise Centre shows some scope for small scale office development in the area.
- 4.17 Overall, the current supply of office space in Lewes District is considerably less in terms of overall stock or quality than nearby Brighton and Mid Sussex. Some limited purpose-built office space has been constructed, for example Sackville House, the 1990s development where Fujitsu is based. Apart from this, current supply largely consists of small office units and conversions of older buildings in the town centre which generally accommodate local firms and some public sector agencies. In general terms, speculative development of office space has been deterred by lack of certainty of demand and rental levels too low to attract institutional investors, while Brighton functions as the main office centre in the area and attracts potential larger scale occupiers.
- 4.18 The current level of demand for office space is hard to gauge given there has been very limited new supply in the District 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 90 m² (1,000 sq. ft). Some potential was identified for local businesses seeking slightly larger or more modern accommodation, although in general Lewes District currently lacks a large base of existing office occupiers other than public sector organisations. There were concerns expressed that, if any of the major public sector occupiers were to

¹² Newhaven Eastside Masterplan, Roger Tym & Partners for Newhaven Partnership, April 2006

downsize or relocate, this could result in a significant amount of vacant office floorspace coming onto the market which might suppress rental levels further.

Rental Levels

- 4.19 Property rents for industrial premises in Lewes District are generally lower than those in nearby Brighton and comparable to some A23 locations such as Burgess Hill and Haywards Heath, while Newhaven industrial rents are much lower (Table 4.1). Office rents are also considerably lower than nearby centres, often half the cost, reflecting the lower quality of the stock available. Importantly, a 2006 study for the Newhaven Partnership considered that industrial rents in Newhaven were not high enough to generate speculative development.¹³

Table 4.1 Rents for Commercial Property

Area	Industrial £/ft ²	Offices £/ft ²
Lewes town	£ 7 - 8	£ 9 - 10
Newhaven	£ 3 - 5	N/A
Seaford	£ 5 - 6	N/A
Peacehaven	£ 6 - 7	N/A
Brighton	£ 8 - 10	£ 19 - 22
Burgess Hill	£ 6 - 9	£ 9 - 15
Haywards Heath	£ 6 - 8	£ 14 - 18
Crawley	£ 7 - 9	£ 18 - 20

Source: Various commercial agents * Note rent levels in Seaford/Peacehaven based on very few premises with no office premises currently being marketed

Inward Investment

- 4.20 Lewes District has had very limited success in attracting new investment in recent years. For many businesses, the District is perceived as a peripheral location, although in reality it has reasonable road accessibility (via the A26 and A27), as well as access to Gatwick Airport and cross-channel ferry services. There have been some recent moves to industrial estates close to the town of Lewes from other parts of East Sussex which have poor industrial stock (e.g. Uckfield), which highlights the potential of the town to attract businesses if good quality premises can be provided. However, overall, Locate in Sussex (the inward investment agency for the County) reported that, in recent years, the flow of investment to the District has been negative, with several firms leaving the District, primarily from Newhaven. Several firms also moved out of Lewes town following the floods in 2000, although a number of these were retained elsewhere within the District, for example at Ringmer.

¹³ Newhaven Eastside Masterplan, Roger Tym & Partners for Newhaven Partnership, April 2006

- 4.21 Reasons cited for the generally low levels of inward investment include:
- a a perception that Lewes District is a tourism and commuter area as opposed to a major business location;
 - b a lack of marketing of Lewes District as a business location, with neighbouring areas such as Hastings, Eastbourne and Brighton having much more active economic development, business support and place marketing functions;
 - c Lewes District' location between the larger centres of Eastbourne and Brighton makes it less well recognised as a discrete location;
 - d a lack of any flagship development or business site; and
 - e some negative perceptions of Newhaven as a run-down "*industrial*" town.

4.22 However, the District does have some attractions such as its low land, premises and labour costs, particularly in comparison to areas such as Brighton and Hove. The good road links of the town of Lewes were also cited as being of a very high quality, albeit that these advantages are not well known or marketed widely. The area is also perceived as having a good quality of life and attractive physical environment. Furthermore, Newhaven is now seeing some marina-led regeneration and new housing development which is starting to improve its image.

Premises Needs of Existing Firms

4.23 Although no business survey was carried out for this study, the results of an annual survey of businesses by East Sussex County Council were drawn on to gauge likely expansion plans of firms in the area. The 2009 survey found that 15% of firms in the County were planning to move premises and half of these (46%) had planned to find larger premises, but that the recession had led one third of these to put plans on hold. Firms in Lewes District followed the County average in this regard. This suggests some latent demand for more space.

4.24 The 2010 survey provided limited information relating to Lewes District specifically, although it found businesses in Lewes District (1.3%) were slightly more likely to be seeking new accommodation than those in most other districts of East Sussex. It also noted the trend towards fewer businesses seeking new accommodation was continuing, from 25% in 2007 to 10% in 2010. The environmental technology sector and the creative industries had the most firms seeking new or additional premises. A greater proportion of businesses than previously were also looking outside the East Sussex area for accommodation, 17% in 2010 compared to 6% in 2008, possibly related to shortage of suitable premises in the County. Indeed, 26% of firms indicated insufficient choice of business accommodation, mainly related to cost and lack of availability of the right type of premises.

Start-up Space

- 4.25 Some modern provision for start-up firms is provided by the Newhaven Enterprise Centre on Denton Island at Newhaven, which opened in November 2007. This is owned by the District Council but operated by Basepoint and provides 45 small office and studio/workshop units on short rental terms for small to medium-sized businesses, with incubators for start-up businesses and accompanying meeting rooms. Unit sizes range between 10 - 80 m². This scheme has proved very popular and until recently had a waiting list, although it appears that demand has tailed off somewhat in 2010 with vacancy approaching 15%. Although the centre cannot expand on its current site, the high levels of demand experienced previously indicate that more space should be provided in the coastal area upon a return to more buoyant economic conditions.
- 4.26 Most of the Enterprise Centre's tenants are local firms originating from this 'coastal strip' of Newhaven, Seaford, Telscombe and Peacehaven. However, local business organisations in Seaford and Peacehaven reported that low cost, 'easy-in, easy-out' space is not available in these towns at present and such provision would support business start-ups, retention rates and economic growth generally in these towns. In contrast, very little demand for the Newhaven Enterprise Centre space appears to come from the town of Lewes. Most residents there prefer to start up their businesses within the town or surrounding area, as opposed to travelling to the coastal towns, and as a result, the town could benefit from its own provision of this type of start-up space.
- 4.27 In addition, Enterprise Works (a not for profit organisation) owns a refurbished 2,000 m² factory in Newhaven and uses this to support start-up and growth of new and second phase manufacturing and catering businesses, including food producers. There are several units available in this centre.
- 4.28 There is little other purpose-built start-up or enterprise provision within the District. However, many small and start-up businesses take space in rural industrial and office conversion premises, particularly in the rural area (e.g. the Caburn Enterprise Centre near Ringmer).
- 4.29 Some need was identified for move-on space for firms expanding out of small units such as the Newhaven Enterprise Centre. These firms may find recycling of older industrial space less suitable, but may not be able to afford to develop purpose-built new units or be seeking a more structured environment. The Hove Technology Centre developed by Brighton and Hove City Council was identified as the type of product that might be required in Lewes District in the future. This provides flexible light industrial units ranging between 500-1,000 m², with structured terms and short leases available. It is likely that such a development in Lewes District would require public sector funding, but it could be brought forward as part of the larger developments, such as Newhaven Eastside. There was seen to be particular potential in providing such a facility within the town of Lewes itself.

- 4.30 The Sussex Innovation Centre (SInC) at Falmer on the Brighton/Lewes District boundary also provides incubation space for small, knowledge-based businesses. SInC currently accommodates over 70 high growth companies working within the IT, biotechnology, media and engineering sectors, and is owned by the University of Sussex. This facility has very high occupancy and reports a strong lack of move-on, small, flexible office premises in the area to accommodate firms moving out of the Centre. This particularly applies to the Lewes town area, where there is good demand and many entrepreneurs live, since not all are able or willing to move to Newhaven, where the Enterprise Centre has some space. While the University may provide some provision of this type on site in the longer term, this is uncertain and would depend on funding.

Rural Provision

- 4.31 There appears to be significant provision of employment space across the northern part of the District, including small units in converted farm buildings (e.g. Broyle Place Farm). This part of the District has as strong ties to Haywards Heath and Burgess Hill as it does to Lewes town. Agents reported good demand for conversions of redundant agricultural buildings for small-scale, high-quality office or workshop developments. The latter to some extent act as incubators for the more established industrial estates.
- 4.32 Continued growth of this type of premises was considered inevitable to meet the needs of what is essentially a very local market consisting of rural businesses which operate in this area, but could potentially expand to attract new start-up businesses or relocations from more constrained locations nearby, taking advantage of the attractive countryside location. Whilst planning policies that in time will be generated by the South Down National Park Authority may result in more stringent standards in terms of design and materials, this was generally not considered to be a major barrier to the future growth of rural workspace.

Potential Future Growth

- 4.33 In terms of a likely future economic role for Lewes District and the scale of demand for commercial space in it, market views were broadly positive. There were strong views that Lewes District should focus on its existing strengths, such as the local industrial and small-scale office sectors, but at the same time aim to achieve a more diverse and dynamic economic base. The future growth prospects of the District will be largely determined by the extent to which it can move away from public sector (Lewes town) and traditional manufacturing (Newhaven) employment. Some noted the need for a more proactive marketing approach to the District to attract and encourage higher-value businesses, with an opportunity for stronger place branding potentially coinciding with the introduction of the South Downs National Park in 2011.
- 4.34 Newhaven is seen as having continued potential to accommodate some decanting of industrial firms from the very tight industrial market in Brighton,

although in doing so it would potentially also compete with more established locations such as Burgess Hill which has developed significantly over the past decade. There were some views that a general uplift in the quality of amenities in Newhaven town centre, with regeneration and improved retail and leisure facilities, as well as availability of more affordable housing supply relative to Brighton, could in turn attract more, small scale, office-based firms if high quality premises were provided and readily available. A masterplan is also currently being prepared for the port, while a Vision for Newhaven is also being developed for the Council that will indicate how the regeneration of the town could be delivered over the coming years.

- 4.35 Views about the property market implications of other major future developments were mixed. There were some views that more should be made of the potential of Newhaven Port, thereby creating demand for port-related activities. It was suggested that a more proactive approach should be taken to investigating the strategic role of the port and its potential to serve niche markets and maintain a “roll-on roll-off” facility. In this regard, the proposals that are being developed by Newhaven Port and Properties in their masterplan are likely to dictate whether these suggestions could be delivered.
- 4.36 In terms of the large wind farm proposed at Hastings Bank, again only limited potential was perceived by agents to generate additional employment space demands in Lewes District, depending on the extent to which direct supply chain linkages could be developed with local firms. However, Newhaven would be the closest port facility to the wind farm, and could provide land for wind turbine assembly, and act as a base for maintenance and repair operations.
- 4.37 The successful growth of the Sussex Innovation Centre was also identified as a potential stimulus for growth of smaller, knowledge-based businesses. There may be opportunity to accommodate expansion or spin-outs of these firms nearby within Lewes District when they out-grow the innovation centre, as the District can offer more affordable accommodation than is generally available in Brighton, or for an outreach facility to be located within Lewes District.

Conclusions

- 4.38 Most current demand for employment space in Lewes District is for industrial premises and levels of demand have been steady, if not particularly high, in recent years. Most demand is for smaller industrial units and is almost exclusively from local firms, with very few enquiries from outside of the District, and little inward investment. The industrial market is reasonably tight in the town of Lewes, but much of the District’s stock is located in Newhaven which has a large amount of supply, often unsuited to modern business needs.
- 4.39 There has been limited interest historically for large-scale distribution activities within Lewes District and other locations with better strategic access and availability of larger sites are likely to continue to be more obvious locations for distribution activities.

- 4.40 The coastal towns of Seaford, Telscombe and Peacehaven have limited industrial provision but the stock is generally suited to the localised needs of businesses in these areas. Despite this, there are views from local business groups that latent demand in Seaford would support new employment land provision and allow local firms to expand. In the rural area, there is also good demand for conversions of redundant agricultural buildings to provide small-scale, high-quality office or workshop developments, and a significant level of current provision.
- 4.41 Lewes District is not generally regarded as a significant centre for office development, and has very few, large private sector office occupiers, with the District's office market being almost exclusively centred on Lewes town, with no significant demand or provision in the rest of the District. Demand is mainly from local businesses and for smaller units, although some potential was identified for local businesses seeking slightly larger or more modern accommodation.
- 4.42 The future growth prospects of the District will be largely determined by the extent to which it can move away from public sector (Lewes town) and traditional manufacturing (Newhaven) employment to a more diversified economic base. In particular, there was seen to be a need for a more proactive marketing approach to the District in order to attract and encourage higher-value businesses, and a need for stronger place branding.
- 4.43 Particular potential was seen to attract firms to the town of Lewes, if good quality premises (particularly industrial) could be provided. There was also perceived by some business organisations to be a need for a greater supply of 'enterprise' or 'easy-in, easy-out' in both the town of Lewes as well as in the coastal strip at Seaford and/or Peacehaven.

5.0 **Review of Employment Sites and Allocations**

- 5.1 This section assesses the characteristics and quality of existing and allocated employment sites in Lewes District and their suitability to meet future employment development needs. Locations of these sites are shown in Plan 5.1. A total of 40 developed, allocated and other undeveloped employment sites were assessed amounting to almost 181 ha in total area. These sites comprise the main employment areas and allocations, as identified by Lewes District Council, as well as a sample of small rural sites but do not include every employment site in the District.
- 5.2 An assessment was made on each site's suitability for employment use, against the criteria listed below, which reflect those in the ODPM and more recent SEEPB Guidance on Employment Land Reviews:
- a strategic road access and local road access;
 - b accessibility to public transport and services;
 - c adjoining uses that might constrain employment uses;
 - d site size, characteristics and potential development constraints; and
 - e attractiveness to the market, including vacancy and market activity.
- 5.3 Other factors were also noted including the site's suitability for specific uses, any barriers to the delivery of undeveloped sites for employment uses, as well as sustainability and sequential preference factors where relevant. Detailed assessment criteria are listed in Appendix 4. The assessment also draws on information available from Lewes District Council, including its 2009 survey of uses and vacancy levels on industrial estates.
- 5.4 It should be noted, however, that this assessment process in itself does not necessarily provide a complete picture of a site's role within the local economy. For example, a site's importance to meeting rural/local needs or providing a location for bad neighbour uses can be important reasons for retaining a site despite it recording a low ranking. In addition, not all businesses require a site which performs well on all these criteria. A broader commentary is therefore provided on each site to supplement the formal scoring exercise.
- 5.5 The following sections consider the sites in the District's main sub-areas: Lewes town, Newhaven, Seaford, Peacehaven/Telscombe and the rural area. Because their status and future potential may differ, existing and undeveloped allocated/development sites are considered separately. Details of each assessed site are contained in Appendix 5.

Overview of Sites

- 5.6 The broad distribution across the District of employment sites assessed by this study is illustrated by Table 5.1. This indicates that a significant majority (65%) of employment land lies within the Newhaven area reflecting the concentration

of large industrial sites adjoining the River Ouse. The Lewes town urban area only accounts for about 12% of employment land supply, the majority of which is located to the north east of the town centre, with a very small proportion within the town centre. Rural sites account for 15% of supply, although most of this land is on just four sites - the Tidy Industrial Estate, Caburn Enterprise Park, Hamsey Brickworks and the Former Woodgate Dairies - although not all rural sites were assessed. Seaford and Peacehaven/Telscombe provide very small proportions of employment land.

Table 5.1 Distribution of Employment Sites by Sub-area

Location	No. of Sites	Total Site* Area (ha)	% of Total Site Area*
Lewes Town Centre	2	0.5	0.3
Lewes Urban Area	11	21.5	12.4
Newhaven	12	113.1	65.0
Seaford	3	6.0	3.5
Peacehaven/Telscombe	3	5.5	3.2
Rural Areas	9	26.5	15.3
Total *	41	173	100

Note*: Totals rounded

- 5.7 Table 5.2 indicates the range of Lewes District's employment sites assessed by type, showing that general industrial sites account for the largest proportion of employment land (48%) and include the Avis Way Euro Business Park and the Railway Road Industrial Estate. A further 19% of supply comprises lower cost industrial areas, all within Newhaven. Single occupier sites make up a significant share (5%) but there are very few dedicated office sites or specific sites for start-up firms. Some 24% of the District's employment land supply assessed by this study comprises undeveloped land, a large part of this (44%) formed by the large allocated Eastside site in Newhaven.

Table 5.2 Employment Sites by Type

Type	No. of Sites	Site Area*	% of Total Area
Established office sites	1	1.3	1
General industrial areas	15	83.4	48
Lower Value industrial areas	5	32.1	19
Single occupier sites	9	8.4	5
Incubator/SME sites	1	6.9	4
Undeveloped land	19	41.0	24
Total *	40	173	100

Source: NLP Analysis

Note*: Totals rounded

- 5.8 The suitability of individual sites in each sub-area is considered in the following sections.

Lewes Town Centre and Urban Area

Existing Sites

- 5.9 Existing employment sites within the town of Lewes are generally clustered to the north of the town centre taking advantage of proximity to the primary A26 route which joins the A27, 1.4 km south of the town. Sites in this area comprise a varied mix of offices, general industrial and some small warehouse and distribution units with a variety of ages and quality.
- 5.10 The largest of these is the **North Street/Phoenix Quarter** site (6.0 ha) located along the western bank of the River Ouse immediately to the north of the town centre. This established employment area predominantly includes a range of B2 general industrial operations and B1c small workshops but also a small number of B1 office premises. There is reasonable access into the site but cars parked along North Street potentially make HGV access difficult. This site has high flood risk and has been severely flooded in the past. Partly reflecting this, buildings have had limited investment and their condition is declining and they are less attractive than others elsewhere in the town. Despite this, vacancy levels are low, perhaps because the site provides a large number of smaller units in contrast to the other sites. Opportunities to intensify the site are limited as there are no vacant plots of land and it would be difficult to expand to the north given the immediately adjoining River Ouse. The site's location within the town provides excellent public transport options and a sizeable labour force within close proximity. While this site has some constraints, including access and flood risk, it is an average quality location for industrial uses. Given its location, it could perform better as an office site if redevelopment were possible despite its flooding issues.
- 5.11 Lying east of the River Ouse are three additional existing employment developments. **Brooks House, Caburn House and Sackville House** form a 1.3 ha site which, as a result of its owners/occupiers Fujitsu and Amey, provides one of Lewes District's most high profile office sites. This high density site with modern, three storey office blocks has excellent local access by public transport and is within walking distance of the town centre. The general environment is good and the existing office buildings are fully occupied. No vacant land is available within the site and the modern buildings mean that there is limited scope or need for redevelopment over the next 10-15 years. This is a very good quality employment site for continued B1 office use.
- 5.12 Immediately to the south, lies the slightly larger **Shepherd Industrial Estate** (1.6 ha), which includes the smaller area known as the Delanair Estate. This site contains B1c small workshops and B2 general industrial uses along with a wider mix of non-traditional employment uses including a number of retail warehouses, the Council library store and a D1 place of worship. Three out of the 13 units have been vacant for some time and, subject to a Section 106 Agreement, have permission to be redeveloped to extend the adjoining foodstore. Road access to the site is good and, given its location within this wider employment area to the north east of Lewes town centre, it has excellent

prominence from the main road. There is no vacant land within the site. The 'Aldi' car park immediately to the south could provide a potential expansion opportunity to the industrial estate if it became available but, subject to a Section 106 Agreement, now has permission for a retail store with start-up office units above. Overall, this is a good quality site for continued employment uses.

- 5.13 To the east, lies the **Brooks Road/Daveys Lane Depot** (1.3 ha), an amalgamation of general industrial units, a small warehouse, a car showroom and some open storage. Strategic road access to the site is very good but local access is difficult for heavy goods vehicles. Vacancy levels are low and some of the buildings are unattractive. The majority of this site has been developed but a small area (0.4 ha) of vacant brownfield land has a resolution to grant permission for residential use and 2,480 m² of B1 (c) and B8 units. The site's proximity to the town centre means that it provides a sustainable location for continued employment uses. Any redevelopment in the longer term would need to ensure adequate flood mitigation measures are provided. Overall, this is a good quality site for general industrial uses and continued car showroom use.
- 5.14 The **Cliffe Industrial Estate** (4.5 ha) is located on the south eastern outskirts of the town less than 300 metres from the A27 trunk road. This is a modern industrial estate with a range of B2 and B8 uses situated between the cliffs and the A26. Although this is a high profile, managed estate, four out of the 28 units are vacant. It lies within the National Park but there are no adjacent residential uses to constrain operations. There is limited scope for intensification and no opportunity for expansion due to the constraints of the cliffs. However, the units are of good quality and are unlikely to require any short or medium term redevelopment. Overall, this is a good quality industrial site.
- 5.15 Within the town centre lies the small former **Wenban Smith** (0.3 ha) timber merchants site. The site is now vacant and has been sold to Waitrose. Lying very near the A26, strategic road access is good but local road access is somewhat constrained by a one way system and congestion. The high profile location of the site reflects its allocation for a mixed use redevelopment scheme on this and adjacent land, which seeks retention of the existing Waitrose supermarket and car parking along with the relocation of the town's bus station to this site. This current use and type of units are not typically found in town centre locations but the units are fully occupied. Any redevelopment should include the provision of office space provided flood mitigation measures are included. Overall, this is a good quality employment site which would be more suited to offices if the opportunity for redevelopment occurred.
- 5.16 The **Police Station** site (0.1 ha) to the north west of the town centre comprises two three-storey buildings on a slightly sloping site within predominantly residential surroundings. This high density office development has good strategic road access but the narrow town centre roads and on-street residential parking make it unsuitable for significant numbers of larger vehicles.

There is no scope for expanding into adjacent land and any redevelopment is constrained by an aim to retain the existing buildings, which are identified within the 2007 Conservation Area Appraisal as of Townscape Merit. Conversion of these buildings to commercial offices may be difficult and not provide good quality, modern space. It is understood that the police station will be relocated to a new site under construction so that redevelopment should be possible. The site would then potentially be suitable for other office uses as well as some mixed-use schemes including non-employment uses such as residential. Overall, this is an average quality location for office use.

- 5.17 **Astley House** (0.3 ha) is an unattractive, two storey vehicle depot occupied by Sussex Constabulary and situated towards the eastern edge of the Lewes town urban area. There is reasonable strategic road access with frequent public transport services to the centre of the town. The site is adjoined on all but one side by roads resulting in no opportunity for expansion. Its residential context would lend the site more to office uses although this would need to be balanced with its out-of-centre location. The site has good visibility from the A275 but unlikely to have a high market attraction as an office location given its surroundings. Any redevelopment potential of this site would need to consider Local Plan designations of archaeological importance and an adjacent conservation area. On balance, this is an average quality location for office use.
- 5.18 **County Hall** (2.2 ha) forms the largest and one of the most densely developed employment sites within the town. Half the site is covered by 5/6 storey office blocks, the remainder used for surface car parking. This edge-of-centre site lies on a relatively steep slope but this has not constrained office development. Nearby residential uses are largely screened by mature trees and distance. However, the main road access to the site is via a residential street. The town centre is within short walking distance and there are very frequent bus services to the bus and railway stations. The site provides a very good location for County Council operations and would have potential for office use if its current occupier relocates. As an office site generally, its drawbacks include older, bespoke office buildings and a less central location, which may not appeal to some occupiers. Despite these factors, the site scores highly against the assessment criteria and can be considered a good quality site.

Allocated & Potential Employment Sites

- 5.19 The **Lewes Bus Station** site (0.2 ha) lies less than 100 metres to the west of the Wenban Smith site. It has excellent public transport access by bus and is only 600 metres walk from the Railway Station. Office use would present the most appropriate use for this potentially high profile site particularly given the residential uses surrounding the site. This small site is protected for its current use by the Local Plan unless an alternative location such as the redevelopment proposal opposite becomes available. This restriction forms its main barrier to redevelopment for employment uses but on balance it would provide a good quality site for office uses or a mix of office and other town centre uses.

- 5.20 The Malling Brooks business areas comprise two separate undeveloped sites that are allocated for employment use. **Malling Brooks West** (0.8 ha) is the northernmost site within the Lewes urban area but is still within 500 metres of the town centre. There is good strategic and local road access to the site and, given its location within an employment area, there are few adjoining uses likely to constrain development of this site provided that a suitable screening buffer is provided to residential uses to the north. Difficulties for developing this site include the need to remediate for contamination and provide adequate flood mitigation measures. Notwithstanding this, the site provides a logical extension to the town's existing office uses. Planning permission for a mixed office and residential development expired in August 2009 but this appears a good quality site probably best suited to office uses.
- 5.21 Similarly, the **Malling Brooks East** site (1.2 ha) some 200 metres to the east also provides a logical extension for employment uses. It benefits from good accessibility to strategic routes as well as the town centre and has no contamination issues. It does, however, lie within Flood Zone 3 so that any development will need to be adequately protected. The site's proximity to residential development also results in the need for screening. There is an extant planning permission for B1, B2 and B8 units on this site. Given these factors, this is ranked as a good quality site suitable for smaller scale industrial uses.
- 5.22 To the south of the town, **Land South of Pinwell Road** (0.2 ha) is a constrained site by virtue of its small size and triangular shape. This vacant brownfield site benefits from an excellent location adjacent to the town's railway station which has regular links to Brighton and London and frequent bus services but this is offset by poor road access, which is either by a very narrow lane or through a residential road with on-street parking. It is allocated for railway network related operations which restricts its use to additional car parking but, notwithstanding this, it is a lower quality employment site. Given its central location with residential uses in close proximity the site, it may be suitable for a small scale B1 uses but its lack of visibility from any main road may limit its attractiveness for office development. The site is considered to be a lower quality site.

Newhaven

Existing Sites

- 5.23 The major employment sites within Newhaven are clustered predominantly to the east of the River Ouse, close to the strategic A26 road which links Newhaven with the A27 trunk road. The largest of these sites is the **Avis Way Euro Business Park and Industrial Estate** (18.5 ha) which has a range of B1, B2 and B8 uses with low levels of vacancy. The A26 traverses the west of the site while a good internal road network is suitable for heavy goods vehicles without any congestion. A railway station and bus stops are located within 300 metres with links to the larger settlements of Seaford, Peacehaven, Lewes and Brighton. Whilst the site lies within Flood Zone 3, there are no obvious constraints from adjoining uses. With no vacant plots there is limited

opportunity to intensify existing uses. This is an attractive industrial estate to occupiers and a good industrial site overall and, given its reasonably modern buildings, there is no need for redevelopment in the short term.

- 5.24 To the west of this site lies **North Quay** (13.4 ha) currently used as a loading quay and for aggregate storage and processing. Located less than 200 metres from the A26 and close to the railway station and bus stop it has excellent strategic and local access. Due to its riverside location, there are no sensitive uses to constrain existing or alternative industrial uses. The Minerals Local Plan identifies the site for the receiving and processing of imported aggregates and the County Council needs to be consulted on proposals other than minerals use. The main barrier to any future development for employment uses is the need to provide flood protection measures, but this does not appear insurmountable. In addition, a large waste-to-energy plant has been permitted near the site, which may deter some types of activities from this location. Despite this, however, this is a good quality site, albeit one suited to lower cost and “dirtier” industrial activities, and it remains generally suitable for such purposes. Its location next to the river makes it most suited to continued storage/processing of bulk materials but mixed B1, B2 and B8 uses may also be appropriate.
- 5.25 **Denton Island** (5.9 ha) is located on the opposite side of the river and provides modern small workshop/incubator units, office space and general industrial uses in the Newhaven Enterprise Centre operated by Basepoint. Vacancy levels are relatively low and until very recently there was a waiting list. This is a high profile location which is constrained for further development by a lack of vacant land. Overall, this is a good quality site providing a type of employment space unavailable elsewhere in the district.
- 5.26 **The Robinson Road** site (1 ha) lies to the west of Denton Island and is separated from it by the Marina. It is a small, narrow site with older industrial premises and suffers from a lack of space to intensify or expand employment uses. Despite this, the site appears to be meeting local employment space needs with high occupancy. There is limited scope for redevelopment in the short term but potentially in the medium term its units will need to be improved. Its proximity to residential uses is a potential constraint but, overall, this is an average quality site in a sustainable location that should continue to be suitable for general industrial uses.
- 5.27 To the south of the A259 and adjacent to the river is **Railway Quay** (4.65 ha), which is currently used for by vehicles waiting to embark on to the ferry but also has some general industrial/storage uses. It has excellent strategic and local road access although there is no formal road network within the site. The site is allocated for mixed use development including residential, office, leisure and retail should port operations cease but the risk of flooding would need to be addressed. This is a good quality site for lower cost uses but, if it became available for redevelopment, its potentially high profile location would also allow a mixed use scheme to take advantage of the riverfront location, although any office component is likely to be small. Any such redevelopment should seek to

maximise employment opportunities particularly given its excellent public transport links.

- 5.28 To the south lies the related **East Quay** site (10.6 ha) which contains the ferry and cargo terminal and some warehousing and distribution activities. The Local Plan restricts the site to port-related commercial development should the ferry and cargo berths become available. Whilst the site is irregular in shape with no vacant plots, there is potential for intensifying the uses as part of a redevelopment scheme. Once again, flood risk would need to be addressed and add to development costs while opportunities for development are dependent on the emerging Port masterplan. This suggests the site is only likely to become available in the medium to long term. Despite this, it is rated as an average quality employment site most suited to B2 and B8 uses.
- 5.29 The **Railway Road Industrial Estate** (13.4 ha) covers a large area comprising three distinct areas: large format retail warehousing and warehousing fronting onto the A259, a narrow strip of small general industrial units, and the Parker Pen factory site (3.3 ha) which has recently closed. The area has very good strategic and local road access and is in close proximity to regular public transport services to Lewes town, Peacehaven, Seaford and Brighton via the railway station and bus stop. The site adjoins residential uses to the south but, given that it is a long established employment area, this is unlikely to constrain operations. There are no vacant plots of land remaining. The retail and warehousing units are modern with no vacancies and offer little scope for redevelopment in the short or medium term. The Parker Pen units are older and, if no alternative occupier emerges when the firm closes in autumn 2010, could be redeveloped for modern industrial and/or warehousing units in the short to medium term. The smaller B2 units along the western edge of the site are also older and some are in poor repair. This area is, however, popular with few vacancies and makes efficient use of a difficult strip of land between the railway and the road. Overall, it is a good quality employment site most suited to B1- B8 industrial uses
- 5.30 **Beach Road Trading Estate** (7.5 ha) is a high density, general industrial, warehouse and distribution area with a number of different occupiers. The area has very good strategic and local road access and is in close proximity to regular services to Lewes town, Peacehaven, Seaford and Brighton via the railway station and bus stop. The units range from older ones to some that are recently built but all are in reasonable quality and vacancies are low. There is no land remaining and there appears limited scope for redevelopment in the short to medium term. Overall, this is an average quality employment site most suited to B1 - B8 uses.
- 5.31 There are two small outlying employment sites near Newhaven. The first is the **Quarry Road Industrial Estate** (2.4 ha). Strategic access to this site from the A26 is poor particularly given the need to navigate through residential streets and a one way circular route around the town centre. The nearest regular bus services are in the town centre 1 km away. The site is almost surrounded by residential uses with a further allocation for housing to the west of the site,

which could constrain 24 hour operations. The profile of the site is low and is characterised by poor quality older buildings with low to medium vacancy rates. There is a need to upgrade parts of this site. On balance, this is an average quality employment site but it continues to provide lower cost employment floorspace suited to local needs and should be retained as such. Given the mainly residential area it lies within, should industrial occupancy levels decline greatly in future, it may have potential for other uses including housing.

- 5.32 The second site is the **Old Cement Works** (2.0 ha) to the north of Newhaven and immediately off the A26. This low profile site has a number of low quality and unattractive industrial units but no vacancy. Its location within the National Park reflects the attractive countryside setting which, along with the adjacent conservation area, could limit the potential for expansion, while the surrounding residential and tourist accommodation could constrain 24 hour operations. There is no vacant land remaining and it would be difficult to intensify existing uses. Overall, this is an average quality employment site that provides smaller units suited to a range of local industrial occupiers and should be retained for employment uses.

Allocated & Potential Employment Sites

- 5.33 Located adjacent to the East Quay is the **Land at East Quay and East Beach** (15.8 ha). This large site extends to the coast in the south and is subject to flooding. Less than 20% of the site area is currently being used (although with low vacancy among units) and there are opportunities for further development. The site is allocated for upgrading or expanding the port and could expand further to the east if open storage is required. Part of the site lies within an area of nature conservation importance and this would need to be adequately protected or mitigated should any development take place. The site is nearly 1.4 km from the A26, a little further than other employment sites within Newhaven, and only has access through the adjacent port land. If the requirement for retention for port uses no longer applied, the site would also be suitable for general industrial and warehousing uses expanding on the existing and adjacent uses. Overall, this is an average quality employment site.
- 5.34 To the north of this site, **Eastside** (17.92 ha) forms the District's largest employment allocation and is identified for B1 and B8 uses relating to international trade and port related activities. A 2006 masterplan study for the site indicates scope for a business/industrial park with standard industrial units although others have indicated a need for some higher value uses to ensure viability.¹⁴ Development would require upgrading of the pumping station and mitigation works for flood risk. Local access is available to the south of the site but a new road access is required to the north to improve links with the A26 and avoid the local access roads which, while of reasonable quality, do narrow as they pass residential dwellings. The site has two ownerships, with a mixed use scheme being promoted on the northern part but development

¹⁴ Newhaven Eastside Masterplan, Roger Tym & Partners for Newhaven Partnership, April 2006; Eastside Business Park Site Evaluation, Donaldsons for East Sussex Economic Partnership/Lewes Council, 2007

interest for industrial development (14 B1 units) on the southern part of this site. On balance, despite requiring significant new infrastructure, Eastside lies at the upper end of the average quality sites, is immediately available for development and one is one of very few large sites in the District able to provide a higher quality industrial location to attract relocating firms. Current development proposals suggest, however, it may not deliver the full 17.9 ha as employment space. This site has been allocated for employment use for over 25 years and has yet to be implemented. Hence, in order to deliver employment uses on this site, some higher value development may need to be provided alongside employment units.

Seaford

Existing, Allocated & Potential Employment Sites

- 5.35 The **Cradle Hill Industrial Estate** (3.9 ha) is the largest employment site within Seaford and lies on the north east edge of the urban area. Adjacent to the existing Cradle Hill Industrial Estate is a small undeveloped allocation for industrial uses, **Land at Cradle Hill** (0.85 ha), which is understood to be owned by the District Council. There is reasonably good strategic road access and a regular bus service to the town centre. This is an existing employment area with a range of small and medium size industrial units. It lies in a low profile location but vacancy levels are very low. There are no planning constraints restricting continued operations and, whilst there is limited opportunity to intensify the site, there could possibly be scope to expand into open fields to the north east of the site should additional land to that already allocated be required. This is an average quality employment site overall and suited to industrial uses. Given the reasonable quality of existing buildings, there is little scope to redevelop the built part of the site in the short term but, given low vacancy at present, the allocated land should have reasonable prospects of attracting industrial development.
- 5.36 The **Blatchington Road Industrial Estate** (1 ha) is a small established industrial area within the Seaford urban area. Strategic road access to the nearby A259 is limited by the need to go through Seaford town centre while local road access is constrained by narrow and relatively steep access roads. The site is fully developed despite lying within an area of flood risk. Existing or planned residential uses surround the site but the estate's mix of older and more modern units appear very well occupied. This high occupancy is perhaps aided by the site's close proximity to the town centre's services and transport links. Overall, this is an average quality site that appears to meet local needs for small industrial units in the town.

Peacehaven/Telscombe

Existing Sites

- 5.37 The **Meridian and Enterprise Estates** (4.2 ha) includes a small undeveloped allocated area for B1 or B8 uses. There is very good strategic access to the

A259 South Coast Road where there are also excellent bus links between Newhaven and Brighton up to 7 times per hour. This is an existing industrial park with a range of B2 and B8 uses within a range of small and large units, the majority of which are in very good condition. Residential uses immediately to the south could potentially constrain further intensification of the site but this is a long established employment site. Vacancy levels are very low and, whilst not set on the main road, the site has good prominence by virtue of its scale within this settlement. Overall, this is an average quality employment site suited to B1, B2 and B8 industrial uses.

Allocated & Potential Employment Sites

- 5.38 Land north of **Keymer Avenue** (1.33 ha) is a small undeveloped site at the easternmost extent of the Meridian and Enterprise Industrial Estates in Peacehaven. It is allocated for B1 uses but with access to be taken through the industrial estate rather than from adjacent residential streets. There is good strategic road access and the town centre of Peacehaven is within walking distance. Residential uses to the south of site should not constrain development of offices or small workshops provided an adequate buffer is maintained. This is an average quality site suited to B1 and other small scale industrial uses. This site has not attracted development since its allocation in 2002 and may suggest limited market interest in new development in this location. However, it provides the only significant development site in Peacehaven for employment uses.

Rural Areas

Existing Sites

- 5.39 Within the rural areas, **Hamsey Brickworks** (3.8 ha) forms potentially the largest employment site. However, existing operations only extend to approximately 25% of this area with a large pond and dense wooded area accounting for the remainder and the remaining developable land amounts to 2.6 ha. Once a brickworks, the site is now used for the collection and treatment of liquid waste. At 6 km from the A272, the site has poor strategic road access which is exacerbated by its location off the main road via a shared access road also used by adjacent residential dwellings. The site has been allocated for B1, B2 and B8 uses since before 2002 without attracting development. Whilst uses such as the current one may be appropriate, given its low profile and isolation, the site appears less suitable for general industrial or warehousing. Its poor public transport accessibility and out-of-centre location also means that it would not be suitable for office uses. Overall, this is low quality employment site probably more suited to open storage, low cost rural employment activities or bad neighbour uses.
- 5.40 The **Tidy Industrial Estate** (7.8 ha) comprises a dense collection of general industrial and storage and distribution uses in a rural location. The closest settlement of Burgess Hill, outside of Lewes District, is approximately 3 km away. Strategic road access is poor and public transport accessibility very

limited. The site is divided into an established area of older units with very low vacancy levels and recently constructed larger units (marketed as Mid Sussex Business Park) which appear to be approximately 50% vacant. Although a few residential uses are located within close proximity, this is a long established employment site. There is no vacant land within the site but agricultural fields to the north could potentially provide expansion opportunities if needed and the land was available. Overall, this is an average quality rural employment site suited to small/medium scale B1 - B8 industrial uses but enhanced by its new units, which indicate a reasonably attractive site to the market. The site should be retained for small workshops and general industrial employment uses.

- 5.41 Lying outside any of the main towns of Lewes District, **Caburn Enterprise Centre** and adjacent area (5.6 ha) is classed as a rural employment site but has many characteristics of urban/general industrial uses. It is 1 km from the small settlement of Ringmer and nearly 5 km from Lewes town. It is formed by three main estates and two smaller building clusters. Current uses span the full range of traditional employment uses within a range of small and large and old and new units. The site is very visible from the B2192 and B2124 and has reasonable strategic access via good local roads. Approximately 20% of units are vacant but this is focused on the Acorn Industrial Estate and possibly a result of the loss of a single occupier. Otherwise, this appears a popular location with a lack of parking space available. This site has a wide variety of occupiers and is likely to be of multiple ownerships. There is no vacant land within the site although there may be potential to expand towards the east. This is an average quality but important employment site in a rural context and suited to local B1 - B8 industrial units.
- 5.42 The former **Woodgate Dairies** site (3.9 ha) includes the Sheffield Park (1.1 ha) allocation for B1, B2 and B8 uses. These sites lie nearly 20 km from the main A23 road although only 3 km from the smaller A272. There is no public transport available and only a limited local workforce nearby. The larger site is subject to flooding (Zones 2 and 3), is a site of nature conservation importance and lies adjacent to woodland landscape and recreation use designations which could significantly restrict expansion. Notwithstanding this, the Dairies have now ceased operations and this large brownfield site is now available for redevelopment. Given its isolation and poor access, this appears a low quality employment site, not a sustainable location and less likely to attract new development. It could, however, be suitable for locally based, small scale rural activities that could re-use existing buildings or for open storage uses.
- 5.43 The **Chailey Brickworks** site (2 ha) is in active brick manufacturing use and lies north of the small village of South Chailey some 10 km from Lewes town. There is poor strategic road access being located nearly 10 km from the A27 and, whilst the local road access into the site is good, there are very infrequent bus services to larger settlements such as Lewes town. The Council's defined site boundary is smaller than the extent of the existing use and excludes areas of open storage. This site has no significant physical development constraints and, whilst there are adjacent residential uses, these are more than 100 metres away and screened by mature trees. The site is allocated for B1 and B2

uses should it become available in the future but, given its out-of-centre location and poor public transport access, office uses are not encouraged. As an active employment site, it should clearly be retained for this use. Overall, its remote location and poor access make this a low quality employment site for uses other than its current one, but again, there may be some scope to re-use existing buildings or other parts of the site for low value, rural based employment activities.

5.44 **Broyle Place Farm** (2.2 ha) is one example of the District's farm diversification schemes. It is currently used for a mix of small workshops and light industrial businesses within a range of farm building conversions and purpose built units, all in good condition. At more than 6 km to the A26, strategic access to the site is not good. However, there is a good quality access road into the site which is suitable for larger vehicles. The site lies outside the settlement boundary within rural countryside and therefore local labour force and service facilities are limited. Expansion into adjacent areas would be difficult but there is land available. This is a low profile site but with vacancy levels low it indicates it meets local needs for such premises in this rural location. Overall, this site is of average quality and suited to continued uses as small scale B1c, B2 and storage uses.

5.45 The second example of a rural diversification scheme is **Upper Stoneham Farm** (1.2 ha), located 3 km to the north east of Lewes town centre. Despite its rural setting, strategic road access is reasonably good but there is poor public transport access. There are currently two predominant employment uses: a bus depot/vehicle storage and a tree surgeon business. This site is also located outside the settlement boundary within rural countryside and therefore local labour force and service facilities are limited. Expansion into adjacent areas would be difficult but there is land available. This site is of average quality but meets rural business needs for B1(c) and B2 uses.

Allocated & Potential Employment Sites

5.46 The smallest of the rural sites in this study is **Land at Balcombe Pit** (0.6 ha) which is allocated for B1 or B2 uses. This is an irregular shaped, partially developed site with a difficult access entrance formed by an informal track on a tight bend in the road requiring significant improvement should the site be developed. Bus services are poor although the adjacent train station operates an hourly service to Lewes town (5.5 km) which provides the nearest sizeable labour force and services. The site lies partly within the National Park and adjacent to a conservation area and site of local archaeological interest. Overall, this is a lower quality employment site with poor access. While it could provide some smaller B1c and B2 units for local needs, its low profile location is unlikely to be attractive to the wider market. It has been allocated since at least 2002 without attracting development interest and may find it hard to attract new buildings.

Available Development Land

- 5.47 Although some 173 ha of employment land exists in total across all the above sites, the amount of developable land remaining is much less. Table 5.3 below summarises the potential supply position in terms of available allocated land and undeveloped land on other development sites. This indicates that the current supply sites with undeveloped employment land or offering development opportunities is some 41 ha.
- 5.48 Only 2.6 ha of this overall amount falls within sites assessed as of good quality by the study, while a further 33.9 ha is available on average quality sites. However, the Eastside allocation at Newhaven forms over half of this amount so that there is significant reliance on it coming forward. Only 3.1 ha of this undeveloped land is anticipated to be come forward for development within 5 years, with about 33 ha potentially developable within the following five years.

Table 5.3 Undeveloped Employment Land & Potential Redevelopment Opportunities

Site Name (Ref)	Location	Size (ha)	Sequent	Potential	Timescale	Score	Rank
Malling Brooks East (ELW1)	Lewes	1.2	Out of Centre	B1, B2,	0-5	27	Good (2.6 ha)
Malling Brooks West (ELW1)	Lewes	0.8	Out of Centre	B1, B2,	0-5	26	
Lewes Bus Station (ELW18)	Lewes	0.2	Town Centre	B1 (a)	11+	26	
Brooks Road/Daveys Lane Depot (ELW24) part	Lewes	0.4	Out of Centre	B2, B8	0-5	25	
Land at Cradle Hill Industrial Estate (ELW9)	Seaford	0.85	Out of Centre	B1(c),	6-10	23	Average (33.9 ha)
Eastside (ELW3)	Newhaven	17.92	Out of Centre	B1, B2,	6-10	22	
Land adjacent to East Quay and East Beach (ELW5) part	Newhaven	13.0	Out of Centre	B2, B8	6-10	22	
Land adjacent to Keymer Avenue (ELW10)	Peacehaven	1.33	Out of Centre	B1, B2	6-10	22	
Meridian and Enterprise Estates (ELW38) part	Peacehaven	0.7	Out of Centre	B1, B2,	0-5	22	
Police Station (ELW23)	Lewes	0.1	Edge Centre	B1 (a)	11+	21	
Land South of Pinwell Road (ELW2)	Lewes	0.23	Edge of Centre	B1	11+	17	Low (4.53 ha)
Hamsey Brickworks (ELW15)	Rural Area	2.6	Out of Centre	B2, B8	11+	14	
Land at Balcombe Pit	Rural Area	0.6	Out of Centre	B2	11+	14	
Former Woodgate Dairies (ELW41) part, incl (ELW14) Sheffield Park	Rural Area	1.1	Out of centre	B1(c),	11+	13/12	
Total		41.03					

Note: 0-5 year development timescale applies to sites with planning permission and no obvious constraints; 6-10 year period applies to sites without permission but no major site constraints; sites within 11+ years period are those without permission and greater development constraints

- 5.49 If all sites came forward for the type of development they are best suited for, this amount of land could theoretically accommodate some 165,300 m² of office/industrial space.¹⁵ This would be broadly equivalent to 14 years of supply at recent take-up rates in the District and give at least a 5 year supply over most periods. However, this masks a surplus of industrial land and an undersupply of office sites.
- 5.50 Also, this 39.8 ha represents the ‘maximum’ case - the total amount of land theoretically available to accommodate employment development. There is, however, some uncertainty as to how much of this land will realistically come forward for employment uses. In particular, the following factors may limit the following sites coming forward for employment development:
- a the Lewes bus station (0.2 ha) is a potential redevelopment opportunity dependent on a suitable alternative relocation site for the bus station coming forward; it is not certain that such a site will become available;
 - b the undeveloped allocation (1.1 ha) of the isolated Former Woodgate Dairies site appears less likely to be attractive to the market , particularly given its poor road access, and the fact that it has failed to attract development interest over the past 8 years;
 - c the undeveloped Hamsey Brickworks land (2.6 ha) also suffers from an isolated rural location, and much of it is constrained by a pond or woodland while its current waste treatment use may deter other uses;
 - d the requirement for highway improvements to the Balcombe Pit site (0.6 ha) make it less likely to be developed given this is a small rural site which has failed to attract interest over the last 8 years; and,
 - e the irregular shape and small size of Land South of Pinwell Road (0.2 ha) combined with its poor access and allocation for railway network related operations make this site less likely to come forward soon.
- 5.51 If all these sites were discounted from the potential land supply, this would reduce the amount of developable employment land reasonably likely to come forward by 4.7 ha to 36.3 ha. If it was all developed for employment uses, this reduced amount of land could accommodate over 147,700 m² of mainly industrial space. This would be broadly equivalent to about 9 years of supply at recent gross take-up rates but with very little supply for office development.
- 5.52 In addition, the following factors could further reduce the quantum of employment land that could become available:
- a several other undeveloped sites have failed to attract development despite being allocated over 8 years; this may reflect low demand generally but may also indicate lack of market interest in average quality sites and reduce their prospects of such sites becoming available;

¹⁵ Capacity based on current planning permissions or applying typical plot ratios to site areas

- b land at Keymer Avenue (1.33 ha) has been put forward for the Strategic Housing Land Availability Assessment and potentially could be considered a suitable site for housing which would need to be balanced against employment land needs and aspirations of the land owner;
- c it is likely that the District's largest allocation at Eastside (17.92 ha) may require some 'enabling' mixed use development in order to fund new infrastructure and improve viability; if so, this could reduce the land available for employment uses;
- d while the Lewes Police station site (0.1 ha) will become available for development, there is understood to be some interest in residential development on it.

5.53 At the present time, no further discount has been applied for such factors as none is so clear-cut that it justifies assuming the site will definitely not come forward.

Conclusions

5.54 Overall, the District contains a reasonable range of industrial sites of differing quality and type but a very limited range of office sites, and little specific provision for start-up businesses in the urban areas except in Newhaven.

5.55 Of the sites assessed through this study, around 65% of the existing and allocated employment land area is located within the Newhaven area, with some 12% around Lewes town, 6% in the remaining coastal towns and 15% spread across the rural areas.

5.56 This assessment has identified 10 existing developed sites of good quality (providing 64 ha of land) and four good quality allocated/undeveloped sites (providing 2.6 ha). This better quality land makes up some 38% of the total land supply assessed by this study. This analysis is summarised in Tables 5.3 and 5.4.

5.57 In addition, 22 sites of all the assessed sites are of average quality (providing 96 ha) and 7 sites (providing 9.9 ha) are of lower quality. This indicates that the great majority (94%) of the current supply of employment land is of good or average quality, although mostly in the average category. However, as less than 6% of the undeveloped/developable land is of good quality, this suggests most of the land available to meet future needs is also of average quality and not particularly attractive.

5.58 Most of the higher scoring sites that rate as 'good' in terms of the assessment criteria used are within Lewes town or Newhaven, partly reflecting these towns' better access to roads, public transport, labour supply and services. However, there appear to be very few good existing office sites in the District, and these are primarily within Lewes town with extremely limited provision elsewhere. There is potential for future office provision on some of the allocated employment sites although there are very few, good quality undeveloped sites suitable for this and again only within Lewes town.

- 5.59 Most of the lower quality sites lie in the more rural areas of the District which suffer from more limited access to motorways, public transport and labour supply. Although performing less well on the assessment criteria, many of these sites appear to meet local needs for low cost space, by firms not requiring good strategic or local road access, and smaller-scale activities.
- 5.60 Looking at the allocated sites generally, some appear reasonable to meet future needs although the number undeveloped after many years suggests some may be unattractive to market needs or have constraints to development in this market. This suggests that the reasonably certain supply of employment land, and the range of types of sites, could be lower than initial estimates.
- 5.61 Indeed, while some 41 ha of undeveloped land was identified with potential for employment development, not all of this is certain to come forward for such uses within a reasonable timescale. Taking account of potential constraints, the amount of land which would have reasonably good prospects of coming forward for future employment needs amounts to just over 36 ha. Of this, only 3.1 ha is estimated as likely to be available in the short-term.
- 5.62 The potential to release some of the smaller, poorer performing, employment sites has been considered. However, some of these sites are occupied and serve a local need at some level, particularly in the rural areas. Others are isolated rural allocations that have failed to attract development interest after some years and, in the light of advice in PPS4, may be stronger candidates for release. Any decision to release or retain such sites should take account of any surplus or current land supply, what types of sites are needed for qualitative reasons and whether better replacements can be found. More detailed consideration as to the potential to release poorer employment sites is therefore provided after the analysis of future land needs in Chapter 8.

Table 5.4 Qualitative Assessment of Existing / Developed Employment Sites in Lewes District

Site Name (Ref)	Location	Size (ha)	Sequential Status	Potential Uses	Score (out of 30)	Rank
Brooks House, Caburn House, Sackville House	Lewes	1.3	Out of centre	B1	29	Good (63.9 ha)
Avis Way Euro Business Park (ELW29)	Newhaven	18.5	Out of centre	B1, B2, B8	27	
County Hall (ELW27)	Lewes	2.2	Edge Centre	B1 (a)	27	
Shepherd Industrial Estate (ELW 25)	Lewes	1.6	Out of Centre	B1, B2, B8	27	
Cliffe Industrial Estate (ELW17)	Lewes	4.5	Out of Centre	B2, B8	27	
Wenban Smith (ELW21)	Lewes	0.3	Town Centre	B1 (a)	27	
North Quay (ELW8)	Newhaven	13.4	Out of Centre	B2, B8	25	
Denton Island (ELW33a)	Newhaven	5.9	Edge Centre	B1, B2	25	
Railway Road Industrial Estate (ELW30) + Parker Pen Site (ELW28)	Newhaven	13.4	Out of Centre	B1(c), B2, B8	25/23	

Site Name (Ref)	Location	Size (ha)	Sequential Status	Potential Uses	Score (out of 30)		
Brooks Road/Daveys Lane Depots (ELW24) part	Lewes	2.8	Out of Centre	B2, B8	25		
Railway Quay (ELW6)	Newhaven	4.65	Out of Centre	B1, B2, B8	24	Average (62.7 ha)	
East Quay (ELW7)	Newhaven	10.6	Out of Centre	B2, B8	24		
Beach Road Trading Estate (ELW31)	Newhaven	7.5	Out of Centre	B2, B8	24		
Astley House (ELW22)	Lewes	0.3	Out of Centre	B1 (a)	24		
Cradle Hill Industrial Estate (ELW35)	Seaford	3.9	Out of Centre	B1(c), B2, B8	23		
North Street/Phoenix Quarter (ELW16)	Lewes	6.0	Edge Centre	B1, B2, B8	23		
Land at East Quay and East Beach (ELW5) part	Newhaven	2.8	Out of Centre	B2, B8	22		
Meridian and Enterprise Estates (ELW38) part	Peacehaven	3.5	Out of Centre	B1, B2, B8	22		
Upper Stoneham Farm (ELW55)	Rural area	1.2	Out of Centre	B1(c), B2, B8	22		
Robinson Road (ELW33b)	Newhaven	1.0	Edge Centre	B2	22		
Caburn Enterprise Centre (ELW43)	Rural	5.6	Out of Centre	B1, B2, B8	20		
Old Cement Works (ELW32)	Newhaven	2.0	Out of Centre	B1(c), B2, B8	20		
Broyle Place Farm (ELW54)	Rural area	2.2	Out of Centre	B1(c), B2	19		
Blatchington Road (ELW36)	Seaford	1.2	Out of Centre	B1(c), B2, B8	18		
Quarry Road (ELW34)	Newhaven	2.4	Out of Centre	B1(c), B2, B8	18		
Tidy Industrial Estate (ELW40)	Rural area	7.8	Out of Centre	B1(c), B2, B8	17		
Chailey Brickworks (ELW13)	Rural area	2.0	Out of Centre	B1(c), B2, B8	15		Low (5.4 ha)
Hamsey Brickworks (ELW15) part	Rural area	1.2	Out of Centre	B1(c), B2, B8	14		
Former Woodgate Dairies (ELW41)	Rural area	2.2	Out of Centre	B1(c), B2, B8	13		
Total		131.95					

6.0 Economic Potential and Growth Sectors

6.1 This section considers the future economic growth potential of the District and the scope for various economic sectors to grow within it in the period up to 2026. This analysis reflects the findings of the area's strengths, weaknesses and opportunities identified earlier in this report, recent economic and investment trends within it and the region, discussions with consultees and relevant economic and planning policies. It also takes account of aims in the Council's Economic Strategy as well as the Regional Economic Strategy.

Context

6.2 Consideration of the future economic role of the District draws on the earlier analysis of its current strengths and limitations contained in Chapter 2. Lewes District' competitive advantages that could help shape its future economic role were seen as including: low unemployment, a high rate of economic activity, good transport links to London, Brighton and Gatwick; its attractive rural environment and quality of life factors; a reasonable manufacturing base and strong tourism sector; a high proportion of self-employed indicating entrepreneurial activity; a relatively low cost base (premises and wages) and potential spin-offs from growth associated with Gatwick Airport and the Gatwick Diamond.

6.3 Challenges and constraints to the District include its relatively low quality of employment sites; significant road congestion; low skills & workplace wages; below average business formation; high reliance on public sector & manufacturing jobs; and low representation in growth sectors and knowledge-intensive businesses. It also has high dependence on the London economy, faces strong competition from Brighton and may experience future constraints on development arising from the designation of the South Downs National Park, although its tourism sector may benefit.

Economic Aspirations

6.4 These locational and accessibility characteristics of Lewes District appear unlikely to change greatly in future, although various policy aims seek improvements.

6.5 For example, economic aims within the now revoked South East Plan included unlocking important employment sites that had remained undeveloped, including those at Newhaven Eastside and the Port. Mixed use development was supported on employment sites where this would deliver employment space that would otherwise be unviable. Improvement and upgrading of existing industrial estates and business areas was also sought while essential employment sites in rural areas were to be protected.

6.6 The wider context for future economic growth in Lewes District was formerly provided by the South East Regional Economic Strategy (RES). Within this,

Lewes District lay within the Coastal South East sub-area, where higher levels of economic and social deprivation were identified. Two areas close to Lewes District - the Gatwick Diamond and the Brighton & Hove Diamond - were identified as regional foci for investment and growth.

6.7 Among the three main strands of the RES, smart growth is defined as achieving “higher levels of prosperity per head without increasing ecological footprint through higher productivity and bringing more of the resident population into economic activity”. Among the key measures to achieve this, the most relevant to this study is providing sufficient employment space of the right quality, type and size to meet business needs and support competitiveness, and making efficient use of existing land resources.

6.8 The Interim Economic Development Strategy for Lewes District also aims to:

- 1 increase the amount and variety of local employment opportunities with greater diversification into other non public sector activities;
- 2 encourage greater representation in financial and business services and in knowledge based, creative and cultural industries;
- 3 retain a significant manufacturing sector able to respond to the changing economic climate;
- 4 enable businesses to remain and grow in the area, with available land and good quality premises for a wide variety of firms;
- 5 promote entrepreneurial activity.

Future Potential

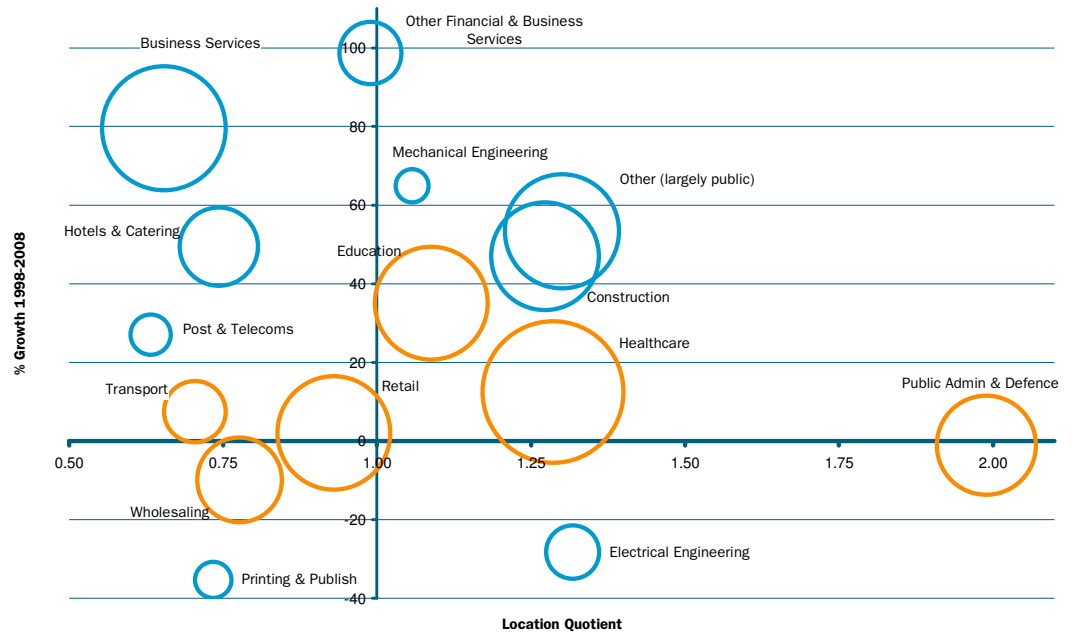
6.9 In terms of what sectors the District has potential to attract or grow in future, the analysis in Figure 6.1 of current over or under-representation of jobs in specific sectors can provide some guidance. This method uses the location quotients of each sector - the proportion of total employment in that sector locally divided by the equivalent figure for the region.

6.10 The main employment sectors within Lewes District are represented by ‘bubbles’. Sectors scoring over 1.0 have a higher job representation in Lewes District than the South East regional average, those below 1.0 a lower representation. Sectors in the right hand half of the figure are therefore over-represented, the amount of such concentration being higher the further to the right the bubbles appear. Those on the left hand side are under-represented within the district, compared to the pattern within the region. Where sectors are over-represented within it in job terms, it indicates a concentration of activity that suggests Lewes District offers some competitive advantage that has allowed that sector to remain there and grow.

6.11 In addition, the size of the bubble indicates the current scale of Lewes District’s jobs in that sector while the level of job growth in the sector over the past 10 years is indicated by how high or low on the Figure the bubble appears. Bubbles edged blue indicate sectors which achieved job growth above the regional average, while those edged orange indicate below average growth. For

example, the construction sector has an above average concentration in Lewes District and has also achieved positive and above average job growth in recent years. Electrical engineering also has above average concentration in Lewes District but has experienced negative job growth, even if performing better than the South East average.

Figure 6.1 Under/Over Representation & Past Job Growth in main Lewes District sectors



Source: Experian Employment data, 2008/NLP analysis

- 6.12 Overall, this analysis suggests that Lewes District has a limited number of sectors which have both a high concentration within the District and have achieved positive job growth. These mainly include non B class sectors such as construction, healthcare, other (mainly public sector) services, education and public administration. The hotels and catering sector achieved reasonable job growth despite quite a low representation in Lewes District.
- 6.13 In terms of B class uses, business services has been a strong performer in the District in terms of job growth, and much better than the regional average, but still has below average representation in Lewes District. Other financial & business services produced high job growth but this sector has only an average concentration in Lewes District. The wholesaling/distribution sector also has below average concentration in Lewes District but also lost jobs over the last decade, at a worse rate than the regional average.
- 6.14 In contrast, most of the manufacturing sectors have a lower representation in Lewes District relative to the South East region and most have lost jobs. A few such as mechanical engineering did achieve strong job growth but this is a relatively small sector. There are a few sizeable manufacturing sectors with high concentrations in Lewes District (e.g. wood products, other manufacturing, and electrical engineering) but all have been declining in job terms.

6.15 Overall, the picture emerging is that most of the sectors with some competitive advantage from being based within Lewes District and some recent momentum for employment growth are public sector related, although public sector cutbacks may prevent significant future growth. In the private sector, only mechanical engineering, business services and hotels & catering have shown growth potential but the former is small and the latter two still have some catching up to do to reach South East average levels; these sectors might be expected to continue to grow to some extent in Lewes District in future.

6.16 Account was also taken of forecasts of which sectors in Lewes District will grow faster than the regional average, using Experian forecasts to 2026. The main Lewes District job growth sectors are forecast to be printing and publishing, engineering (electrical, mechanical), textiles and footwear manufacture, business services, healthcare, other services and other financial and business services. However, job growth in the last three would be below regional growth rates. Drawing this together, the Table below summarises the growth potential of various sectors in the District, with those in the right hand column with potential to exceed regional growth rates.

Table 6.1 Lewes District Potential Future Growth Sectors Compared to South East Average, 2006

Positive job growth below SE average	Positive job growth above SE average
<ul style="list-style-type: none"> • Transport & Distribution • Health & Social Work • Rubber & Plastics • Education • Retail Trades • Banking & Insurance • Post & Telecommunications • Business Services • Other Business Services • Hotels & Restaurants • Healthcare 	<ul style="list-style-type: none"> • Publishing & Printing • Mechanical engineering • Electrical engineering • Metal-based Manufacturing • Textiles manufacture • Construction • Other Services

Source: Experian forecasts, 2009; NLP Analysis

6.17 This picture broadly suggests that the District has potential to maintain and build on some of its current manufacturing sectors, as well as grow further in other sectors such as business services and publishing to achieve representation closer to regional levels. However, many of the other sectors where job growth is forecast are public sectors more likely to be affected by Government spending cuts.

Sectors with Growth Potential

6.18 Building on this initial analysis, by looking at the locational requirements of some specific sectors with growth potential, a view can be formed on how likely Lewes District is to develop or attract growth in these in future. This analysis draws on recent research on the key drivers of business location for such

sectors in the South East region and the factors that make a location attractive to them.¹⁶

- 6.19 **Financial/Business Services:** This is a broad sector which includes a range of specialist financial, insurance and general business service activities. Business location decisions in this sector reflect factors such as access to markets/suppliers and access to a skilled and diverse workforce, along with high quality transport and telecommunications infrastructure. Quality of life factors, including good housing and cultural facilities are also important. Lewes District is currently under-represented in business services and banking and insurance, even though it has experienced strong job growth in the former. The latter sector is also experiencing difficulties nationally following the 2008 credit crunch.
- 6.20 The strong established presence of the financial services sector in Brighton, which has sizeable new office provision planned, combined with a lack of modern, suitable office accommodation and limited higher skilled labour supply in Lewes District are potential constraints to any large scale growth of this sector within the District. Provision of some smaller scale, modern, competitively priced, office premises in accessible locations could potentially help attract some firms to the District from higher cost locations such as Brighton, but this is unlikely to be on a large scale. Given quality of life factors, high quality offices in converted rural buildings could also be attractive to local start-ups and some growth in business services is possible but this appears likely to be modest in scale.
- 6.21 **Distribution:** Lewes District is not regarded as a significant distribution location. Key locational factors for distribution and logistics activities are the availability of warehousing, storage and distribution sites with good access to major population centres via the strategic road network, as well as an appropriately skilled workforce. In this context, Lewes District suffers from its somewhat peripheral location and only moderate motorway access to its main centres, limiting its ability to serve a large market area. While Newhaven does have industrial sizeable sites, the nature and scale of the port's activities does not generate much demand for storage/warehousing space beside it. These factors have led to distribution being under-represented in Lewes District and past job decline in this sector.
- 6.22 There are no major distribution developments existing or emerging in adjoining districts and the proposed Eastside business park at Newhaven could provide some opportunities for new warehousing space. However, given the limitations indicated above, on balance, there appears little scope for significant growth in this sector other than some related to servicing the local population, and no obvious potential for Lewes District to become a significant distribution centre.
- 6.23 **Advanced Manufacturing/Engineering:** This sector typically includes higher value manufacturing and engineering uses relying on greater technology and

¹⁶ Spatial Requirements of Key Sectors in the South East, Atkins for SEERA, 2004

skill inputs. Important factors identified for this sector are proximity to the strategic road network, availability of high quality business park environments and flexible/affordable workspace. Another key factor is a local supply of skilled, qualified and experienced staff.¹⁷ Lewes District has a reasonable base in these sectors, with an above average concentration of electrical and mechanical engineering firms. The nearby Universities of Brighton and Sussex both run a range of engineering courses. Newhaven also contains low cost industrial sites and an established industrial workforce although only limited high quality, business park type sites normally required by higher end, engineering design firms. Within a general pattern of decline in manufacturing, reasonable growth prospects are forecast for this sector although this is likely to require an increased supply of skilled labour and better quality employment sites/premises.

- 6.24 **General Manufacturing:** The District has an established base of older manufacturing industries, concentrated in Newhaven, and reflecting historic factors and lower costs. Key locational factors for this sector will remain access to a supply of affordable sites and premises, good transport accessibility and a local labour force. However, this has to be seen in the context of the sector generally facing competition from lower cost locations abroad and its pattern of long term decline nationally.
- 6.25 Very few of Lewes District's manufacturing sectors have grown significantly in employment terms over recent years, and many have declined even if some have proved more resilient to contraction than the regional trend. There have been very few recent relocations by manufacturing firms from elsewhere. Some expansion by local firms is possible but appears likely to be on a low level and requiring only modest amounts of space.¹⁸ While some further job decline is likely overall, there is some potential for growth if a new industrial park at Eastside provides attractive sites and modern industrial premises, which could attract some relocations from nearby areas with shortages of sites. There is also limited competition from any new provision planned in nearby districts although Lewes District has no strong advantages except low costs. Overall, at best, consolidation rather than further decline in this sector may be possible if decline in older sectors can be offset by indigenous growth and some inward relocations.
- 6.26 **Information & Communications Technology (ICT):** Lewes District currently has modest representation in this sector with 20-30 small IT firms based there, some of these within the Sussex Innovation Centre, while Brighton has a strong concentration of firms in this sector. Key factors for ICT can include areas with an attractive lifestyle, skilled worker availability, broadband connectivity, proximity to London, and often the image of the location. In these terms, Lewes District would have some advantages with reasonable rail links to London, attractive quality of life and proximity to Brighton. There appears significant potential for indigenous development of small businesses in Lewes

¹⁷ Thames Gateway Kent Sectors Study, Thames Gateway Kent Partnership, April 2008

¹⁸ Survey of Businesses by East Sussex County Council, 2008 and 2010

town and the rural part of the District, possibly through the provision of live/work units or other high quality workspace, although probably not larger scale firms, for which Brighton would have a greater pull. Encouragement of new start-ups through developing business incubation facilities with good broadband links would support this. Overall, low/moderate growth of this sector appears likely, although given this will involve mainly small firms, with only a small increase in employment space needed.

- 6.27 **Environmental industries/Energy:** This sector includes activities such as renewable energy technologies, recycling, water treatment, decontamination and other environmental consultancy. It is one that many other UK areas are also targeting and some are more advanced in promoting. Key considerations in location decisions for this sector include availability of skilled labour resources, proximity to universities with relevant R&D facilities, access to customers/suppliers and available incubator/move-on facilities. For waste-related activities, proximity to large population/manufacturing centres is important.
- 6.28 Lewes District appears to have only limited advantages for this sector, compared with other locations in the South East. It has no major population centres of its own nor is it well linked to any large conurbations by road, although Newhaven does provide opportunities to import materials and waste and has large, low cost industrial sites. The East Sussex Enterprise Hub promotes this sector, Sussex University contains an Environmental Science department, and the Sussex Innovation Centre contains a few start-up firms involved in renewable energy or environmental activities and there are also a number of environmental related firms based in East Sussex.
- 6.29 Although Lewes District lies close to coastal areas where large wind farms are planned, the new turbine manufacturing plants appear likely to be located elsewhere. If construction, operation and maintenance of the Hastings Bank wind farm were based at Newhaven Port, up to 100 permanent jobs and significant economic boost to the local economy could result.¹⁹ However, this is uncertain. This assessment does not rule out some small scale, environmental-related activities linked to quality of life factors but, on balance, only low to moderate growth of this sector can be expected in Lewes District.
- 6.30 **Healthcare/Biotechnology:** Access to relevant research and development is the primary driver, with many start-ups needing close university links, along with suitable graduate labour. Proximity to existing bioscience clusters can also be important, as well as good access to London and an attractive lifestyle location for skilled staff. Large, lower-cost sites are more important for production facilities, and the District itself lacks any significant university or medical research facilities as a base, although the University of Sussex and the Sussex Innovation Centre in Brighton are very close, are well linked to Lewes town and do contain such activities. In addition, other locations in the South East have

¹⁹ Physical Development Vision for Newhaven, BBP Regeneration for SEEDA/Lewes DC/ East Sussex County Council, 2008

more established bioscience sites and research strengths in this sector, such as Kent Science Park and Southampton Science Park. Health and social services employment is over-represented in Lewes District, but this mainly comprises public sector employment. There may, however, be some potential for growth in areas such as care homes. Against the above criteria, Lewes District itself does not currently have strong advantages in this sector. It may be possible to attract some biomedical spin-offs from Brighton but this will require provision of suitable specialist premises. Overall, the growth potential appears very low for bioscience or medical equipment related activities.

6.31 **Creative Industries/Media:** This diverse sector includes activities such as publishing, graphics, software and web-design etc., which currently have only modest representation in Lewes District. Key locational factors for firms in this sector are similar to those for ICT and include access to broadband, areas with attractive lifestyle and sometimes the image of the location, while easy access to London's large client base is also beneficial. Availability of skilled staff and affordable town centre premises with a good cultural image can also be important. A high proportion of freelance contractors typically work from home or within small offices, including in rural premises.

6.32 Lewes District certainly meets some of these criteria and contains a modest number of established web design and other design firms, but this is also a sector that many other areas in the South East are targeting for growth and nearby Brighton has a stronger concentration of such activities and important advantages relative to Lewes District. Given its quality of life factors, the District has some potential to attract relocations from Brighton if premises with good broadband connections are available. As with ICT there may be some potential in the rural area for start-ups or move-ons from the Sussex Innovation Centre. Overall, this appears a sector with above average prospects for growth in the District although it mainly involves small firms and its short/medium term space requirements are likely to be modest. Its growth could, however, help enhance the general image and perception of Lewes District as a business location.

6.33 **Construction:** The construction sector generally does not follow any specific locational criteria, with contractors and workforce tending to be fairly mobile, potentially setting up local offices for larger projects. Lewes District already has above average representation in this sector and has shown above average job growth in it in the past. This may reflect availability of low cost sites to serve more constrained development areas such as Brighton. The sector could benefit from any housing and business growth, and from any significant development at Newhaven, but it is difficult to see what else would drive above average growth here in future other than possibly some spin-offs from growth in the Gatwick Diamond area. While the current high level of job representation by this sector could continue, any further in jobs or space requirements increase may only be modest.

6.34 **Retail/Leisure:** Lewes District contains quite modest retail and leisure centres within East Sussex, with Brighton a much larger centre nearby. The main

strengths of Lewes town are its attractive, historic environment and specialist/niche retailing but it has limited opportunities for any significant new retail development.²⁰ The retail sector also has below average concentration within the District and limited job growth in recent years, although some growth is expected in future. The Council's recent retail study indicated little or no quantitative need for new convenience or comparison retail floorspace generally within the District's main towns, with only modest expansion or qualitative improvement of some existing food stores. Lewes District also did not have a large housing allocation through the former South East Plan that could significantly increase the population of the District, and give rise to a need for significantly more space. Furthermore, the subsequent revocation of this plan is unlikely to lead to any increase in housing numbers. Meanwhile, the Eastgate Centre site in Lewes town is identified as a location for any new leisure/retail space.

- 6.35 In terms of leisure, each of Lewes District's centres appears to have a relatively healthy representation of bars and restaurants, but with significant leakage of spending to larger centres such as Brighton. A need was identified for qualitative improvement of eating and drinking facilities, along with a health and fitness facility and potentially a small arts cinema in Lewes town.³ The proposals emerging from the Newhaven visioning work suggest potential for some modest leisure provision in the longer term but, overall, it is reasonable to expect fairly low retail and leisure growth in the District and no significant requirement for new sites outside of existing centres.
- 6.36 **Hotels/Catering and Tourism-related sectors:** With a range of coastal environments, high quality rural landscapes, including the new South Downs National Park, and towns of heritage and conservation quality, the District potentially has broad visitor appeal. It has some visitor attractions such as Newhaven Fort and Glyndebourne Opera House although no very large, tourism destinations. Tourism contributes around £146 million to Lewes District's local economy annually.²¹ Despite this, Lewes District's job levels in tourism related activities are currently below the regional average, although positive job growth is forecast. The Newhaven regeneration proposals could include some new hotel and leisure space, which could enhance the area's attractions, while the new National Park should also be a positive factor in the long term. Any general increase in business activity should also support some hotel sector growth, for example through demand for conference facilities. Overall, however, only modest local growth in the tourism economy appears likely.
- 6.37 **Education:** Lewes District contains part of Sussex University and one further education college, Plumpton College, which lies within a large estate and is unlikely to have major land expansion needs. The housing growth planned for the District should give rise to some increased school provision. However,

²⁰ Lewes District Retail Study, GVA Grimley, 2005

²¹ Economic Impact of Tourism Survey in Lewes; Tourism South East (2008)

expansion of school provision in Lewes District was mainly to have been through the Building Schools for the Future (BSF) programme, which focuses on rebuilding/refurbishment of existing schools, but this programme has been severely cut. Only one new secondary is currently planned in the County, although none in Lewes District. This does not indicate any significant growth in education employment in the District or any significant pressures on employment land from this sector.

6.38 **Waste Treatment Facilities:** Waste facilities are often located on industrial land. The main existing facilities in the general area are the Materials Recovery Facility at Hollingdean Depot in Brighton, the Energy Recovery Facility under construction in Newhaven and a waste water treatment plant under construction in Peacehaven. The requirement for further facilities is to be defined by the East Sussex & Brighton Waste and Minerals Core Strategy.²² Across this wider area, there will be a need by 2026 for up to 10 small scale Recycling and Composting Facilities and 2-3 large scale facilities and one Waste Recovery facility. This does not identify specific sites but defines primary areas of search for strategic waste recovery facilities related closely to main centres of population, with Newhaven a potential location.

6.39 The preferred strategy is for waste management development to be located on brownfield industrial sites (or land adjoining brownfield sites) and in urban areas but a shortage of suitable sites has led to aiming for a number of facilities of varying sizes in locations with good access to the strategic road network, avoiding areas of flood risk and environmental value and with a minimum site size of 1 ha. Given that Lewes District offers significant environmental constraints, it is less likely to attract many such facilities and the employment growth associated with these would be low. However, there is potential for some industrial land in the Newhaven area particularly to be required for such facilities.

6.40 **Public Administration:** This sector is currently highly represented in Lewes District in job terms because of its role as the County town and base for various county-wide services. Given planned Government public sector expenditure cuts, it appears unlikely that there will be any significant job growth in this sector in the short/medium term, and possibly some decline. In addition, recent proposals to relocate County hall outside the District, if implemented would also result in significant job losses. Overall, no job growth is expected in this sector and no requirement for additional land.

Other Potential Drivers of Growth

6.41 There are a number of potential major developments, both within the District and nearby, that will also have some bearing on Lewes District's future economic role. These include the Eastside leisure and industrial park proposals at Newhaven, potential improvement and growth of Newhaven's port

²² Note: Consultation on the Minerals and Waste Core Strategy closed on 25th January 2010. Formal Consultation on the Submission Document is expected to take place in Summer 2011, although timescales are currently under review.

facilities, general regeneration in that town, and potential spin-offs from any sizeable growth in the Gatwick Diamond growth area. There is, however, uncertainty on the likely scale and timescale of any economic benefits from these sources. Brighton is also a designated focus for investment and growth area and any land shortages within it may force some firms into Lewes District. The new National Park may also enhance the District's image, although not necessarily as a business location. Combined with provision of better employment sites, these factors have some potential to lead to greater investor interest and improved business perceptions of the District, but appear unlikely to produce any economic 'step change' in Lewes District's fortunes in the short/medium term.

Lewes District's Future Economic Role

- 6.42 Drawing on this review of potential growth sectors, it appears that Lewes District's future growth is likely to be characterised by a continuing shift away from traditional manufacturing activities into the service sector, with some rationalisation of the former accompanied by movement into higher value sectors. Some small scale growth is possible in service sectors such as business services, ICT and publishing although this will depend to a large extent on improved connectivity, local start-ups and providing some better quality premises.
- 6.43 The District's manufacturing sector may decline further or at best consolidate but retain some strengths in higher value engineering activities, possibly with some modest growth in environmental industries. This future would rely on retaining traditional established firms but would be broadened by an injection of small/medium firms attracted by good quality, readily developable sites becoming available, including some in higher value sectors more resilient to overseas low cost competition. The District is not seen as having a significant role as a location for strategic distribution operations with large units, but could focus more on smaller scale firms in this sector. Modest expansion in small scale, business service and creative activity firms appears more likely.
- 6.44 Table 6.2 below summarises the economic growth potential of different economic sectors within Lewes District. Overall it suggests that, aside from creative industries where better potential is identified, the District has only moderate competitive advantages in a few sectors and no single sector stands out as having strong growth potential in Lewes District that could lead to economic 'step change'.
- 6.45 Against this background, it is possible to speculate that the potential future economic role for Lewes District may not be greatly different from its current one given there are few obvious factors likely to instigate significant change. Low growth appears more likely across a range of existing sectors rather than strong performance by any one, with possibly slightly less reliance on public sector employment.

Table 6.2 Summary of Future Growth Prospects in Lewes District by Sector

Sector	Current Representation in Lewes District	Future Growth Potential in Lewes District
Financial services	Low	Low
Business services	Low	Low
Distribution	Low	Low
General manufacturing	Moderate	Low
Advanced manufacturing/engineering	Moderate	Moderate
ICT	Low	Moderate
Environmental technologies/energy	Low	Low/moderate
Healthcare/biotechnology	Moderate	Low
Creative Industries/media	Low	Moderate
Construction	Moderate	Low
Retail/leisure	Low	Low
Hotels/catering/Tourism-related	Low	Low/moderate
Waste Treatment/Recycling	Low	Low
Education	Moderate	Low
Public Administration	High	Low

Source: NLP Analysis

6.46

Overall, this envisages a Lewes District which broadly retains its existing industries but with a more developed and broader business service sector than now, albeit on a relatively small and modestly growing scale. This would rely on encouraging local start-ups and expansion by small indigenous firms by providing a range of suitable, small, flexibly managed units. Over time, this could create some demand for slightly larger office units and develop the small office market further as well help to improve the image of the District. While a strategy to attract some business relocations from outside the District should be pursued, in particular by ensuring a better quality and choice of good employment sites is available, there should probably not be over-reliance on this given the competing effects of nearby centres and emphasis given to encouraging indigenous growth.

7.0 **Future B Class Employment Space Requirements**

- 7.1 This section assesses the amounts of B class employment space likely to be needed in Lewes District up to 2026, as well as providing a broad indication of the jobs potential and requirements of other job generating economic sectors. It is important to emphasise that the assessment of future needs for employment land in this Chapter does not take into account existing commitments and as such does not represent the amount of additional sites required. The quantity of additional employment space and sites required, if any, is considered in the following Chapter.
- 7.2 To estimate the broad scale and type of further land required for economic uses in the future, a number of different indicators and factors have been considered. The main approaches commonly used in assessing future employment land needs are based on:
- a forecasts of employment growth in the main B class and other employment generating sectors;
 - b consideration of past trends in completions of employment space, and how these might change in future;
 - c estimating future growth of local labour supply and the amount of jobs and employment space that this can support.
- 7.3 All these approaches have some limitations and careful thought needs to be given as to how appropriate each is to circumstances in Lewes District. In addition, to be robust, the economic growth potential and likely demand for employment space in Lewes District needs to be assessed under different future scenarios. Possible economic futures could range between current trends continuing, lower economic growth than in the past to reflect the effects of the current national/international downturn and future public spending cuts, or a more optimistic view of the Lewes District economy based on strong recovery and growth over the long term.
- 7.4 Given the uncertainties involved in forecasting over a plan period in excess of 15 years, estimated employment floorspace requirements should not be expressed too precisely and the figures in this section are rounded to the nearest 100 m².

Factors affecting Future Employment Space Needs

- 7.5 The implications of the different approaches to assessing Lewes District's future employment land needs and the factors affecting these are now considered.

Employment Growth

- 7.6 Forecasts of employment growth for Lewes District up to 2026 were prepared by Experian Business Strategies in spring 2010. Such forecasts tend to be more reliable at regional and national scales than at the local economy level, but can indicate the broad scale and direction of economic growth in different sectors and provide some guidance to assess future land requirements.
- 7.7 The forecasts of employment growth by sector used here reflect recent trends and are based on projections at regional level, and how economic sectors in Lewes District have fared relative to the region's growth in the past. These forecasts also reflect the current recession. Appendix 6 contains detailed job forecasts by sector.
- 7.8 To put these forecasts into context, the most recent employment growth forecasts for the South East region, prepared by Experian for SEEDA and the South East England Partnership Board (SEEPB), are some 48% lower than their previous (2006) forecasts. The advice that accompanies these recent projections makes clear that they should be used with caution in informing policy decisions given the unknown impact of current short term demand-side trends upon long term forecasts. SEEDA and SEEPB also advise that these forecasts might best form 'a low growth scenario' for scenario testing. For Lewes District, the interim job figures indicate growth of 116 jobs annually between 2006 and 2016, but are emphasised not to form a target and to be regarded as a minimum. It is possible that these forecasts may be revised upwards again following economic recovery. This suggests that the SEEDA employment forecasts are likely to be at the lower end of the range of growth estimates.
- 7.9 Also, as the base date of early 2009 was around the low point of the recession, even a return to recent job levels in future would suggest significant job gains, even though that future level of jobs could be accommodated in the same amount of employment space as it was immediately before the recession. In other words, there is likely to be a significant 'hangover' of underused commercial space resulting from the recession which will need to be filled before new space is required. For these reasons, job change between 2008-26 (rather than 2009-26) has been taken as a better guide to likely future job growth and employment space needs.
- 7.10 The overall employment change in Lewes District resulting from these forecasts is shown in Table 7.1 along with expected job growth in the main B class sectors. This includes an allowance for jobs in other non B class sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities.
- 7.11 These indicate only modest net job gains (574 jobs) in the B-use classes in Lewes District over the period to 2026, with reasonable growth in office based activities and a small gain in manufacturing employment partially offset by job losses in distribution. This is within the context of overall job growth of almost

3,700 jobs predicted for the District over the period, mainly in the health and education sectors along with business/financial services, other public service type jobs, retailing and construction. At an average of 205 net additional jobs per annum, these forecasts suggest higher job growth is possible than the SEEDA/SEEPB interim job targets.

Table 7.1 Forecast Employment Change in Lewes District 2008-2026

	No. of Jobs		Change
	2008	2026	2008 26
Manufacturing (B1c/B2)*	2,966	3,010	44
Distribution (B8)**	2,486	2,225	-261
Offices (B1a/b)***	6,659	7,450	791
Total B-class Jobs	12,111	12,685	574
Jobs in All Sectors	41,574	45,273	3,699

Source: Experian Business Strategies/NLP, 2009 - total jobs including self-employed

* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes publishing and a proportion of government offices

- 7.12 This predicted net increase of only 574 B Class jobs over an 18 year period, equivalent to 32 jobs per year, is much less than the job growth achieved since 1998. Between 1998 and 2008, B class jobs in Lewes District grew by approximately 1,400, or 140 per annum, mainly in the business services sector. On this basis, the 2010 based employment forecasts could be regarded as a relatively low growth estimate.
- 7.13 This much slower predicted job growth than in the recent past is understood to partly reflect longer term deceleration in employment growth in financial and business services in the UK. Nationally, the UK is forecast to gain less than half the number of jobs in this sector between 2011 and 2026 than it did in the past 10 years. This is partly driven by rising productivity and by much lower growth in the working-age population in future, partly because of an ageing population.
- 7.14 Furthermore, business services, which boomed in the last decade, have been badly affected by the recession, particularly those geared towards consumer services, manufacturing and construction. In addition, even before the recession, the South East and this sector in general were showing some slowing after a decade of expansion. The increasing maturity of this sector means that growth rates are likely to be lower than in the past and employment in business services is not expected to return to recent levels until 2018.
- 7.15 These job forecasts for Lewes District can then be converted to future employment space requirements assuming typical ratios of jobs to floorspace for the different B uses. To estimate space needs, a ratio of 1 job per 31 m² gross is assumed for manufacturing space. For distribution, 1 job per 40 m² is assumed for general, smaller scale warehousing, with large scale, lower density strategic units assumed to be unlikely in Lewes District. Business and

financial services jobs are taken to be the main requirements for B1 office space, at a general office ratio of 1 job per 20 m².

- 7.16 In addition, where job change is forecast to be negative, as occurs in the distribution sector, the floorspace loss associated with this is reduced by half. This is to reflect the fact that, in many cases, a firm can shed workers while continuing to operate in exactly the same industrial building. Lastly, 10% is added to all positive floorspace requirements to reflect a normal level of vacancy in this new employment space.
- 7.17 To estimate land requirements, an average plot ratio of 0.4 has been assumed in most cases, so that a 1 ha site would be needed to accommodate 4,000 m² of employment floorspace. For office uses, an initial assumption is made that only a small proportion (20%) of any new provision would be in higher density town centre developments, with most of it (80%) in medium density, urban business parks at a plot ratio of 0.8.²³
- 7.18 On this basis, the job forecasts indicate less distribution floorspace being needed by 2026, while only a small amount of additional manufacturing space and much more office space are required. Overall, to accommodate these job forecasts, 13,600 m² more B class employment space would be needed over the next 16 years. Since office space is typically developed at higher plot ratios than industrial, this equates to a net 1.0 ha of employment land (Table 7.2). This assumes most surplus distribution land could be converted or redeveloped for distribution or office uses, and if this were not the case, more land than this could be needed.

Table 7.2 Job Forecast based Employment Space Requirements, 2010-2026

	2010	2026
	Net Floorspace Needs (m ²)	Net land needs (ha)
Manufacturing (B1c/B2)	+ 1,500	+ 0.4
Distribution (B8)	- 5,200	- 1.3
Offices (B1a/b)	+ 17,400	+ 1.9
Total B-class Space/land	+ 13,600	+ 1.0

Source: NLP Analysis

Note: Totals rounded to the nearest 100 m²/0.1 ha

- 7.19 An employment forecast based approach would therefore imply a future need for slightly more employment space in Lewes District than now, with most of the new space being for office uses.
- 7.20 These are relatively small amounts of employment space and appear rather different to the past trends in the total stock of floorspace in the District. Based on Valuation Office Agency data for the period 1998-2008²⁴ the District

²³ Reflecting average plot ratios of urban office developments in Lewes

²⁴ Due to discontinuity in the data, the 1998-2008 change figure is formed by adding the floorspace changes in the 1998-2004 and 2005-2008 periods; this 1998-2008 total is then divided by 9 to give an annual figure

experienced an annual net gain in distribution space of 3,200 m² p.a., a gain in office space of about 700 m² p.a., and a fall in factory space of 1,300 m² p.a. Thus, the Experian employment forecasts anticipate a reversal in recent trends of growth in distribution and contraction in factory space, as well as a near doubling of the past growth rate for office space. For these reasons, a cautious approach needs to be taken towards basing future land needs only on job forecasts and other approaches need to be considered.

Past Completion Rates

- 7.21 Because they reflect market demand and actual development patterns on the ground, in some situations long term completion rates of employment floorspace can provide a good basis for informing future land needs, particularly where land supply or demand has not been unduly constrained historically. In a District such as Lewes which has extensive areas of protected land, flood risk and heritage constraints on development, and more limited development land supply than many other areas, it could be argued that demand for employment space has been constrained by a lack of good quality available premises in recent years. This view must be balanced by the fact that some allocated sites have remained undeveloped for many years.
- 7.22 Valuation Office Agency data on commercial floorspace change between 1998-2008 has been used to provide a picture of past completions since Council Monitoring data is available for only a limited period and does not provide sufficient detail on losses and net completions.
- 7.23 One picture of future growth in Lewes District could simply assume that future development rates carry on at the long term average achieved in the past. If it were to be assumed that the past completion rates noted above continued in the period 2010-2026, it would equate to gains of 51,600 m² and 10,700 m² in distribution and office space respectively, and a loss of 21,300 m² factory space. In total, this would indicate a need for approximately 40,000 m² additional employment space by 2026, a figure more than three times higher than that estimated using job forecasts.
- 7.24 This approach assumes that past trends of office development in a buoyant economic period would continue unchanged, and does not necessarily reflect the impacts of the current economic downturn or longer terms trends that could reduce future demand for office space. However, the total requirement estimated for office space by this method is in fact lower than that projected by the Experian forecasts. Conversely, it may underestimate demand if the supply was constrained in the past, for example because of poor sites available or infrastructure/funding factors. If this approach were to be used as the preferred forecasting method, adjustments to past completion rates would be needed to reflect such factors.

Labour Supply Based Requirements

- 7.25 In an area with extensive areas of protected land and constraints on new land supply, it is also important to consider how many jobs, and hence employment

space, would be needed to broadly match forecast growth of the District's resident workforce. Any significant increase of employment space beyond that amount could potentially increase in-commuting or increase demand for new housing in the District, creating further pressures on land supply.

- 7.26 Based on ONS 2008-based population forecasts (the most recent available), the predicted increase in the District's resident labour force based largely on demographic change is approximately 1,190 more economically active, working age residents²⁵. If the same proportion as now were to out-commute to jobs elsewhere, this would leave about 510 more workers available to fill all future new jobs in the District in the period up to 2026.
- 7.27 Significant increase in housing provision in the District could also increase labour supply. The former South East Plan's residual target for Lewes District of some 3,430²⁶ dwellings by 2026 implies up to 3,870 additional economically active, working age residents, if existing household size and composition were to stay constant. If out-commuting levels remained at current levels, this could mean as few as 620 new residents available to fill B class local jobs. However, the subsequent revocation of this Plan means this figure could be reduced.²⁷ However, East Sussex County Council's own population forecasts, based on future housing numbers rather than past trends, indicate that there would be around 5,000 fewer people of working age within the District by 2026. This is largely as a result of an ageing population.
- 7.28 As an illustration, ignoring commuting flows, providing just enough B class jobs for the projected increase in resident workers through South East Plan's level of housing growth would require some 28,300 m² of new space. If out-commuting continued at current rates in future, with 43% of workers travelling to work elsewhere, the amount of space required to meet locally working residents needs would be much less, in the order of 16,200 m². In reality, it is unlikely that out-commuting would reduce to zero and even a one quarter reduction would be ambitious. Using this latter figure would indicate a need for up to 19,300 m² of floorspace.
- 7.29 This simple analysis ignores the possibility that providing more employment space could provide more local jobs and so help reduce the current scale of out-commuting by residents to some extent. Some residents will also take up existing jobs in the area that others have left (e.g. through retirement) and no additional space will be needed for these. No account is also taken of the significant number of existing jobs filled by in-commuters to the District, although providing more employment space that encourages in-commuting is unlikely to be an aim of the District.
- 7.30 Overall, future employment space requirements based purely on meeting the job needs of local residents would, at most, mean somewhere in the range between 16,200 and 19,300 m² of B-class employment space being required.

²⁵ Assuming economic activity rates remain constant at 85%

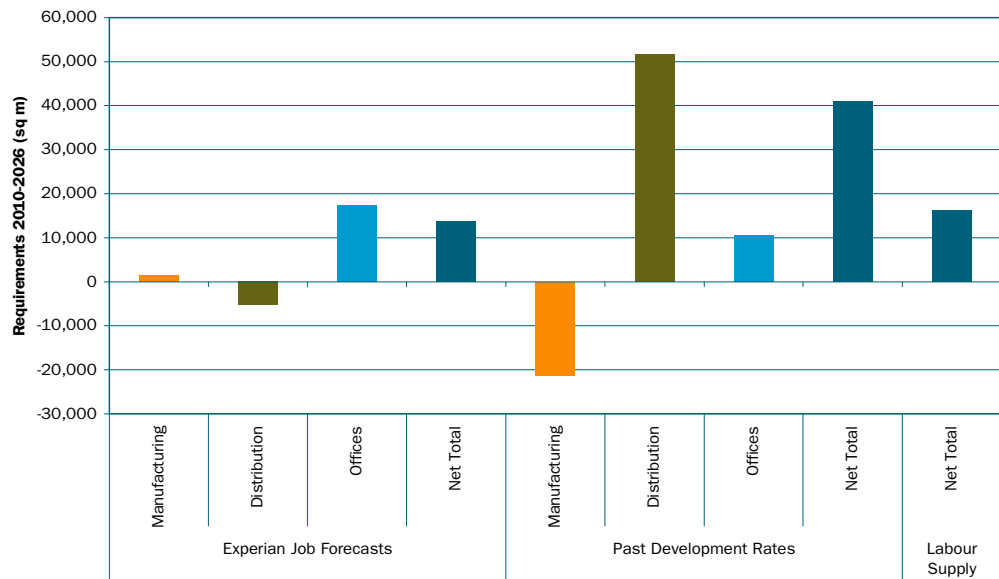
²⁶ The total District requirement for the period 2006-2026 less dwellings completed to April 2009

²⁷ Assuming that household size remains at the 2001 Census figure (2.27) and working-age population will be 49.7% of the total (based on ONS mid-year population estimates)

This labour based estimate provides a useful benchmark for comparison with other approaches. However, if the County Council’s forecasts of population growth were to be used, there would be no requirement for additional employment space as a result of labour supply growth.

7.31 As shown in Figure 7.1 below, the top end of this range is not inconsistent with estimates implied by employment forecasts. However, all these forecasts may be affected by other economic factors expected to influence demand and supply of employment workspace in the years to 2026.

Figure 7.1 Projected B class Floorspace Requirements 2010-2026



Other Factors

7.32 Given the rather different pictures of future demand indicated by the employment-based estimates and past-take-up trends, a range of other indicators have also been reviewed to inform a judgement on where the best estimate of future needs should lie. Some of these factors pull in different directions and a balance has to be drawn between them.

7.33 Trends in the national economy will clearly be a significant factor affecting future demand for employment space. At this time, the UK is within a major economic recession and financial credit shortage. Current forecasts predict recovery to be slow with growth rates over the next 10 years to be much lower than in the past. In particular, sectors reliant on Government spending are likely to see some reductions in employment as a result of future budget cuts and this could have particular implications for the town of Lewes where there is a strong concentration of County and District Council jobs. While this study estimates employment space requirements over a 16 year period, over which short term fluctuations should even out, the past development rates assessed do not necessarily reflect this degree of slowdown and need to be adjusted to reflect a less benign economic outlook than in the past.

- 7.34 Lewes town is also perceived by the commercial property market as having greater potential as a business location than is currently evident. This latent potential has primarily been constrained by a lack of suitable, high quality and high profile sites and premises. Thus, making more suitable sites available could itself encourage more business relocations, and more growing businesses being retained within the District.
- 7.35 Levels of new business registrations provide an indication of the number of new firms starting-up or expanding in the District, and this will influence the amount and type of employment space required in future. Formation rates of new businesses in Lewes District have been steady but slightly below regional averages. This would suggest that some continuing growth in demand for additional employment space as new firms start up, although the amount required from this source appears likely to be small in scale. However, the success of the Newhaven Enterprise Centre and views of agents suggest that there is quite strong latent demand which should be provided for if Lewes District wants to achieve its economic potential.
- 7.36 The need to replace land or premises lost (or released) to other uses to maintain the level of the current stock of employment space has been considered. In the last two years, there have been relatively high losses of employment space to other uses, with most losses a result of changes of use of office and industrial premises. It is not clear whether this is representative of longer-term trends but it does indicate that some replacement of any space lost to other uses could be needed if the current level of stock is to be maintained.
- 7.37 Vacancy levels and floorspace availability provide another indicator of the balance between current supply and demand for employment space. A typical vacancy rate in a normal market would be around 8-10%, to allow for movement and expansion of firms, and a choice of locations. Vacancy rates for offices in Lewes District currently stand around normal rates, but industrial vacancy is low. This indicator therefore suggests that there could be a need to over-provide in future to compensate for current shortages, particularly of industrial space.
- 7.38 Other factors which could moderate future levels of employment space needed include the growing trend to relocate certain business operations to lower-cost locations overseas, often referred to as “off-shoring”. The industries with the highest propensity for this have typically included communications, banking and finance, and some business services, in which Lewes District has fairly limited representation. While most impacts of this factor may already have occurred, they are still happening to some extent. At the same time, industrial firms are tending to move manufacturing operations to lower cost countries while maintaining UK distribution functions, and this trend has been evident in some recent movements of firms out of Newhaven. Over time, these trends could reduce employment space needs in Lewes District although the likely scale is unclear.

- 7.39 The amount of additional employment space needed in the future could also be reduced by “smart or spaceless growth” - the ability to achieve economic growth without corresponding increases in demand for employment space or labour. This could reflect increased automation, labour productivity improvements, hot-desking, working from home, or more overtime working by current staff. Again, it is difficult to quantify the extent of this effect and recent studies have not found major changes in overall job/space ratios so far, although space reductions of around 30% have been achieved in firms using such approaches. The other aspect of this would be to reduce employment land (but not space) requirements through more efficient use of existing sites, including denser office development. This appears particularly important in a District with much protected land. Such factors suggest a level somewhat less than the highest estimate of demand should be planned for.
- 7.40 Competition to economic growth in Lewes District from the larger sub-regional centres could also constrain future demand and hence the scale of employment land provision needed. Office developments in Brighton and potential business park development close to Eastbourne are likely to compete for larger office schemes, although probably not for industrial investment. This would potentially reduce scope for Lewes District to attract some relocations from these areas, but the overall impact should not be great because of the quite localised nature of the Lewes District office market. This factor may moderate the levels of office growth that Lewes District could expect to attract in future although the impact on industrial space is likely to be very limited.
- 7.41 On balance, there are a number of factors which would support continuing demand for employment space in the District but the scale of future space needs is likely to be tempered by slow recovery from national economic recession, competition from office development in nearby areas and pressures for more intensive use of existing land and employment space over the longer term. Annual development rates and employment space needs in the District may, therefore, be somewhat lower than in the past.

Growth Scenarios

- 7.42 Drawing the above analysis together, some of these factors point different ways although most suggest a need for some additional employment land over the period to 2026. However, there is nothing to suggest a major step change in future employment space needs, but rather continued modest growth particularly in the office based sectors. Several different growth scenarios/estimates of future needs reflecting these different approaches can be considered. This is to identify the potential range of employment land needs against an uncertain economic future and to help understand the implications of different assumptions on future demand.

Baseline Job Growth Estimate

- 7.43 This estimate is based on the baseline Experian employment forecasts and indicates a net increase of 13,600 m² of employment space being needed in

future, most of which would be for office space with a small net loss of industrial space. This implies future office development rates significantly higher than achieved in Lewes District in recent years and, compared with the other approaches, one of the highest estimates for office space requirements. Despite this, because of predicted losses of industrial space, it produces only a moderate overall level of demand for employment space generally.

Enhanced Demand for Offices

- 7.44 As noted above, the economic forecasts have taken into account the worsened outlook for financial and business services since the financial crisis of 2008. However, it is possible that the impact of the crisis will be less than first thought, or recovery will be stronger, and these types of services will actually grow more than envisaged by the forecasts. This could be the case in Lewes District if it was able to provide better quality sites/premises, was more actively promoted and benefited from the latent demand identified earlier. This scenario therefore uses the same forecasts for industrial space as the baseline forecast but with the office growth rate enhanced by 20% for comparison purposes.

Past Completions Continue

- 7.45 This estimate simply assumes that future development rates of employment space up to 2026 are similar to those that have occurred over the last decade, with growth in both office and industrial space requirements, albeit with distribution uses replacing declining manufacturing activity within the 'industrial' category. Given past development rates were achieved in a relatively buoyant period of period of economic activity, this estimate is likely to be towards the top end of the range of future requirements given the current more pessimistic and uncertain economic outlook.

Reduced Growth

- 7.46 This demand estimate is also based broadly on past completion rates in the District, but with adjustments to reflect a less buoyant future than over the past decade and continuing decline in manufacturing activity. The past average annual completion rate of industrial space as well as the rate of losses, were reduced by 40% and then projected forward to 2026. This assumes slower growth for distribution space as local market needs are catered for, and manufacturing losses continuing at recent rates. For offices, a 20% reduction in past completion rates is assumed, on the basis that this sector has better growth prospects than industrial but growth will be restricted by slower demand from business and financial services in the future, and that factors such as smart growth aims will reduce demand for office space. This produces an overall space requirement much lower than the previous Past Completions Continuing estimate but still well above the requirement from the estimates based on job forecasts, primarily as a result of higher growth rates for distribution space.

Table 7.3 Estimated Employment Space Requirements, 2010 to 2026

	Baseline Job Growth Estimate (m ²)	Enhanced Demand for Offices (m ²)	Past Completions Continue (m ²)	Reduced Growth (m ²)
Manufacturing (B1c/B2)	+ 1,500	+ 1,500	- 21,300	- 12,800
Distribution (B8)	- 5,200	- 5,200	+ 51,600	+ 30,900
Offices (B1a/b)	+ 17,400	+ 20,900	+ 10,700	+ 8,500
Total B-class Space	+ 13,600	+ 17,000	+ 40,900	+ 26,700

Note: Figures rounded to nearest 100 m² and column totals may therefore not sum exactly

7.47 Table 7.3 above compares the employment space requirements arising under these four different approaches/assumptions. This indicates a total space requirement varying between 13,600 m² and 40,900 m². This compares with the benchmark figure of somewhere between 16,200 and 19,300 m² needed to match local labour supply growth. There is clearly significant variation between the different estimates, reflecting the different approaches used. However, these four estimates are considered to provide a reasonable range of future employment space requirements that would encompass most of the more realistic alternative assumptions and variations.

Planning Requirement for Employment Land

7.48 To identify the amount of employment space that should actually be allocated, the SEEPB guidance indicates that net floorspace requirements should be converted to an estimate of gross needs by adding an allowance for replacement of future losses of employment space to other uses. Without doing this, the stock of employment space would gradually be eroded.²⁸

7.49 Recorded losses of employment space in Lewes District in recent years appear quite high, over 10,000 m² p. a., but insufficient data over a reasonable period is available to provide a full picture. Much of these losses also appear conversions of small, older industrial or office units. Some losses of obsolete space need to be accepted as part of the restructuring of a local economy and not all need to be replaced. The amount of losses could also be expected to reduce greatly over time in Lewes District as the supply of older premises reduces. At the same time, it would be desirable to replace some employment space to ensure that firms are not forced out of the area. On balance, it appears appropriate to allow for a fairly modest replacement allowance amounting to 1,000 m² p.a. over the plan period. This equates to 16,000 m² in total, only 10% of it office space.

7.50 It is also normal to provide some additional safety margin on top of the initial estimate of needs. This can reflect the need to provide some choice of sites to developers, with an extra allowance to compensate for the uncertainties of the

²⁸ The guidance is unclear as to whether this allowance should be applied to job forecast based estimates but taking a cautious approach, this allowance has been added to all demand estimates in this study.

forecasting process, and to give some flexibility and decanting space while older premises are redeveloped and new premises are coming forward.

- 7.51 However, the SEEPB guidance suggests that an appropriate margin for each use class should be based purely on how long it takes a site to move from being a commitment to completion, but gives no guidance on what these timescales typically are or how the floorspace allowance to reflect this margin should be estimated. Typically, however, an amount equivalent to 1-2 years of past completions rates has been used, depending on local market conditions.
- 7.52 A reasonable but not over-generous additional allowance should be made here to offer some flexibility but avoid over-provision of scarce land in this area. Two year's worth of past net completions appears an appropriate amount in order to ensure that there is enough space available for expanding/relocating firms whilst new premises are constructed. This would equate to 5,100 m² in Lewes District, which would add around 38% to the baseline demand estimate, but only 13% to the estimate based on past completions.²⁹ This amount seems appropriate in a relatively low demand area where several employment allocations have taken many years to come forward, if at all.
- 7.53 Taking account of these additional allowances, the resulting gross employment space requirements over the next 16 years to 2026 including this safety margin are summarised in Table 7.4 below. Manufacturing and distribution requirements, which use the same type of sites, can be combined into a requirement for industrial space. The inclusion of the safety margin and allowance for replacement of losses raises the maximum employment space requirement to be planned for to some 62,000 m², with a minimum of 32,700 m². The office space requirement lies within a tighter range - 11,400 to 23,700 m². However, the estimated range for industrial space is wide, varying between a need for 12,500 m² more space and 48,500 m² more. This reflects the different methods used, with the two job growth based estimates actually indicating a need for less industrial space, before the allowance for replacement of losses is added.

Table 7.4 Gross Employment Land Requirements to 2026 (including safety margin & allowance for losses)

	Baseline Job Growth Estimate (m ²)	Enhanced Demand for Offices (m ²)	Reduced Completions (m ²)	Past Completions Continue (m ²)
Industrial space (B1c/B2/B8)	+12,500	+12,500	+36,400	+48,500
Office space (B1a)	+20,200	+23,700	+11,400	+13,500
Total B-class space	+32,700	+36,200	+47,800	+62,000

- 7.54 Table 7.5 below indicates the broad amounts of development land associated with these gross floorspace requirements. These land estimates assume that only a small proportion of office space (20%) would be built in town centre or

²⁹ This comprises 3,800 m² for industrial space and 1,300 m² for offices

other urban areas at a fairly dense plot ratio of 2.0.³⁰ The remaining 80% is assumed to be developed on town centre, edge-of-centre, or other urban sites at a lower plot ratio (0.8).³¹ These ratios have been applied to the office space requirements to estimate likely land needs. For industrial developments, a typical 0.4 plot ratio has been assumed in line with current guidance.

7.55 In the maximum case, up to 13.6 ha of development land would be needed, mainly for industrial development. However, under the job forecast based estimates the requirement is much lower, 5.3 to 5.7 ha, but more of it for office development. Indeed, the industrial land requirement for these jobs growth based estimates only arises from the allowance to replace losses of employment space and, without this, the requirement would be negative.

Table 7.5 Employment Land Requirements 2010-2026

	Baseline Job Growth Estimate (ha)	Enhanced Demand for Offices (ha)	Reduced Completions (ha)	Past Completions Continue (ha)
Industrial land (B1c/B2/B8)	+3.1	+3.1	+9.1	+12.1
Office land (B1a)	+2.2	+2.6	+1.3	+1.5
Total B-class land	+5.3	+5.7	+10.4	+13.6

Note: Figures rounded to the nearest 0.1 ha and column total may therefore not sum exactly

Reality Check

7.56 Given the significant differences between these different estimates, it is important to test how reasonable each appears against other factors and how sensitive they are to different assumptions.

7.57 The implications of these employment space estimates in terms of employment pressures in the District can also be considered. As Table 7.6 below indicates, the various demand estimates imply between 1,030 and 1,315 job gains in net terms over the period.³² All this assumes that all the estimated employment space would be developed and occupied in that period. These job estimates can be compared with projected change in labour supply in the District in the same period of approximately 620 residents likely to be seeking B class jobs based on former South East Plan housing targets if commuting remains at current levels. This indicates that all estimates could exceed labour supply growth; this might suggest that the higher estimates of demand are less likely to occur, or that the District would need to allow for more in-commuting.

³⁰ i.e. 20,000 m² of development could be developed on a 1 ha (10,000 m²) site

³¹ a 0.8 plot ratio for offices exceeds figures in ODPM Guidance but reflects some recent development in Lewes.

³² these job estimates exclude the safety margin (which is intended only to help allocations of land but not necessarily be developed) but include the allowance for replacement of losses

Table 7.6 Job levels associated with different demand estimates

	Baseline Job Growth Estimate	Enhanced Demand for Offices	Reduced Completions	Past Completions Continue
Industrial jobs	164	164	464	813
Office jobs	866	1,024	608	502
Total B-class jobs	1,030	1,188	1,072	1,315
Average jobs p.a.	64	74	67	82

Note: Estimated job levels for each scenario do not take account of additional floorspace allowance in the safety margin, which is identified for planning purposes and may not actually be developed

- 7.58 The highest growth estimates imply an annual increase of about 3,900 m² over the period to 2026. This would be much less than the gross annual completion rate of B class space in Lewes District in the years 2004-09 (15,900 m²) but this figure is misleading as it includes changes of use of space between different B-classes. Compared with the net development rate achieved in recent years (2,600 m²), this estimated future rate is not unachievable.
- 7.59 It is also useful to compare the employment growth implied by these amounts of land with employment growth actually achieved in the District in recent years. The lowest employment space estimate based on the baseline jobs forecast implies about 64 B class jobs annually would be created over the next 16 years, mostly office jobs. The highest growth estimate based on past development trends implies some 82 more jobs annually, but mostly industrial jobs. These figures compare with an average increase of 143 B class jobs achieved in Lewes District per year between 1998 and 2008. All the scenarios would therefore generate a significantly lower level of job creation than has been achieved in the District in the recent past. However, as that period was one of relatively strong economic growth, following a severe recession and in a District with strong constraints on land supply, it is not unreasonable to expect future growth levels to be lower.
- 7.60 There is also potential for different estimates of demand depending on the assumptions made on future development rates, smart growth and the modest safety margin added. For example, a higher safety margin (say three years of gross completions) would increase the employment space required, by only about 2,600 m² across all estimates. However, the moderate safety margin currently allowed for is considered appropriate to this area and local market conditions, while consideration of high and lower growth estimates reduces the risk of an error.
- 7.61 The estimates of land requirements will also reflect the various assumptions on job/floorspace ratios and plot ratios adopted. Those used in the study come from ODPM and SEEPB guidance or from analysis of local development patterns. At present, it is assumed that only 20% of any new office space would be in a high density town centre/edge of centre location at a plot ratio of 2.0, and the remainder in other urban sites at a lower average ratio of 0.8. If,

for example, all of new office space was built at a plot ratio of 0.8, the maximum land requirement would only increase from 13.6 to 13.8 ha, indicating that the land requirement is not particularly sensitive to this factor.

- 7.62 Overall, the range of forecasts of employment space requirements, with the safety margins incorporated, is considered to provide an appropriate basis for future planning taking account of the various uncertainties involved.

Conclusions

- 7.63 Based on consideration of various factors, four different estimates of future employment space requirements have been prepared, using different approaches. Three of these reflect assumptions of lower future economic growth and development rates in Lewes District than in the recent past.
- 7.64 The overall space requirements related to these different futures range from 32,700 to 62,000 m² of all types of employment space up to 2026, but between 11,400 and 23,700 m² for office space. This implies a need for between 5.3 ha and 13.6 ha of additional employment land.
- 7.65 All but one of the demand estimates produce a level of job generation which is likely to outstrip the additional number of workers generated by planned housing growth.
- 7.66 Given an uncertain economic outlook, it is difficult to select the most likely option from these alternative growth pictures. The estimate which assumes past trends continuing at similar rates is probably less likely in terms of the more pessimistic economic outlook compared to the high rates of economic growth over the past decade, and would also put greater pressures on local labour supply. To ensure that the District realises its economic potential, it may be best to plan for office development on the basis of at least the growth rate envisaged by the baseline jobs forecast, in the order of 20,000 m².
- 7.67 The range of estimates of industrial space needs is wide, with some indicating slightly more space needed only to replace losses to other uses, but others based on past trends pointing to a significant increase required. The low (job based) estimates of industrial space demand may well underestimate future needs since they differ so greatly from the level of development that has actually occurred in recent years. Given the tight industrial market in the District and the constraints from lack of good quality, available sites, it would be sensible to plan for some reasonable increase, rather than decline in industrial stock, particularly in the medium to long-term. For planning purposes, given the difficulties of getting new employment space delivered within Lewes District, it may be better to plan for a moderate level of industrial growth within the wide range of estimated demand. This could be in the range of an additional 30,000 to 40,000 m² of industrial space. This would be very broadly equivalent to the capacity of a 10 ha industrial site such as Eastside.
- 7.68 Against this uncertain background, all of these estimates of demand are taken forward for comparison with available land supply.

8.0 Land Needs of Non-B class uses

- 8.1 Reflecting the wider definition of economic development contained within PPS4: *Planning for Sustainable Economic Growth*, this section considers, as far as is possible, future requirements for land from non B-class sectors. This draws upon the assessment of potential future growth sectors contained in Section 6.
- 8.2 In terms of the land needs for the non B Class economic uses, the District Council will also undertake specialist studies to more accurately determine the future land requirements, and locations, for each sector. This will include the Retail Study and the Infrastructure Position Paper and Delivery Plan
- 8.3 The non B-class employment uses are estimated to account for approximately 71% of all jobs in Lewes District at present, and this is expected to increase to 72% by 2026 according to Experian job forecasts. Thus, they are very important to the District's economy. However, it is important to note that the job and space requirements of these sectors are usually estimated and planned for quite differently from the B class uses. For example, schools are planned for based on forecast numbers of children and capacity in existing provision; a new hospital or university is likely to have a quite specific land requirement not directly related to job numbers. Many retail or leisure uses will locate within mixed use schemes or in locations of the operator's choice rather than on specified allocated sites.
- 8.4 The Non B uses considered in this section are only ones which generate employment, wealth or economic activity as defined by PPS4, so that uses that do not provide significant employment (e.g. churches) are excluded. For this study, the main focus is on the broad Non B sectors comprising retail, commercial leisure, health clubs, sports centres, health and education facilities, transport, public administration, certain community facilities and waste management/processing facilities. Below sector level, data on individual uses is not readily available or reliable. Some individual job generating uses which are significant within Lewes District will either be covered within one of these broad sectors or under the B uses. No other sectors or individual uses were identified during the course of this study as requiring specific consideration here. For reference, Appendix 7 shows the relationship of specific uses to the Experian and Annual Business Inquiry sectors used elsewhere in this report.
- 8.5 For this study, the broad sectors chosen to be examined are:
- a retail;
 - b sports facilities (including health clubs and sports centres);
 - c commercial Leisure (e.g. cinemas, bingo etc);
 - d health and education facilities;
 - e transport;
 - f public administration;

- g community facilities; and
- h waste management/processing facilities.

- 8.6 A separate study will be undertaken by the District Council particularly looking at the future requirements for retail uses. This will update the Retail Study undertaken by GVA Grimley on behalf of the Council in 2005.
- 8.7 As the SEEPB guidance indicates that the future space requirements of retail and leisure uses need not be covered by Employment & Economic Land Studies, the needs of these sectors are only considered in broad terms to provide a comprehensive picture.
- 8.8 The job growth and space requirements estimated for the Non B sectors considered here are based on a number of different factors and sources depending on the sector. These include employment forecasts by sector from Experian, specific Council studies relating to a particular sector and on discussions with relevant providers such as the Local Education Authority, Primary Care Trust (PCT) and the Waste Authority.
- 8.9 A key factor relating to many sectors is the likely level of population and housing growth in the District. The most recent ONS forecasts estimate that the overall population of the District will grow by some 13,300 (or 14%) between 2008 and 2026.³³ Most of the ONS growth would come from elderly people, with working age residents³⁴ increasing by just 2,600.³⁵ No significant change is forecast for school-age children (ages 5 to 19). This scale of population change compares with potential population growth from new housing development; the 3,430 dwellings target in the former South East Plan would indicate a population increase of around 8,200 by 2026, albeit this housing number may be reduced following revocation of the South East Plan.³⁶ These figures compare with a much lower 'policy-based' estimate by East Sussex County Council of an increase of 3,900 (4%) between 2006-2026, which forms the basis for this section.

Retail

- 8.10 As noted in Section 6, the retail sector has a below average concentration within the District and achieved limited job growth in recent years. It accounted for approximately 3,950 jobs in 2008 and the Experian job forecasts estimate that there will be approximately 350 net additional jobs created in the sector between 2008 and 2016 and 370 net additional jobs between 2008 and 2026.
- 8.11 The Council's 2005 retail study indicated there was very little need for new convenience floorspace within the District's main towns in the period 2005-

³³ ONS 2008-based sub-national population projections, May 2010

³⁴ As the population forecasts are only available by 5-year age segments this is taken to be ages 20 -64 inclusive

³⁵ East Sussex in Figures

³⁶ This assumes an average household size of 2.4 persons

2021, with only modest expansion or qualitative improvement of some existing food stores deemed to be necessary (Table 8.1). This was most likely to occur in the town of Lewes. The quantitative capacity for comparison space was larger, particularly in Lewes town and Newhaven. Within Lewes town, the Eastgate centre is expected to be the focus for new development. However, in Newhaven there are very limited opportunities for new space within the town centre so that there could be greater pressure for retail development outside the centre.

Table 8.1 Net Retail Floorspace Capacity in Lewes District (Net)

	Convenience (m ²)	Comparison (m ²)
Lewes town	668	3,317
Newhaven	411	3,909
Peacehaven	-1,478	1,097
Seaford	304	2,240

Source: Lewes District Retail Study 2005

- 8.12 These retail capacity estimates were based on population estimates which assumed population would rise by 0.5% per annum up to 2016. However, the new ONS population forecasts assume the Lewes District population will rise by 0.77% per annum over the 2008-2026 period. This indicates that the growth in expenditure could be significantly higher than estimated by the 2005 study, although recent recession may have reduced expenditure levels. This indicates that some new retail space is likely to be needed over the plan period, although it is difficult to quantify without a new detailed retail assessment, which is beyond the scope of this study.
- 8.13 In any event, most new retail floorspace is likely to be accommodated primarily within or adjoining the main centres. It is possible that some retail warehousing and convenience superstores may seek to locate on existing industrial land, although this is discouraged by PPS4. This situation has been recently demonstrated by proposals for a new ASDA superstore on the Newhaven Eastside site and for expansion of the Tesco store in Lewes town involving the demolition of industrial units. It could also apply to any expansion of the Newhaven retail park onto the adjacent Newhaven eastside site, particularly given that there was a noted lack of large DIY and Electrical retailers in the town. It is difficult to estimate as part of this study how much industrial land might be needed for retail uses over the plan period but these examples suggest a modest amount of employment land (perhaps 1-2 ha) could come under pressure for warehousing/superstore uses in future.

Sports Facilities

- 8.14 Data from the Annual Business Inquiry (ABI) indicates approximately 300 people working in 'Sports Activities' in the District in 2008. This equates to approximately 0.9% of the total number of jobs and is a lower proportion than that seen in the South East Region as a whole (1.5%).

- 8.15 Jobs in these facilities fall within the very broad 'Other Services' sector in the Experian Forecasts (which is forecast to grow 13% by 2026) and it is therefore difficult to estimate their growth individually. Furthermore, there is no indication of significant expansion or job growth planned for these facilities.
- 8.16 The main sports facilities within the District include:
- a Lewes Leisure Centre (swimming pool, athletics track, gym);
 - b South Down Sports Club, Lewes town (tennis, hockey, gym, squash);
 - c Peacehaven Leisure Centre (gym, squash courts);
 - d Ringmer Swimming Pool;
 - e Downs Leisure Centre, Seaford (gym, all weather pitch);
 - f Seaford Head Swimming Pool, Seaford; and
 - g Seahaven Swim and Fitness Centre, Newhaven.
- 8.17 In addition, there are eight recreation grounds within the District where facilities are available to hire for football, rugby and cricket, and several local sports clubs which run small facilities (e.g. Lewes Rugby Club, Plumpton Rugby Club).
- 8.18 The main visitor-generating sports facility in the District is Plumpton Racecourse, which also houses a private gym. There are four other private health and fitness clubs in the District, three within the town of Lewes (YMCA gymnasium, Body Workshop and Harts Leisure Club) and one in Seaford (Sculptures).
- 8.19 According to the 2005 Council retail study, membership levels at private gyms were below average in the District and thus, while facilities outside the District are likely to account for some of this implied capacity, there is may be scope for further mainstream health and fitness provision within Lewes District, particularly as a result of the forecast housing and population growth. However, no new facilities have opened in the District since the 2005 study and there are some indications that the rate of expansion of health and fitness facilities nationally has slowed significantly. As a result, there is not expected to be a significant need for more facilities in Lewes District in the future.
- 8.20 In any case, although such facilities sometimes seek new sites on industrial estates, they can often utilise converted premises in centres or form parts of mixed use schemes, so that there is unlikely to be a need to allocate land for this purpose.

Commercial Leisure

- 8.21 This sector includes other forms of commercial leisure such as cinemas, theatres, bingo, bowling, and nightclubs. Capacity for local growth in this sector was also examined by the 2005 retail study. These uses cut across a number of ABI and Experian economic sectors which make it difficult to obtain exact current employment and future growth. However, based on consideration of

some broader ABI sectors and the number of facilities present in the District, employment levels appear low.

- 8.22 There is no purpose-built cinema in the District at present although the All Saints Arts Centre in Lewes town has film showings. Many residents travel to cinemas in Eastbourne, Brighton and Burgess Hill. The 2005 Council retail study suggested that a cinema would be a significant attraction within the District, and would be best situated in Lewes town, although operator demand was unclear. Since then, no new facilities have been constructed, and the overall trend has been one of rapidly slowing growth of new facilities nationwide. Lewes is also a relatively small town to support a larger cinema. This, and the attraction of Brighton and Eastbourne, both of which have multiplex cinemas, means that there are unlikely to be any land needs in Lewes District arising from cinema uses in the plan period.
- 8.23 There are no bingo halls or bowling facilities in the District but the 2005 Council retail study suggested that the close proximity of facilities in Brighton meant that there was unlikely to be any demand for these in Lewes District in the near future. No new facilities have been constructed since then. Given this, and other provision in nearby districts, it appears likely that there will be no land needs arising from these uses in Lewes District.
- 8.24 There are three theatres in the District, located in Lewes town (Lewes little Theatre) and Seaford (Barn Theatre and Seaford Little Theatre), as well as the Glyndebourne Opera House, which lies 6 km north east of Lewes town. This appears a reasonable level of provision and no additional requirement therefore seems likely.
- 8.25 Drinking establishments account for approximately 700 jobs in the District, representing 2.2% of all jobs – a slightly greater proportion than in the South East region. The towns of Lewes and Newhaven have a reasonable range of bars and drinking facilities although Seaford and Peacehaven have a more limited range and choice. The 2005 retail study noted that more contemporary facilities, aimed more towards a younger catchment, were starting to appear within some centres, especially Seahaven. Currently there is one night-club in Seaford. Generally, Brighton is the most prominent destination for nightlife for the area's residents and this is likely to remain the case, thus limiting further demand for facilities within the District.
- 8.26 Overall, the proximity of major leisure facilities in surrounding Districts (particularly Brighton and Eastbourne) limits the catchment area and potential for sizeable growth in commercial leisure facilities in Lewes District. There could be some expansion of provision in bars and nightclubs but the level of job growth is likely to be modest. These activities would mainly be located in town centres, typically utilising former retail units or forming parts of new mixed use developments, and would not require additional land to any significant extent.

Tourism, Hotels & Catering

- 8.27 Although it contains various facilities of tourism interest – the Castle, Newhaven Marina, Newhaven Fort, the Glyndebourne opera, the National Park - Lewes District contains few visitor attractions with sizeable numbers of jobs, although there are a number of smaller attractions which cumulatively make an important contribution to the local economy. There are an estimated 2,200 tourism related jobs in the District.³⁷
- 8.28 Approximately 250 people worked in ‘Hotels and other accommodation’ in the District in 2008.³⁸ This equates to approximately 0.8% of the total number of jobs and is a lower proportion than that seen in the South East Region as a whole (1.0%). Restaurants account for a further 580 jobs (and is significantly underrepresented compared with the region) whilst other catering employs a further 450 and is very slightly overrepresented.
- 8.29 Jobs in these facilities fall within the ‘Hotels & Catering’ sector in the Experian Forecasts along with bars, pubs and nightclubs. This is forecast to grow 10% by 2026 resulting in an additional 180 jobs, although it is unclear which of these sub-sectors will experience the greatest growth.
- 8.30 There are currently five hotels in the town of Lewes which tend to be independent and small to medium in size (10 to 50 rooms), three small hotels in Seaford, four in Newhaven (including a Premier Inn), the large Newick Park Hotel in the rural area, as well as a number of bed and breakfast facilities in a variety of urban and rural locations. In total, there are estimated to be approximately 800 serviced bed spaces in the District.³⁹ There is also a significant amount of self-catering accommodation. However, there is very little in the way of conference facilities. There are also a large number of bars/restaurants, mainly focused in the main town and district centres, and particularly within Lewes town centre, but with many individual premises scattered over the District.
- 8.31 Demand for this sector comes from both domestic, and to a lesser extent overseas tourism (hotels and restaurants), as well as the spending of local residents (mostly restaurants and other catering). Future growth will therefore heavily depend on visitor numbers in the District and business activity. Provision could also be widened and expanded, with conferencing facilities being particularly absent in the district at present. However, as suggested in the previous chapter, only modest local growth in the tourism economy appears likely as a result of the new National Park.
- 8.32 Of the uses contained in this category, only hotels are likely to have significant new land needs, with most other bars, pubs etc occupying existing retail or rural premises. If half of the employment growth predicted by Experian in this category (i.e. 90 jobs) were to occur in hotels, then this suggests between 110-

³⁷ Lewes Tourism And Economic Development Service Plan, April 2010 - March 2013

³⁸ ABI data estimates

³⁹ Source: Lewes District Council Tourism officer

270 additional hotel rooms by 2026 depending on the quality of the hotel, which given the character of the area are likely to locate in rural and town centre locations. Some of these additional rooms may be in converted residential premises, although it seems sensible to make a very modest amount of land provision for some new hotel provision in the order of 1 ha.

Health and Social Care Facilities

- 8.33 Included within this sector are hospitals, medical centres, GP and dental surgeries, private/specialist healthcare facilities (e.g. physiotherapy), veterinary practices and residential care homes, both public and privately run. Lewes District's current employment in this sector totals over 6,160 jobs and is overrepresented compared with the regional average, with social work and residential care homes accounting for particularly large proportions of total employment. The Experian job forecasts expect this sector to grow by 1,550 jobs, or 25% between 2008 and 2026.
- 8.34 The over 65 population of Lewes District, the age group that typically makes greater demands on healthcare, is forecast to grow by 47% between 2008 and 2026, equivalent to 10,400 more residents.⁴⁰ This suggests a need for further provision although existing capacity can probably accommodate some growth in demand.
- 8.35 There are no major hospitals in Lewes District but Lewes Victoria Hospital provides services for minor injuries whilst there is polyclinic facility and rehabilitation centre in Newhaven and a health centre in Seaford. The nearest major hospitals are the Royal Sussex in Brighton and Eastbourne General. In total there are 15 GP surgeries and 54 care homes in the District.
- 8.36 Based on discussions with the PCT, in terms of Primary Health Care, there are very few expansion proposals which will require more land. No expansion of hospital facilities is planned in the District, nor will there be any expansion of GP facilities in Ringmer, which has a very recently-constructed surgery. A new surgery has planning permission in Peacehaven, whilst some expansion of facilities in Newhaven and Lewes town is planned, but only on existing sites. In Seaford a new health centre is planned within the next 3 years, which will partly use an existing site, but also expand onto an adjoining site owned by Seaford Town Council. In the longer term, new provision will depend upon the distribution of new housing, but the PCT's strategy is generally to expand facilities on existing sites rather than opening new branch surgeries which are expensive to run. As a result, there are unlikely to be any significant additional land needs.
- 8.37 Despite Government spending on health likely to slow considerably or remain static in the near to mid term, expansion of the elderly population and possible growth in demand for private health care may require further provision of

⁴⁰ Source: 2008-based sub-national population projections, ONS 2010

residential care homes. Furthermore, Lewes District is already a popular location for care homes and is expected to see a 14% increase in residents over 65 during the course of the plan period. However, this could be offset by programmes to improve the health of elderly residents and help them live independently for longer. In any case, growth could partly be achieved by expanding capacity on existing sites without necessarily a large additional land requirement. It appears unlikely that many care homes would seek to locate on established industrial estates in the District due to amenity considerations. However, undeveloped sites in fragmented employment areas such as Malling Brooks in Lewes town have seen interest from such uses and smaller rural sites could come under particular pressure from such uses.

- 8.38 There is also an informal health sector, with many small independent practitioners, often self employed, in fields such as yoga, pilates, massage, alternative medicine, Chinese medicine, acupuncture etc. These tend to operate from dwellings, community buildings or converted shop units and do not require significant amounts of space. They could, however contribute significantly to local job growth.
- 8.39 Overall, it appears that the forecast for an additional 1,600 jobs in this sector in Lewes District could be optimistic given the lack of large hospital facilities and the likely constraints on government spending over the coming years. Expansion in the care home and informal healthcare sub-sectors appears likely to be the main driver for growth in the sector. In that situation, a level of job growth of perhaps half that forecast by Experian (800 jobs) appears more likely. Fairly limited requirements for new space are expected from these sub-sectors and very little requirement for additional land.

Education

- 8.40 This sector includes primary and secondary schools, further education colleges and universities, as well as commercial nurseries and language/driving schools. Current employment in this sector within Lewes District totals 3,920 jobs and is overrepresented in relation to the regional average, in part due to the presence of a number of private education institutions such as the Old Grammar School, Lewes town. This is despite no universities wholly within the District although both Brighton and Sussex Universities lie on the border. The Experian job forecasts predict growth of 490 jobs, or 13%, over the period 2008-26.
- 8.41 Consultation with the Local Education Authority has revealed that at present no new primary or secondary schools are planned in Lewes District. However, this does not mean that there will be no further provision of education facilities by 2026. The locations with the narrowest gap between current pupils and capacity, and therefore likely to have the greatest requirement for new school capacity, depending on housing growth, are Seaford and Lewes town for primary schools and Lewes town, South Chailey and Peacehaven for Secondary Schools.

- 8.42 However, the precise scale and location of new facilities will depend heavily on the location of new housing development in the District which will remain unclear until the Core Strategy is finalised. Given the modest levels of housing growth expected to take place in the District over the plan period, it is unlikely that the amount of land that will need to be made available for education facilities will be great. Furthermore, government spending in education likely to slow in the coming years since capital investment programmes were expected to mainly be through the Building Schools for the Future programme, which has now been severely cut. Any new school provision is also likely to take place within larger housing developments.
- 8.43 As noted in the previous chapter, Lewes District contains two further education colleges. Plumpton College, which lies within a large estate, has expanded in recent years and is unlikely to have major land expansion needs in the near future. Sussex Downs College is planning upgrading of its facilities but within its existing site in Lewes town and this may free up some surplus land. Overall, this sector is considered unlikely to have any significant additional land requirements over the plan period.

Waste/Recycling

- 8.44 This sector includes waste management and transfer facilities as well as recycling and waste energy facilities. This sector currently accounts for almost 280 jobs in Lewes District, a higher relative proportion of all jobs than in the South East as a whole. However, as this sector comprises several parts of different Experian sectors (Other Manufacturing and Other Services), the forecasts do not give a clear indication of likely future growth.
- 8.45 There are new facilities under construction in the District including an energy recovery system in Newhaven and a waste water treatment plant in Peacehaven), as noted earlier. Some of the East Sussex & Brighton Waste and Minerals Core Strategy requirements (which include up to 10 small-scale Recycling and Composting Facilities and 2-3 large scale facilities and one Waste Recovery facility) may also be accommodated within the District, particularly at Newhaven. Discussions with the waste authority have revealed that the total land requirements for these facilities and their location are yet to be defined. However, individual waste sites are likely to be a minimum of 1 ha in size and industrial land is often a suitable location. Given its port, there is potential for some industrial land in the Newhaven area to be sought for such facilities. As this sector is not labour intensive, even with an increased focus on waste management and recycling in future, any job growth in Lewes District is likely to be very modest, probably no more than 100 additional jobs by 2026.

Construction

- 8.46 As noted in Section 6, Lewes District already has above average representation in this sector, which has over 4,000 jobs currently, and has shown above average job growth in the past. The Experian job forecasts predict that this sector will grow by 200 jobs (or 5%) over the 2008-2026 period. However, the

likely decline in public sector investment in buildings (e.g. Building Schools for the Future programme, hospital PFI investment etc) means that such growth is only likely to occur if housebuilding rates return to or exceed pre-recession levels which seems unlikely for several years.

- 8.47 In any case, some of this job increase is already counted within the B Class job forecasts since some construction sectors use B class premises such as offices and storage sites on industrial estates. In addition, construction jobs are often based at the site of new buildings/infrastructure and do not require permanent accommodation. Taking this into account, along with the modest forecasts for overall growth in the sector indicates that there are likely to be very minimal requirements for additional non B-class land/premises in the form of depots and sui generis single-occupier construction sites. No additional land should therefore be reserved for this use.

Public Administration & Other Public Services

- 8.48 Public administration includes local and central government activities, along with social services, job centres, the police, the courts, fire and other emergency services. Current employment in this sector totals 1,270 jobs and accounts for 3.9% of all jobs in Lewes District compared with just 2.3% in the South East. This above average representation largely reflects the main offices of East Sussex County Council being based in Lewes town. The Experian job forecasts predict a decline in employment of 280 jobs in this sector between 2008 and 2026, possibly reflecting Government public sector expenditure cuts. As noted above, recent proposals to relocate County Hall outside the District, if implemented would also result in significant job losses.
- 8.49 Any such reduction in employment could reduce demand for office space to some extent, particularly in Lewes town centre, where some space could potentially be returned to the commercial market. There is no indication that new depots or other Council service facilities will be needed, nor significant growth by the emergency services. Overall, no significant requirement for additional land is anticipated for this sector and some space may be freed up to accommodate other uses.
- 8.50 However, 'other services' (predominantly public sector) includes a wide range of activities such as sports facilities, museums, libraries, theatres, theme parks, hairdressing, funeral activities, gambling, churches and refuse disposal. This sector is forecast to gain 460 jobs in Lewes District by 2026 although most of these are probably already covered under other sectors. Some of these services which are not covered in other sectors would typically look to locate in town centre and existing premises and no significant additional land requirements would be anticipated.

Transport

- 8.51 This sector includes road, rail and air transport facilities and supporting activities. While some 1,180 jobs are supported by this sector as a whole in

Lewes District at present, a significant part of this is already counted under the B Class sectors e.g. storage, courier and land transport related activities which typically locate on industrial estates. The Experian job forecasts predict that there will be growth of approximately 110 jobs or 9% over the 2008-26 period in this sector.

- 8.52 Growth in this sector may rely heavily on Newhaven port, as no significant growth in airport or land transport related uses is envisaged in the District, as noted in section 6. While some growth in public transport employment might be expected by 2026 to reflect population growth, this appears likely to be modest in a climate of restrained Government expenditure. Reflecting these factors, no significant net requirement for more land is anticipated from this sector. There could potentially be some land requirements arising from the re-development of existing facilities such as Lewes bus station which would need to be accommodated elsewhere, but the shortage of alternative town centre sites makes this relatively unlikely.

Conclusions

- 8.53 Reflecting the above analysis, the current and forecast levels of employment and land requirements associated with the non B class sectors are summarised in Table 8.2 below, where possible. These Experian forecasts are largely based on past trends in Lewes District relative to employment growth by sector in the South East, and are consistent with the forecasts used to estimate future space requirements for the B Class uses. However, some have been adjusted where considered optimistic on the basis of the analysis above.
- 8.54 The Non B Uses could provide almost 2,500 more jobs in Lewes District by 2026, a 10% increase on their 2008 employment level, and significant compared with the forecast 3,700 increase for B class uses.
- 8.55 In terms of future land needs for these sectors, the above analysis suggests that land requirements for most sectors are likely to be modest, partly because many will utilise land already held by the relevant provider or because the use can be incorporated within mixed use developments, often in town centres. There could be a modest requirement for retail needs (1-2 ha or so), and possibly another 1 ha for hotel uses and health & fitness facilities. Some of these requirements could make use of existing industrial land, possibly 1 ha or so, and more if some of the East Sussex & Brighton Minerals/Waste Core Strategy requirements are located in the District.

Table 8.2 Job Growth and Land Requirements for Non B-class sectors

Sector	2008 Job Level	Job Forecast (2008 26)	Additional Floorspace/ land requirement	Likely to Require B class land?
Health	6,160	+800	Very Small	No
Education	3,920	+490	None	No
Commercial Leisure	n/a	n/a	Very small	Potentially
Sports Facilities	300	+40	None	No
Retail	3,950	+370	1-2 ha	Potentially
Public Administration	1,270	-280	Minimal	No
Other (mainly public) services	1,200	+460	Minimal	No
Hotels & Catering	1,890	+180	1 ha	Potentially
Waste/Recycling	280	+100	1 ha+	Potentially
Construction (Non B Class)	4,020	+200	None	No
Transport (Non B Class)	1,180	+110	None	No
Total Non B Uses	24,170	+2,470	3-4 ha+	
Total B Uses	41,570	+3,700	5-3 - 13.6 ha	

Source: Experian Job Forecasts/NLP Analysis

9.0 The Demand/Supply Balance

9.1 This section draws together the forecasts of future employment land needs in Sections 7 and 8 and the estimates of land available on the District's existing and allocated employment sites in Section 5 to identify any need for more provision of employment space, or surpluses of it, in both quantitative and qualitative terms.

Quantitative Balance

9.2 The previous section identified a need for between 32,700 m² and 62,000 m² of employment space up to 2026, including a modest safety margin largely to allow for delays in sites coming forward for development. The net land requirements associated with these amounts of employment floorspace were estimated at broadly between 5.3 and 10.6 ha.

9.3 Committed employment space in the District that is not yet started and available to help meet this future need is identified by the Council's Annual Monitoring Report, 2009. This comprised around 31,000 m² of B class floorspace in net terms, with the breakdown by use class shown in Table 8.1. Of this, approximately 17,800 m² was on unidentified sites (i.e. not allocated employment sites).

Table 9.1 Committed Employment Space 2009

Use Class	Net Supply at 31 st March 2009
B1	9,900
B1(a)	1,700
B1(b)	0
B1(c)	300
B2	6,300
B8	2,900
Mixed B	9,900
Total B class	31,000

Source: Lewes Industrial, Commercial, Retail and Hotel Monitoring Report Note: Totals rounded

9.4 Assuming that both the 'B1' and 'Mixed B' floorspace would be developed as 80% of industrial space and 20% office space, this would give a total supply of 5,600 m² office space and 25,400 m² industrial space.⁴¹

9.5 In addition, there is vacant employment space available, amounting to 4,700 m² of office space (9% of office supply) and about 23,300 m² of industrial space (6% of industrial supply). However, as these vacancy levels are within or

⁴¹ This ratio broadly reflects the split by use of recent completions of employment space in Lewes; figures are rounded to the nearest 100 m²

below the range of what is needed in a normal market to allow churn and choice, none of this vacant space has been added to current supply.

- 9.6 As noted in section 5, there is also potential employment space capacity on allocated/identified sites which are not currently committed and could be developed. These are the sites shown in Table 5.3, but excluding those with planning permission in order to avoid double counting. Making assumptions regarding the amount of development these sites could accommodate based on typical plot ratios gives an estimated 2,400 m² of office space and 142,200 m² of industrial space from this source.⁴²
- 9.7 Drawing together the committed supply and other undeveloped land, there appears to be current capacity to provide for up to 8,000 m² of new office space and 167,600 m² of new industrial space, or 175,600 m² in total.
- 9.8 A broad comparison of estimated demand against all currently identified supply, as shown in Table 8.2, implies that, for all estimates of future employment space requirements, the District would have more than enough employment space in quantitative terms up to 2026.

Table 9.2 Supply/Demand for Employment Space to 2026

	Baseline Job Growth Estimate (m ²)	Enhanced Demand for Offices (m ²)	Reduced Completions (m ²)	Past Completions Continue (m ²)
Requirement for B-class space	+32,700	+36,200	+47,800	+62,000
Available Employment Space	175,600			
Surplus (+)/Shortfall (-)	+142,900	+139,400	+127,800	+113,600

Needs of Different Employment Uses

- 9.9 Ensuring an adequate choice of types of sites is also important even if there is adequate supply in quantitative terms. This is necessary to meet needs of different employment uses and the aims for diversity of employment opportunities at different skill levels. Potential supply of employment space for both industrial and office uses was therefore compared with estimated requirements for these uses.
- 9.10 Table 9.3 compares the demand and supply situations for industrial and offices uses separately. This indicates that there should be more than enough supply available, in purely quantitative terms, to meet industrial needs arising under all demand estimates. However, a shortfall of office space is likely under all demand estimates, ranging from a modest 3,400 m² up to a sizeable 15,700 m² under a higher growth situation.

⁴² The recently permitted floorspace on the Mallings Brooks East site (7,040 m²) is also included as it was not counted in the committed space in Table 9.1.

Table 9.3 Demand/Supply for office and industrial space to 2026

	Baseline Job Growth Estimate (m ²)	Enhanced Demand for Offices (m ²)	Reduced Completions (m ²)	Past Completions Continue (m ²)
Industrial				
Industrial Space Requirement	12,500	12,500	36,400	+48,500
Potential supply of industrial space	167,600			
Surplus (+)/ Shortfall (-)	+155,100	+155,100	+131,200	+119,100
Offices				
Office Space Requirement	+20,200	+23,700	+11,400	+13,500
Potential supply of office space	8,000			
Surplus (+)/ Shortfall (-)	-12,200	-15,700	-3,400	-5,500

9.11 However, the supply figures used in this comparison reflect the ‘maximum’ possible case, assuming that all allocated employment land comes forward for development during the plan period. To test all possibilities, a more pessimistic (and arguably more realistic) view of supply has been examined. As noted earlier, this discounts the supply from five sites (Lewes bus station, Woodgate Dairies, Hamsey Brickworks, Balcombe Pit and Land South of Pinwell Road) which have significant constraints on development for employment uses. This would reduce office supply by 1,600 m² and industrial supply by 9,900 m².

9.12 The demand/supply balance for this less optimistic level of supply is shown in Table 9.4 below, and results in a larger shortfall of office space under all estimates. It also slightly reduces the large surplus of industrial space but does not significantly alter the overall picture.

Table 9.4 Demand/Supply for Office and Industrial space to 2026 based on Worst Case Supply

	Baseline Job Growth Estimate (m ²)	Enhanced Demand for Offices (m ²)	Reduced Completions (m ²)	Past Completions Continue (m ²)
Industrial				
Industrial Space Requirement	12,500	12,500	36,400	+48,500
Potential supply of industrial space	157,700			
Surplus (+)/ Shortfall (-)	+145,200	+145,200	+121,300	+109,200
Offices				
Office Space Requirement	+20,200	+23,700	+11,400	+13,500
Potential supply of office space	6,400			
Surplus (+)/ Shortfall (-)	-13,800	-17,300	- 5,000	- 7,100

9.13 Given that there is a predicted to be a significant oversupply of industrial space, in excess of 109,000 m², it is possible that some of this potential shortfall of office space could be met by developing some office space on existing or allocated industrial areas. This would have to reflect market

demand factors and probably limits the scope for this to sites in Lewes town, rather than any sites in Newhaven or other coastal towns.

- 9.14 It is also possible that some of the likely shortfall of office supply could be met by redeveloping surplus industrial land on existing sites. From experience elsewhere, it is not always possible to redevelop parts of industrial estates to provide offices that are attractive to the market, given the different types of environments and surroundings the former often have. However, this has happened to a limited extent within Lewes town already, particularly within the Mallings Brook Business Area. For this to work, a carefully master-planned approach with distinct areas for office towards the frontages of sites would be needed but such schemes can be difficult to deliver in areas of more marginal demand. In addition, Lewes town is perceived to suffer from a lack of good quality sites and it is not certain that new offices in mainly industrial areas would necessarily improve this situation. This approach might also reduce industrial provision within the town and put pressure on its already tight industrial supply.
- 9.15 Depending on the level of growth to be planned for, there may therefore be a need for additional land for office development within or beside Lewes town.
- 9.16 These approaches would provide some opportunities to meet any shortfall of office space without requiring much new land. This would also be broadly in line with the 'smart growth' objectives of the subsequently revoked South East Plan, which aims for best use of existing employment land and more productive use of it.

Land Needs of Non B Uses

- 9.17 Account also needs to be taken here of any requirements arising from growth of Non B Class uses, as estimated in Section 8. These requirements were much less certain in terms of amounts of land, but some requirements for B class industrial land could arise from waste management and potentially retail warehouse uses. However, the amounts are likely to be modest, probably no more than 2-3 ha unless land for waste requirements has to serve a wider area than Lewes District. This appears unlikely to be a problem given the large surplus of industrial space indicated in Table 9.3 above.

Five Year Supply

- 9.18 The SEEPB guidance on employment land reviews also emphasises the need to ensure a rolling 5 year supply of employment land. Table 9.5 provides a broad comparison between available supply and demand for employment space over three periods of approximately 5 years. The delivery timescale for employment space supply reflects the phasing estimates for allocated/undeveloped sites made in Table 5.3. The breakdown of demand reflects the level of forecast B class employment change in Lewes District in these periods. For clarity, only the top and bottom of the range of demand estimates are shown.

Table 9.5 Demand/Supply for Employment Space over 5 year Periods to 2026

	0 5 Years (m ²)	6 10 Years (m ²)	11 16+ years (m ²)
Industrial Space Requirement	3,700 to 14,500	4,400 to 17,000	4,400 to 17,000
Potential Industrial Supply	25,400	127,300	21,000
Surplus (+)/ Shortfall (-)	+10,900 to +21,700	+110,300 to 122,900	+4,000 to + 16,600
Office Space Requirement	2,700 to 4,750	5,400 to 9,500	5,400 to 9,500
Potential Office Supply	6,400	0	1,600
Surplus (+)/ Shortfall (-)	+2,650 to +3,700	-5,400 to -9,500	-3,800 to -7,900

Note: demand is assumed to be lower in the first 5 year period due to aftermath of recession and ongoing funding problems for the development sector

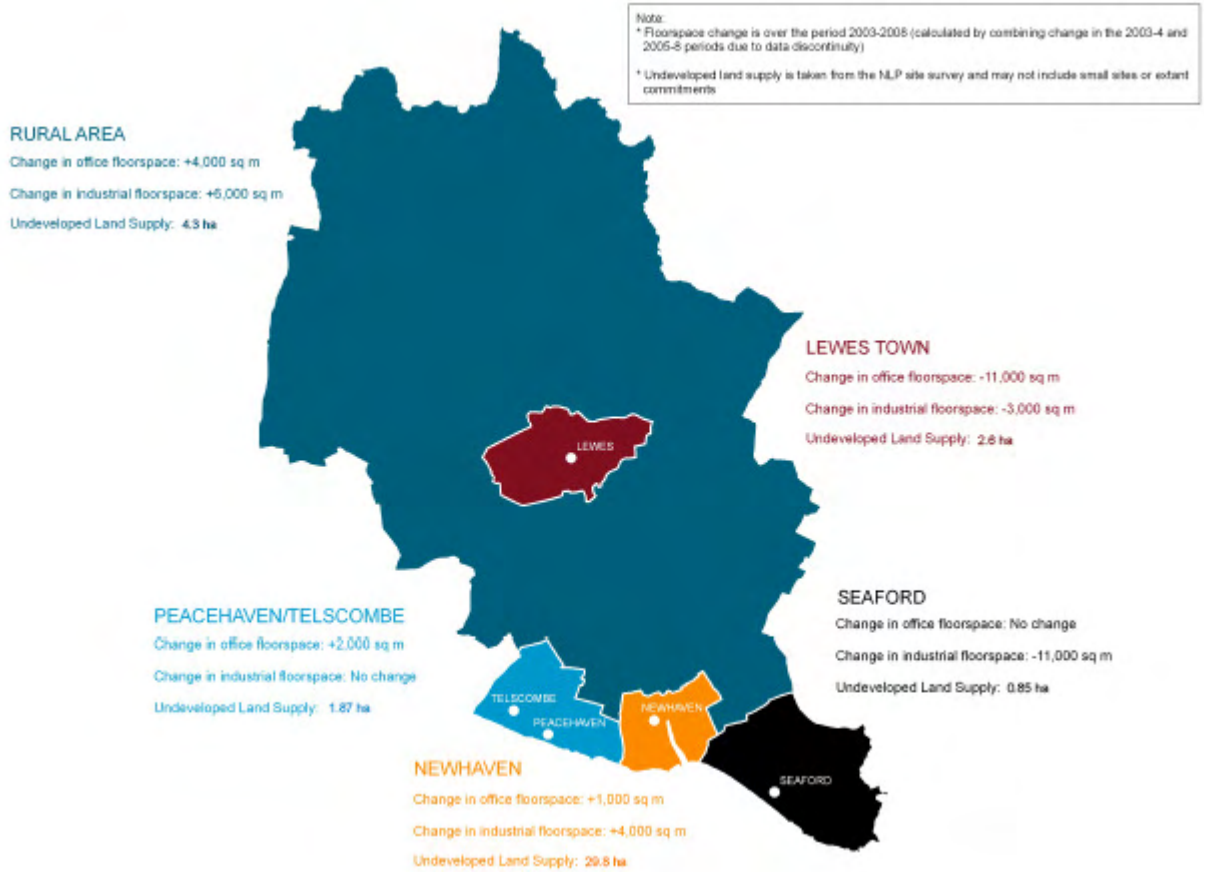
- 9.19 This comparison indicates that, for industrial space, there should be a 5 year of industrial land over all periods. It also indicates a shortfall of office space is possible beyond the immediate 5 year period.

Needs by Sub-area

- 9.20 Having considered this overall demand/supply picture across the district, it is also necessary to examine the picture in each of the different sub-areas. To assist this, Figure 9.1 below summarises past development rates in each area as an indicator of local demand, the amount of available development land remaining, and some market issues noted by agents and business organisations.
- 9.21 As noted previously, **Lewes town** remains the area of strongest commercial market demand in the district, particularly for offices, despite having seen some modest falls in levels of both office and industrial space in recent years. Employment land supply also remains tight with just 3 ha of available land.
- 9.22 In contrast, agents report that demand levels are generally low in **Seaford**, in part due to its position at the end of transport links. Seaford has a very localised commercial property market, similar to Peacehaven/Telscombe. In addition, there has been a sizeable fall in industrial space in recent years. While office space has changed little, there is very little office space in the town. At the same time, there is very little vacant industrial space being marketed and the supply of developable employment land is also low, with just 0.85 ha of available land. This available land appears a reasonable site beside an established industrial estate but has not attracted development after some years of allocation.
- 9.23 However, as noted in section 4, some firms and business organisations in Seaford considered there was a shortage of good quality industrial space, particularly for slightly larger units that would allow local firms to expand or upgrade their premises, as well as inadequate provision for start-up firms. The Cradle Hill estate was not seen as particularly attractive and there was a view

that providing new land would lead to new employment premises being built, whether by developers or by the firms themselves.

Figure 9.1 Recent Development rates and Land Supply by Sub-Area



Source: NLP Analysis

9.24 As noted previously, **Newhaven** has by far the largest share of available land supply in the district, with around 30 ha. Furthermore, it has shown moderate demand for industrial space, as indicated by a modest rise in the amount of such space stock within the sub-area over the last five years.

9.25 **Peacehaven/Telscombe** has experienced little change in employment space over recent years and demand is perceived as low, with a very localised market. However, there is a moderate amount of available land supply (1.3 ha) in two sites in this sub-area, which are assessed as average quality. There are also several vacant industrial units being marketed.

9.26 In the large **Rural Area**, demand is reported to be reasonable in some sub-sectors of the commercial market but mainly for conversions of rural buildings. Furthermore, this sub-area showed the greatest increase in both office and industrial space, indicating reasonable levels of demand although it also has a reasonable amount of employment land remaining (4 ha).

- 9.27 Significant housing development in these sub-areas could increase demand for more employment space but levels of housing are not yet defined within the District.
- 9.28 Of all of these sub-areas, Lewes town is the area with the tightest demand/supply balance, with relatively little land available for the area identified as having strongest demand and having lost some employment space to flooding factors. The position also appears relatively tight in the Seaford and Peacehaven/Telscombe areas, although these have much smaller commercial property markets and lower levels of demand. Newhaven, in contrast has a large amount of employment land available, although moderate amounts of demand, and may have to serve a wider than local area.

Qualitative Factors

- 9.29 Even where there is no quantitative shortfall of space, in some circumstances additional land may be needed for qualitative reasons, for example to provide a better choice of provision for occupiers, to meet gaps in the supply of particular types of premises or to improve or modernise the quality of current provision and so help attract more occupiers. Qualitative needs are considered for each broad property type/area individually and for the different sub-areas.

Offices

- 9.30 In terms of meeting market and developer needs and providing adequate choice, there are a very limited number of sites with potential for new office development within the District. Just three sites were identified as having potential – Malling Brooks West, Lewes Police Station and Lewes Bus Station. In the case of the Police Station, it may be more appropriate to deliver a residential development on the site while delivery of office development at the Bus Station is seen as less certain as it relies on the relocation of the current use. These sites together amount to just 1.3 ha in total.
- 9.31 Although office vacancy is currently around 'normal' market levels, there does not appear to be much choice or quality of provision. There is also no potential development land for office space outside of Lewes town, although levels of demand are reportedly very low in the coastal towns.
- 9.32 Lewes town is clearly the focus for office demand in the district and is likely to remain so in the future, so that most of the office requirement shortfall should be met here. Particular gaps in the market here include some small-scale start-up office space similar to the Newhaven Enterprise centre as well as more medium-size offices similar to those at Malling Brooks, which could potentially capture some relocations from Brighton. This type of space could be provided on the Malling Brooks West site. However, there should be a better choice of sites in case that site has constraints or goes to industrial use, and to meet needs over the plan period if Lewes District seeks to develop its knowledge-based sectors. A need is therefore seen for an additional office development

site in Lewes town, able to accommodate up to about 10,000 m² of floorspace; this probably means a site of 1- 1.25 ha.

- 9.33 There is no identified demand for significant new office provision in Newhaven. However, there may be some benefit in encouraging some small-scale flexible business units that are also able to accommodate office uses in both the Newhaven and Lewes town areas, in order to diversify local job opportunities and perhaps to accommodate firms moving out of the Newhaven Enterprise Centre or meet some local needs. It is difficult to see the market providing such space here given very low current demand and viability issues, but it could possibly form a small component of any mixed-use development on the Newhaven Eastside site.
- 9.34 No clear need was identified for new office space in the Seaford or Peacehaven areas, reflecting very low levels of demand and some existing land remaining. However, any new premises should be flexible enough to accommodate start-up offices if demand arises. Based on recent trends, the rural area could probably accommodate more, small scale, office premises but this can probably be met through policy support for conversions of rural buildings.

Industrial

- 9.35 From the above analysis, there appears no quantitative need for additional land for industrial uses. Indeed, the forecasts indicate a significant surplus in future with significant amounts of new space potentially able to be delivered on sites such as Newhaven Eastside Business Park. However, current vacancy levels for industrial space are below normal market levels, and market views did indicate some problems for firms finding suitable and available space for expansion or relocation even if overall demand is not particularly strong.
- 9.36 There is some industrial development land in all the major settlements. However, much of this is concentrated on two large sites in Newhaven - Eastside (ELW3) and Land adjacent to East Quay (ELW5) - leaving relatively little in some other settlement areas. This is an issue for Lewes town which has reported reasonably buoyant levels of industrial demand in recent years. If the Malling Brooks West site were to be targeted at new office space, the only sites available here for industrial development would be Brooks Lane (ELW24) and Malling Brooks East (ELW1) which together account for just 1.6 ha. This does not appear much for a 16 year period, particularly if firms have to be relocated from the North Street industrial area for town centre regeneration or other reasons.
- 9.37 One of the main problems facing Lewes District's industrial market appears to be a lack of good quality premises rather than just a lack of development land. This suggests that the deliverability of industrial premises is an issue, affected by uncertain demand levels and viability of new development in this area. Even if more industrial sites were provided, it is not clear that much new space would necessarily be developed speculatively. However, if a new, good site without significant constraints could be provided, this may stimulate development and attract occupiers able to design and build. An additional

industrial development site of around 1 - 1.5 ha in or beside Lewes town would improve choice and could provide some good quality, immediately available industrial development land to meet future needs.

- 9.38 Given past levels of demand, the current sites still available in Peacehaven are probably adequate for local needs. For Seaford, although vacancy of industrial premises appears low, the one existing development site is of reasonable quality and it is not clear further provision would result in new development. It is understood that this site on the Cradle Hill estate is Council owned and modest extension of this estate could be considered. While demand does not appear high here, if it were considered important to bring forward small, modern business premises on this site to cater for latent demand, an option would be for the Council and a development partner to explore the feasibility of developing such a scheme, or providing serviced plots to allow local firms to develop their own premises.
- 9.39 For the rural area, as with offices, any demand for industrial premises can probably be met through conversions of existing sites/buildings without new allocations.
- 9.40 While there may not be a need for any new industrial site allocations in the District away from Lewes town, there is a need to protect the best existing sites. Upgrading of the industrial stock through redevelopment, sub-division or re-cladding of older industrial premises should also be encouraged to ensure that provision meets market requirements. As some recent reports have questioned the viability of new industrial development in parts of Lewes District, there may be a need to consider whether some higher value enabling development is required to provide new employment space on some of the allocated sites.

Start-up/Knowledge Based Activities

- 9.41 To support higher value jobs and knowledge based activities in the sub-region, some provision of premises suited to the needs of higher technology activities and other start-up firms is important. Other than the Sussex Innovation Centre development, there is little incubation or innovation centre type provision for small start-up units in this sector. The Newhaven Enterprise Centre does provide start-up space for a wider range of activities but, until recently, has had a waiting list for firms seeking space. As noted earlier, there is also a severe shortage of small, move-on office space available on flexible terms for firms moving out of these centres, particularly in Lewes town.
- 9.42 Providing some incubation/innovation centre space within Lewes town would also be desirable and would be supported by reasonable transport links to Brighton University, which lacks land to provide such space itself. More, small flexible units to provide move-on space could capitalise on the benefits of this facility. Expansion of the type of workspace provided by the Newhaven Enterprise Centre also appears sensible to encourage. This should probably be flexible units to cater for either workshop or office needs. If the market does not provide such space, there would be benefits in encouraging new provision

of these types within any major new developments, such as the Eastside Business Park or any new office development or mixed use schemes in Lewes town.

- 9.43 There may also be scope for a centre providing small, low cost, flexible premises in Seaford or Peacehaven. This may be able to capture any latent demand and stimulate local growth but this should be subject to an assessment of demand and feasibility and is likely to require public sector support.

Strategic Distribution

- 9.44 Although there is very limited supply of strategic distribution premises in Lewes District at present, there is no obvious need for new provision of this type in any event and finding suitable, unconstrained, large sites for this near major roads would be difficult.

Rural Areas

- 9.45 Within the rural areas, the smaller scale of premises needed and lower level of demand for office and industrial space probably does not justify further specific land allocations, where low rents may not justify new development and which may therefore not be taken up. Indeed, there are several sizeable allocations in the rural area which have failed to attract development over some years. In this situation, rural needs can probably be met instead through conversions of redundant rural buildings and other smaller scale developments, without the need for specific allocations, as they are at present. New provision could be encouraged through policy support for rural building conversions to business uses and for other smaller scale industrial developments within settlements.

Conclusions

- 9.46 The above analysis suggests there is potentially more than an adequate quantitative supply of industrial space to meet future needs to 2026, under different estimates of future demand. This situation would apply even if a number of sites do not come forward for development. However, there is a risk of a modest shortfall over the 2010-15 period if demand remains at past levels.
- 9.47 However, there is forecast to be a shortfall of at least 3,400 m² and possibly up to 15,700 m² of office space, although this maximum figure could increase to 17,300 m² if some currently uncertain sites fail to come forward for development.
- 9.48 This situation could possibly be partly resolved by some industrial sites being redeveloped for office use, although there are very few sites where this could realistically occur and only in Lewes town. Alternatively, some of the current industrial land supply could be redeveloped for office development, but most of

this is located within Newhaven where there has been very limited office demand.

- 9.49 In terms of choice of sites, there is a need for more sites in Lewes town for both office and industrial uses, ideally an additional 1-1.25 ha office site and a 1-1.5 ha industrial site. In addition, it would be beneficial if some very modest provision for move-on office space could be achieved in Newhaven, perhaps as part of larger scheme such as the planned Eastside Business Park. Based on past demand and current provision, no need was identified for new allocations elsewhere in the District.
- 9.50 There may also be scope to provide some small, low cost, flexible premises in Seaford or Peacehaven to capture any latent demand and stimulate local growth but feasibility would need to be examined and public sector support is likely to be required.
- 9.51 It would also be beneficial to upgrade the stock of employment space generally and encourage upgrading of older industrial areas and new provision or sub-division to bring forward more, low cost, small scale industrial units.

10.0 Potential New Sites

- 10.1 This section seeks to identify and assess potential new employment sites to meet the estimated additional requirements for office and industrial space in the District indicated in Section 9. This process was carried out in conjunction with the assessment of potential housing sites for Lewes District Council's Strategic Housing Land Availability Assessment (SHLAA).
- 10.2 From the previous section, the requirement for new sites was fairly modest. It primarily identified a need for more sites in Lewes town for both office and industrial uses. The required office site would be in the order of 1.0 to 1.25 ha and the new industrial site of 1.0 to 1.5 ha.
- 10.3 For sustainability reasons, only sites closely adjoining Lewes town were considered initially. However, given the relatively limited opportunities for development around the town, the Council also requested that sites were also considered at Ringmer which lies some 5 km to the north-east of Lewes town. Although this settlement does not benefit from the same access to labour and road access as Lewes town, it lies close enough to accommodate any 'overspill' from Lewes town in market terms and is predominantly outside the National Park, although the boundary does tightly border the majority of the main part of the settlement.
- 10.4 In the absence of any invitation to landowners by the Council to identify potential employment development sites through a 'Call for Sites' process,⁴³ the initial search for new sites involved a sieving process to exclude sites with major environmental, policy or other identifiable constraints to development (e.g. Zone 3 flood risk, or within areas of nature conservation or landscape importance). However, given that most sites around Lewes town are in the National Park or have some flood risk constraints, some sites where these factors apply were considered where they had other important advantages.
- 10.5 Other steps in the site identification process were:
- a examining undeveloped land within or close to the edge of Lewes town or Ringmer and with reasonable access to a main road or a choice of public transport modes;
 - b examining the scope for extension of any established and reasonably successful employment sites;
 - c considering the employment potential of sites identified through the SHLAA process, particularly any found unsuitable for housing;
 - d identifying any previously developed, potential windfall sites that might become available over the Plan period;

⁴³ Despite this, the Council has had a generic site submission form in place for a number of years that has enabled individuals and organisations to submit sites for any proposed use, including employment. No formal submissions have been received for proposed employment sites.

- e identifying any major, emerging development or regeneration proposals in Lewes District that could include some employment space; and
- f considering any sites previously promoted for employment development but rejected through the Local Plan process and understanding the reasons for their rejection.

10.6 The above process identified relatively few potential sites, largely reflecting the extensive areas of the District affected by the National Park, nature conservation and AONB landscape designations and flood risk. The sites initially identified for assessment included:

- Site P1: land off Malling Down road on the north east edge of the Lewes town urban area;
- Site P2: land to the west of H M Prison, Lewes on the south west edge of the Lewes town urban area;
- Site P3: the waste water treatment site on the south east edge of the Lewes town urban area;
- Site P4: agricultural land west of Old Malling Way on the northern edge of the Lewes town urban area;
- Site P5: open recreational land between the River Ouse and Mayhew Way to the north of Lewes town centre;
- Site P6: the potential Strategic development site at North Street, Lewes town, which is currently subject to consultation through the LDF process;
- Site P7: the former Harvey's Brewery yard site, Pinwell Road near the railway station;
- Site P8: land within the South Downs College Site, Mountfield Road;
- Site P9: industrial land at Cliffe adjoining the east Bank of the River Ouse;
- Site P10: the Phoenix surface car park

10.7 A further two sites in Ringmer were also included to provide additional options in the event that sites around Lewes town turned out to have too many constraints to be confident of delivery. These were P11: Land to the East of Caburn Enterprise Centre, Ringmer and P12: Land to the South of Gote Lane, Ringmer. Significant areas of land beside Ringmer lie outside the National Park and the area is seen as an attractive alternative for firms unable to find suitable sites in Lewes town.

10.8 These 12 sites were then assessed using the same approach and criteria used to assess the existing employment sites in the District (in section 4). Individual site assessment sheets for these sites are contained in Appendix 8 and their locations indicated on Plan 10.1. The main strengths and drawbacks of these sites for employment use are summarised below.

10.9 **Site P1 Land north of Malling Down road:** This 6.2 ha site offers relatively level greenfield land, with no obvious flooding or environmental constraints and

direct access off a reasonable road leading to the A26. It adjoins a residential area and is somewhat distant from town centre services but still forms one of the better potential employment sites in Lewes town, particularly for industrial uses but possibly also for some office units. However, the site has been considered in the Strategic Housing Land Availability Assessment (SHLAA), and although the site is not at risk from flooding and is adjacent to the A26, the East Sussex County Council Landscape Officer has raised concerns over the potential impact that housing may have on this undeveloped land of significant landscape value.

- 10.10 However, this site is also under consideration for future housing development and has advantages for that use. If no better sites emerge, there may be scope for a mix of employment and residential uses.
- 10.11 **Site P2 Land west of Lewes Prison:** This 7.4 ha site offers a fairly narrow strip of relatively slightly sloping greenfield land in agricultural use, on the edge of the town, but with no obvious flooding constraints. It adjoins a residential area and the Prison and is remote from the town centre with limited public transport. The current access road runs past dwellings but could be improved. It is also reasonably near the A277 Brighton Road although increased traffic affecting residential areas would need to be resolved. This site has also been put forward as a potential housing site. However, it is within the National Park area, has possible landscape impacts but is also severely constrained by lying within a designated battlefield site. While it would have some advantages as an industrial location, its Battlefield site designation and potential landscape impacts greatly reduce its development potential.
- 10.12 **Site P3 Former Southern Water Works site, Ham Lane:** This 1.6 ha site lies within the National Park area as well as adjoining an AONB and nature conservation site. It offers partly brownfield land and is relatively near the A27 but is in flood risk Zone 3, has very poor local road access and is remote from the town centre and the urban area. It has very limited potential for housing development but is too remote to be a good office site and has inadequate access for industrial uses.
- 10.13 **Site P4 Old Malling Farm** (west of Old Malling Way): This large 15.63 ha area offers relatively level, greenfield land, with very little flooding or environmental constraints. Road access is poor, however, via a narrow bridge over a former railway line and could not be improved without significant cost. While the site lies fairly near established employment areas, an improved access road would pass a residential area. It is also remote from the town centre's facilities and public transport. The site has also been put forward as a potential housing site. While it have some potential for industrial development, it is not clear that this would be viable by itself given the high road improvement costs likely to be needed.
- 10.14 **Site P5 Land between River Ouse and Mayhew Way:** This sizeable area of open recreational land adjoins the River Ouse but has no obvious flooding or environmental constraints and direct access is possible off South Downs Road, a reasonable road running past industrial areas. It is also reasonably close to

the town centre, although not within easy walking distance. The established recreational use of this site, serving local residential areas, would make it difficult to allocate it for employment uses and there are no obvious relocation sites nearby.

- 10.15 **Site P6 - North Street, Lewes Strategic development site:** This 7.5 ha urban, developed, industrial land lies north west of the town centre adjoining the River Ouse. It contains mainly lower quality industrial units, is subject to flood risk and adjoins a conservation area. This site is considered because it has been subject to proposals for mixed use development including employment uses, although other options consulted on include upgrading existing employment units and returning it to flood plain. Road access for industrial use is not ideal although this is an established employment area. Lying close to the town centre, it would have potential for office uses although the need for flood defences would probably require this to be part of a larger mixed use scheme. Overall, this site offers good potential for office uses, and possibly for some small scale industrial units, but the viability of a redevelopment scheme here is uncertain.
- 10.16 **Site P7 – former Harvey's Brewery yard site, Pinwell Road:** This is a small (0.23 ha) vacant yard close to Lewes town centre and near the railway station. It is adjacent to Grade II listed buildings on Landsdowne Place, adjoins a conservation area and within Flood Risk Zone 3. Road access is from Pinwell Road, which also serves the heavily used station car park nearby. This is close enough to the town centre and public transport to provide a reasonable office site but is fairly small and has also been promoted for housing.
- 10.17 **Site P8 – West part of South Downs College Site, Mountfield Road:** This 0.77 ha site comprises vacant, brownfield land within the College site but it is understood that it is likely to be surplus following redevelopment within the site. It adjoins a conservation area and has poor road access from Hams Lane, a narrow substandard road. Although somewhat remote from Lewes town centre, it is within walking distance and has reasonable access to the railway station 300 m away and to bus services. The south part of the site is within Flood Risk Zone 3. This could provide some office space for firms that might gain advantages from links to the College.
- 10.18 **Site P9 – Riverside, Cliffe:** This 0.45 ha site contains vacant or underused older industrial units on brownfield land adjoining the east Bank of the River Ouse. It lies on the eastern edge of the town centre, 250m from the nearest bus stop but within walking distance (750m) from the rail station. It has existing, reasonable road access. The site's main constraints are its Zone 3b Flood Risk designation, and its location within a conservation area and adjacent to Grade II Listed Building. This site is allocated for residential use, but the above factors may make offices more suitable.
- 10.19 **Site P10 – Phoenix car park (OLW7):** This 0.34 ha site comprises a small surface, Council owned car park at the eastern end of Lewes town centre and near the river. Its main constraint is lying within the functional flood plain (Zone 3b) but it has reasonable road access and is close to public transport. This

offers potential for office development, but only provided flooding issues can be overcome and the car park can be relocated or dispensed with. However, an option might involve developing offices above a retained, but smaller, parking area.

- 10.20 **Site P11 – Land to the East of Caburn Enterprise Centre, Ringmer** comprises just under 9 ha of potentially developable land adjacent to an established employment site. Road access is reasonable, albeit not as good as in Lewes town and vehicles would need to pass through the village in order to access the A26. It also has relatively poor access to labour and services. However, a site in Ringmer could benefit from proximity to Lewes town which has a good image in market terms and as an extension to an established site with few constraints, the site could potentially be more viable than others. Broadly, the site would be suitable for a variety of B class uses although, given the nature of the adjacent site, industrial uses would probably be more likely.
- 10.21 **Site P12 – Land to the South of Gote Lane, Ringmer** comprises just under 3 ha of land at the western end of the settlement and therefore benefits from slightly better access to Lewes town and the A26 than site P11. The site has few physical constraints to development and could accommodate a wide range of B class uses, although it does have similarly poor access to services locally. However, it would represent a significant incursion into the countryside and an area of landscape value as well as within the National Park, which could be difficult policy hurdles to overcome.
- 10.22 The relative ranking of the potential sites against the assessment criteria is shown in Table 10.1. This indicates that none of the sites are of good quality and highly suitable for employment related development while two are lower quality sites. This largely reflects the otherwise good sites having flood risk problems and those which do not lacking proximity to town centre transport and services.
- 10.23 These average quality sites could provide almost 33 ha of land in total, much more than is potentially required. However, realistic supply may be much less than this as some sites have severe constraints. For example, despite achieving an average ranking against the assessment criteria, site P5 appears unlikely to be deliverable given the difficulty of developing on, or relocating, playing fields.

Potential Sites for Office Development

- 10.24 Four of the remaining sites have reasonable potential for office development, although each has some important constraints to be overcome. The North Street site (P6) appears most promising in some ways due to its profile and proximity to town centre services and public transport. However, its delivery is uncertain given its location in the flood plain, and the major flood defence works required, which will increase development costs and deter developers. In addition, if this site were to be redeveloped for offices, the existing industrial

occupiers would need to be accommodated in other premises which could require a new industrial site to be found.

- 10.25 The Phoenix Car park site (P10) is also near the town centre and rail station and is Council owned but also has high flood risk and the problem of relocating or otherwise replacing the public car park. Flood issues also apply to the Harveys Yard site (P7), where availability for development is also uncertain.

Table 10.1 Ranking of Potential New Employment Sites

Site Name (Ref)	Size (ha)	Sequential Status	Potential Uses	Timescale (years)	Score	Rank
P11: Land to the East of Caburn Enterprise Centre, Ringmer	8.8	Out of Centre	B1, B2, B8	5-15	22	Average
P6: North Street, Lewes	7.5	Edge Centre	B1a, B1c	0-5	22	
P10: Phoenix Car Park	0.34	Edge Centre	B1a	0-10	21	
P7: Harveys Brewery Yard	0.23	Town centre	B1a	0-5	21	
P12: Land to the South of Gote Lane, Ringmer	2.8	Out of Centre	B1, B2, B8	5-15	20	
P5 Land between River Ouse and Mayhew Way	5.6	Out of Centre	B1c, B2, B8	0-5	20	
P8: South Downs College	0.77	Out of Centre	B1a	0-10	20	
P1 Land north of Malling Down	6.2	Out of Centre	B1a, B1c, B2, B8	0-5	19	
P9: Riverside Cliffe	0.45	Edge Centre	B1a	10-15	18	
P2 Land west of Lewes Prison	7.4	Out of Centre	B1c, B2, B8	0-5	17	
P4 Land west of Old Malling Way	15.63	Out of Centre	B1c, B2, B8	0-5	13	
P3 Former Southern Waterworks site	1.6	Out of Centre	B1c, B2, B8	0-5	13	
Total	57.32					

- 10.26 Less sequentially preferable but an option if no more central site is realistically available, the Malling Down site (P1) could provide some small scale, campus type office units as part of a mixed use development and provide a different type of office provision for the town. However, its attractions may be limited by lack of nearby services and public transport, unless this is improved by new housing development nearby, and this location may not be sequentially preferable if any town centre redevelopment opportunities emerge, for example the County Hall site.

- 10.27 Nearer the centre but also with less flood risk, land within the South Downs College site (P8) could perhaps provide some small scale and lower cost office

premises, with flexible terms, of the type required by starter firms and proximity to an educational institution may offer some benefits for this. The sites at Ringmer are unlikely to be attractive for offices in market terms, nor compliant with a town centre first policy. They appear too far from Lewes town to serve that market or benefit from its facilities and public transport accessibility.

Potential Sites for Industrial Development

- 10.28 For industrial development within Lewes town, only site P1 and possibly P6 offer any realistic potential. Given its fairly good road access, the Malling Down site (P1) could provide a modest new industrial area along with housing development, particularly if not considered acceptable as an office location. This could help accommodate any industrial firms forced to relocate from the North Street site.
- 10.29 The North Street site (P6), despite being an existing industrial estate, is probably a poorer prospect than site P1 for new industrial development, given its better potential for new office uses and the need for higher value, mixed use development here to fund likely high development costs. In addition, new industrial development here would not increase the overall stock and choice of industrial premises in the town, although it would improve the overall quality of the stock.
- 10.30 Alternatively, there are the two sites at Ringmer which could form potential 'spill-over' locations if industrial development cannot be accommodated at Lewes town. These were ranked highly compared with the other candidates. For industrial development, these sites are probably close enough to be associated with the positive market image of the town of Lewes but would suffer from poorer access to the road network, labour and services. However, in general they have fewer constraints than around Lewes town and development in this location could therefore form a policy choice available to the Core Strategy, especially if the potential sites in Lewes town appear less likely to be deliverable.

Conclusions

- 10.31 There is a very limited choice of potential new sites for employment development around Lewes town due to the range of policy and environmental constraints affecting this area.
- 10.32 All of the potential office sites close to the town centre have significant development constraints. There would be scope to provide office development within any mixed use development of the North Street Strategic site, although its deliverability and timescale would be less certain. There are several other options in and on the edge of the town centre although all have some flood risk problems. If flood risk rules out these sites, options could be a small office campus development on the northern edge of the town at Malling Down or small office units within the South Downs College site.

- 10.33 If the North Street site were to be developed for offices and a mix of other uses, this would reduce the current supply of industrial land in Lewes town. Some future losses of industrial land were assumed within the forecasts of future requirements and some of these firms could potentially find premises within other industrial areas in the District. However, it may also increase the requirement for additional industrial land at Lewes town, beyond the 1 -1.5 ha indicated earlier, to allow relocation of firms established at North Street.
- 10.34 In terms of finding potential new industrial sites, the choice is less wide but land at Malling Down (P1) probably provides the best option in Lewes town. If this was unlikely to be deliverable or available, then one of the sites in Ringmer could be considered as an alternative.

11.0 **Managing the Current Supply**

11.1 This section considers other measures which may be required to support Lewes District's economic growth objectives. These relate to qualitative employment land issues such as approaches to achieving the renewal and upgrading of some existing sites or encouraging desirable forms of employment space within the constraints of a limited supply of potential new sites.

Renewal / Intensification of Existing Sites

11.2 As noted in Chapter 5, a significant proportion of Lewes District's existing employment sites are older industrial areas, many with older premises outdated for modern needs or in poor condition, but have potential for renewal or intensification. Some measures that might address this could include re-cladding, gradual redevelopment of individual sites, and sub-division of larger units. Current barriers to owners doing this in Lewes District now include low rents, uncertain levels of demand, the more limited premises needs of many lower cost occupiers in the District and sometimes multiple ownerships of sites. The North Street/Phoenix estate in Lewes town, for example, appears an area where flood risk factors are likely to deter upgrading and new investment.

11.3 Based on experience elsewhere, approaches that could apply to a number of the older established industrial estates range from stripping and repainting of industrial units, and making environmental improvements to estates through a Business Improvement District (BID) mechanism. There are understood to be no current BIDs in Lewes District. Similar processes of gradual upgrading should be encouraged to allow for these sites to make a positive contribution to meeting some of Lewes District's future growth requirements. Encouragement for owners/developers to do this may be necessary, and would be aided by:

- an LDF policy encouraging such forms of development;
- introduction of Local Development Orders for specific industrial areas;
- Council involvement in instigating a BID approach in suitable areas;
- local initiatives to publicise to local firms case studies of improvements to business premises, including costs, local contractors involved and rental or other benefits achieved; and
- exploring potential sources of grant aid to enable small/medium firms to upgrade premises if the market does not deliver these improvements.

11.4 To facilitate existing older employment sites being upgraded or redeveloped without forcing businesses out of the District, some sites will need to provide new premises to accommodate the relocation of firms. There appears to be scope to accommodate some new employment development on the Malling Brooks and Eastside sites. However, as noted in section 5, some of the allocated sites with employment potential may not be available in the short-term. This indicates a need for a cautious approach to redeveloping/sub-

dividing existing employment sites until such time as reasonable alternative sites to accommodate relocations become available.

- 11.5 It will also be important to ensure some balance is achieved between renewal of Lewes District's older, more established employment areas, and new employment development elsewhere. The latter can provide more modern and potentially better quality space, but with rents for new units in Lewes District not always much higher than for refurbished space, the incentive to build speculative new industrial units may be diminished by too much emphasis on upgrading. At the same time, any significant decanting of firms to new sites could undermine the future employment role of existing sites.

Bringing Forward Employment Development

- 11.6 A number of allocated employment sites in Lewes District have failed to attract development after many years. These include plots on the Mallings Brooks East estate in Lewes town, some sites in the rural area and to some extent the Eastside site in Newhaven, although here there is clear developer interest albeit partly for non B uses.

- 11.7 Elsewhere, allocated sites can fail to come forward for employment development for a number of reasons including owners' aspirations for residential use, high up-front development or infrastructure costs, and uncertain demand and low rents increasing the developer risk. In the current economic climate, many developers are finding it difficult to obtain funding for development and appear even more risk adverse in marginal locations such as Lewes District. This is likely to make it harder to bring forward new employment space on allocated sites, at least in the short term. Some of these factors will apply to allocated sites in Lewes District but high development costs due to flood risk are a particular issue for some, while isolated rural sites may find it hard to attract investment in areas of modest demand where there is no established market.

- 11.8 In these circumstances, other approaches to encourage employment development in Lewes District may need to be considered. These could include:
- on appropriate sites and where a clear need is demonstrated, allowing a limited amount of higher value "enabling development" to help fund infrastructure and support provision of speculative employment premises;
 - supporting bids for regional funding to kick-start key infrastructure to open up and stimulate development on key sites, although it has to be recognised that the scope for this may be more limited in future;
 - de-allocating sites clearly unlikely to attract employment development and seeking to identify better sites, although the options for new sites may be limited;
 - encouraging the maximum flexibility in the types of employment uses and forms of development on sites, including opportunities for design & build by occupiers.

- 11.9 On certain sites, mixed-use development may provide one way of bringing forward new employment space. As well as retaining significant employment land in redevelopments of former industrial sites, there should also be some scope for developers to provide some small business units in mainly residential schemes, perhaps secured through a Section 106 agreement and with delivery linked to the timing of other development. The precise location and layout of such space should be carefully assessed to ensure that it will be attractive to the market e.g. B1 space should typically be located at the front of sites to ensure market visibility.
- 11.10 However, care will have to be taken that mixed use schemes do not unduly constrain operations of potential industrial occupiers or existing industrial firms in adjoining areas. Careful master planning of larger mixed-use sites should ensure that different uses can co-exist if new employment space is to be attractive to firms and contribute positively to meeting future demand.
- 11.11 There is also a risk of providing new employment space that does not directly match the needs of existing occupiers, particularly lower-end users such as vehicle repair workshops, which can often only afford lower cost premises, or displacing such activities from industrial sites. There is therefore a need to ensure adequate provision of lower cost sites remains available for relocations despite an apparent surplus of industrial land in future, particularly if any older industrial sites are redeveloped for offices.
- 11.12 A need was identified earlier for more, small, lower cost office units available on flexible terms and suited to start-up firms moving out of incubation or enterprise centres. In normal circumstances, it appears unlikely that the market will deliver such space in Lewes District. Based on experience elsewhere, two approaches to providing such premises could be considered:
- seek provision of small office units within larger employment developments, residential or mixed use schemes; this could be achieved as part of the S106 obligations with the developer delivering the units for management by the Council or another operator;
 - encouraging conversion/sub-division of an older industrial unit into a number of small, lower cost office units (a small business centre); if the market did not bring this forward, such a scheme could be instigated by the Council with a development partner.

Potential for Release of Sites

- 11.13 Given the anticipated oversupply of industrial space it is also necessary to look at whether any existing allocated employment sites can be released. PPS4 policy EC2 also notes that *“If there is no reasonable prospect of a site being used for the allocated economic use, the allocation should not be retained, and wider economic uses or alternative uses should be considered”*
- 11.14 The predicted oversupply of industrial land in quantitative terms relative to future needs also raises the question of whether the District could consider

reallocating some industrial sites for office development, or release of some lower quality employment land to other uses.

- 11.15 Firstly, as noted above, some surplus industrial land could be provide a potential source of new office space although there are few strong candidates for this. Also, with opportunities for new employment sites very limited in Lewes District given its National Park constraints, it will be important to retain reasonable industrial sites that are able to meet future employment needs.
- 11.16 Secondly, a cautious approach should be taken to release of employment sites, even when assessed as lower performers in the site assessment process. Such sites can perform poorly because of a rural location or isolation from strategic roads, which is not necessary for all firms, and does not mean that such sites are not meeting some local needs. Sites that meet specific economic needs or are well occupied should generally be retained. Only when a site has a combination of lack of developer interest, high vacancy, serious adverse environmental impacts from its operation or is otherwise unlikely to be able to perform an employment role in future should release to non-employment uses be considered.
- 11.17 Against that background, the assessment of existing sites in section 5 did not identify any sites that were clearly unsuited to continued employment use at some level. Looking at the three lowest ranked individual existing sites, all in the rural area, these have all been allocated since at least 2002 and do not appear to offer good prospects of delivering space. Furthermore, they all have poor accessibility in rural locations away from labour and services. This might normally suggest such sites could be released to other uses although it is not obvious that many of them have potential for residential or other alternative uses.
- 11.18 However, the Chailey Brickworks site is in active employment use and there is no reason for not retaining it in employment use at present. Similarly, the Hamsey brickworks site contains waste related activities, which may a growing economic sector, and should be retained to allow for this. Woodgate Dairies is not occupied but contains buildings which could potentially be re-used for low value employment generating uses.
- 11.19 The other allocated sites – Balcombe Pit and part of the Woodgate Dairies site - appear to have limited potential of being developed for employment uses in the near future. This would not prevent existing buildings and land being used for low cost, rural based activities and unless they are causing environmental harm or have potential for residential use, they could retained as such. As the study is not indicating a need to allocate more sites in the rural areas, with such needs likely to be met through conversions of rural buildings and farm diversification schemes, this situation could be monitored. If the current allocations fail to serve any need for low cost rural employment space, de-allocation could be considered in future.

- 11.20 Given the shortage of land in Lewes town for both office and industrial uses, it is not recommended that the other low ranking undeveloped site - Land South of Pinwell Road (ELW2) - is released to other uses.
- 11.21 This situation could be monitored regularly and the status of sites reviewed in the light of the future balance of demand/supply or if a strong need emerges to release lower quality employment land for housing. However, at the present time, no release of existing employment sites is recommended on the basis of any sites not being suited to on-going employment use. If the Council wished to release some employment sites in future for other reasons, this would need to be carefully considered to avoid losing viable businesses from the area. Factors to be considered in choosing potential release sites would include:
- a an allocated site has failed to attract development interest after active promotion over a period 10 years;
 - b the overall quality of the site as an employment location, drawing on the rankings in this study;
 - c levels of occupation/vacancy by employment uses on the site;
 - d any adverse impacts on adjoining area from employment operations on the site;
 - e the scope to relocate existing uses on the site;
 - f whether using the site for alternative uses would achieve important planning benefits.
- 11.22 If these lower quality sites were excluded from the final portfolio of employment sites included within the LDF, the implications of releasing three allocations serving the rural area would need to be considered. However, it may be that the needs of these areas could be alternatively met through more small scale conversions of existing buildings that such larger sites, which appear less likely to attract interest.
- 11.23 At the present time, however, the study is not recommending any employment sites be released to other non employment uses. This appears reasonable in a District with very limited scope to identify new employment sites due to environmental constraints.

12.0

Overall Conclusions

12.1

The following key conclusions can be drawn from this study on the adequacy of current employment land supply in Lewes District and requirements for the period up to 2026, both for B and Non B class uses.

Current Employment Sites

12.2

The District contains a reasonable range of industrial sites of differing quality and type but a very limited range of office sites, and little specific provision for start-up businesses in the urban areas except in Newhaven. Of the 40 sites assessed through this study, around 65% of the employment land area is located within the Newhaven area, with some 12% in or beside Lewes town, 6% in the towns of Seaford and Peacehaven/Telscombe and 15% spread across the rural areas.

12.3

This assessment identified 11 existing developed sites of good quality (providing 64 ha of land) and four good quality allocated/undeveloped sites (providing 2.6 ha). This better quality land makes up almost 38% of the total supply assessed by this study.

12.4

In addition, 22 of the assessed sites are of average quality (providing 96.5 ha) and 7 sites (providing 9.9 ha) are of lower quality. This indicates that the great majority (94%) of the current supply of employment land is of good or average quality, although mostly in the average category. However, as less than 6% of the undeveloped/developable land is of good quality, this suggests most of the land available to meet future needs is also of average quality and not particularly attractive to developers.

12.5

Most of the sites rated as 'good' in terms of the assessment criteria are within Lewes town or Newhaven, partly reflecting these towns' better access to roads, public transport, labour supply and services. However, there appear to be very few good existing office sites in the District, and these are primarily within Lewes town with extremely limited provision elsewhere. There is potential for future office provision on some of the allocated employment sites although there are very few, good quality undeveloped sites suitable for this and again only within Lewes town.

12.6

Most of the lower quality sites lie in the more rural areas of the District which suffer from more limited access to the strategic road network, public transport and labour supply. Although performing less well on the assessment criteria, many of these sites appear to meet local needs for low cost space, by firms not requiring good strategic or local road access, and for smaller-scale activities.

12.7

Some allocated sites appear reasonably suitable to meet future needs although the number of these that remain undeveloped after many years suggests some

may be unattractive to market needs or have constraints to development in this local market. This suggests that the reasonably certain supply of employment land that will come forward, and the range of types of sites available, could be lower than initial estimates.

- 12.8 While some 41 ha of undeveloped land was identified with potential for employment development, not all of this is certain to come forward for such uses within a reasonable timescale. Taking account of potential constraints, the amount of land with reasonable prospects of being delivered to meet future employment needs amounts to 36 ha. Of this, only 3.1 ha is estimated as likely to be available in the short-term.

Future Economic Potential

- 12.9 Lewes District's future growth is likely to be characterised by a continuing shift away from traditional manufacturing activities into the service sector, with some rationalisation of manufacturing accompanied by movement into higher value sectors. Some small scale growth is possible in service sectors such as business services, ICT and publishing although this will depend to a large extent on improved connectivity, local start-ups and providing some better quality premises.
- 12.10 The District's manufacturing sector may decline further or at best consolidate but retain some strengths in higher value engineering activities, possibly with some modest growth in environmental industries. This future would rely on retaining traditional established firms but with its base broadened by an injection of small/medium firms attracted by good quality, readily developable sites becoming available, including some in higher value sectors more resilient to overseas low cost competition. No significant role is seen for strategic distribution operations with large units although there will be some growth of smaller scale firms in this sector. Modest expansion in small scale, business service and creative activity firms appears more likely.
- 12.11 Looking at the growth potential of individual economic sectors within Lewes District, aside from creative industries where better potential is identified, the District has only moderate competitive advantages in a few sectors and no single sector stands out as having strong growth potential in Lewes District that could lead to economic 'step change'. In these circumstances, the District's potential future economic role may not be greatly different from its current one given there are few obvious factors likely to instigate significant change.
- 12.12 Overall, the future economic role of Lewes District would involve broadly retaining its existing industries but with a more developed and broader business service sector than now, albeit on a relatively small and modestly growing scale. It would rely on encouraging local start-ups and expansion by small indigenous firms by providing a range of suitable, small, flexibly managed units. Over time, this could create some demand for slightly larger office units and develop the small office market further as well help to improve the business image of the District. While attracting more business relocations

from outside the District would also be beneficial, it would require provision of a better quality and choice of employment sites, and the competing effects of nearby centres suggests greater emphasis should be given to encouraging indigenous growth.

Future Requirements for B Class Space

- 12.13 Based on consideration of various factors, four different estimates of future B Class employment space requirements have been prepared, using different approaches. Three of these reflect assumptions of lower future economic growth and development rates in Lewes District than in the recent past.
- 12.14 The overall space requirements related to these different futures range from 32,700 to 62,000 m² of all types of employment space up to 2026, but between 11,400 and 23,700 m² for office space. This implies a need for between 5.3 ha and 13.6 ha of employment land.

Table 12.1 Gross Employment Land Requirements to 2026 (including safety margin & allowance for losses)

	Baseline Job Growth Estimate (m ²)	Enhanced Demand for Offices (m ²)	Reduced Completions (m ²)	Past Completions Continue (m ²)
Industrial space (B1c/B2/B8)	+12,500	+12,500	+36,400	+48,500
Office space (B1a)	+20,200	+23,700	+11,400	+13,500
Total B-class space	+32,700	+36,200	+47,800	+62,000

- 12.15 All but one of these demand estimates produce a level of job generation which is likely to outstrip the additional number of workers generated by planned housing growth in Lewes District.
- 12.16 Given an uncertain economic outlook, it is difficult to select the preferred or most likely option from these alternative growth pictures. The estimate which assumes past trends continuing at similar rates is probably less likely in terms of the current more pessimistic economic outlook compared to economic growth patterns over the past decade, and would also put greater pressures on local labour supply. In order to ensure that the District realises its economic potential, it may be best to plan for office development on the basis of at least the growth rate envisaged by the baseline jobs forecast.
- 12.17 The range of estimates of future industrial space needs is wide, with some indicating slightly more space needed only to replace losses to other uses, but others based on past trends pointing to a significant increase required. The lower (job based) estimates of industrial space demand may well underestimate future needs since they differ so greatly from the level of development that has actually occurred in Lewes District in recent years. Given the tight local industrial market and the lack of many good quality, available sites, it would be sensible to plan for a reasonable increase, rather than decline, in industrial stock, particularly in the medium to long-term. For planning purposes, given the difficulties of getting new employment space delivered

within Lewes District, it may be better to plan for a moderate level of industrial growth within the wide range of estimated demand. This could be in the range of an additional 30,000 to 40,000 m² of industrial space. This would be very broadly equivalent to the capacity of a 10 ha industrial site, less than the capacity of the allocated Eastside site.

Development Needs of Non B Class Uses

- 12.18 The job potential and development needs of economic sectors other than the B use classes were also considered. These currently make up 71% of Lewes District's employment. The Non B Uses could potentially provide an additional 2,370 jobs in Lewes District by 2026, a 10% increase on their 2008 employment level, and significant compared with the forecast 3,700 job increase for B class uses.
- 12.19 The land requirements for most Non B sectors are likely to be modest, partly because many will utilise land already held by the relevant provider (e.g. health, education) or because the use can be incorporated within mixed use developments, often in town centres. There could be a modest requirement for retail warehouse needs (1-2 ha or so), and possibly another 1 ha for hotel uses and health & fitness facilities and at least 1 ha for waste management uses. Some of these requirements could make use of existing industrial land, possibly 1 ha or so, and more if some of the East Sussex & Brighton Minerals/Waste Core Strategy requirements are located in the District.
- 12.20 Land requirements for the non B class uses will become clearer once the Council has undertaken and updated various pieces of evidence, such as the Retail Study and the Infrastructure Delivery Plan.

Demand/Supply Balance

- 12.21 These estimates of future requirements were compared with existing identified employment space and space in the development pipeline. This indicated more than an adequate quantitative supply of industrial space to meet future needs to 2026, under different estimates of future demand. This situation would apply even if a number of sites do not come forward for development. However, there is a risk of a modest shortfall over the 2010-15 period if future demand were to match past levels.
- 12.22 For office space, there could be a shortfall of up to 15,700 m², although this maximum figure could increase to 18,100 m² if some currently uncertain sites fail to come forward for development. This situation could possibly be partly resolved by some industrial sites being redeveloped for office use, although very few sites exist where this could realistically occur and only in Lewes town.
- 12.23 Given the current limited choice, there is a need for more sites in or near Lewes town for both office and industrial uses for qualitative reasons, ideally an additional 1-1.25 ha office site and a 1-1.5 ha industrial site. Based on

past demand and current provision, no need was identified for new allocations elsewhere in the District.

- 12.24 Providing some start-up/move-on space within Lewes town would also be desirable given the town's reasonable transport links to the universities in Brighton. Some expansion of the type of workspace provided by the Newhaven Enterprise Centre also appears sensible to encourage. This should probably be flexible units to cater for either workshop or office needs. In addition, it would be beneficial if some modest provision for move-on office space could be achieved in Newhaven, perhaps as part of larger scheme such as the planned Eastside Business Park.
- 12.25 There may also be scope to provide some small, low cost, flexible premises in Seaford or Peacehaven to capture any latent demand and stimulate local growth. Provision of small, serviced plots to enable local firms to develop new premises would also be an option to consider but feasibility would need to be carefully examined and public sector support is likely to be required.
- 12.26 Improving the current stock of employment space would also be important and upgrading of older industrial areas and new provision or sub-division to bring forward more, low cost, small scale industrial units should be encouraged.

Potential New Sites

- 12.27 To meet the identified need for a few more sites, there is a very limited choice of potential land for employment development around Lewes town due to the range of policy and environmental constraints affecting this area. Twelve potential sites were examined drawing on the site assessment for the SHLAA study and other known sites in and around Lewes town.
- 12.28 All of the potential office sites close to the town centre have significant development constraints. There would be scope to provide office development within any mixed use development of the North Street Strategic site, although its deliverability and timescale would be less certain. There are several other options in and on the edge of Lewes town centre although all have some flood risk problems. If flood risk rules out these sites, options could be a small office campus development on the northern edge of the town at Malling Down or small office units on surplus land with the South Downs College site.
- 12.29 In terms of finding potential new industrial sites, the choice is less wide but land at Malling Down probably provides the best option around Lewes town. If the North Street site were to be developed for offices and a mix of other uses, this could increase the requirement for additional industrial land in Lewes town to allow relocation of firms established there. If none of these options were likely to be deliverable or available, then one of two potential sites in Ringmer could be considered as an alternative.

More Effective use of Current Supply

- 12.30 Approaches that could help upgrade older established industrial estates range from stripping and repainting of industrial units, and making environmental improvements to estates through a BID mechanism. Encouragement for owners/developers to do this would be aided by:
- an LDF policy encouraging such forms of development;
 - introduction of Local Development Orders to relax planning requirements within specific industrial areas;
 - Council involvement in instigating a BID approach in suitable areas;
 - local initiatives to publicise to local firms case studies of improvements to business premises, including costs, local contractors involved and rental or other benefits achieved; and
 - exploring potential sources of grant aid to enable small/medium firms to upgrade premises if the market does not deliver these improvements.
- 12.31 Allocated sites generally can often fail to come forward for employment development for a number of reasons including owners' aspirations for residential use, high up-front development or infrastructure costs, and uncertain demand and low rents increasing the developer risk. In the current economic climate, many developers are finding it difficult to obtain funding for development and appear even more risk adverse in marginal locations such as Lewes District. This is likely to make it harder to bring forward new employment space on allocated sites, at least in the short term. Some of these factors will apply to allocated sites in Lewes town but high development costs due to flood risk are a particular issue for some, while isolated rural sites may find it hard to attract investment in an area of modest demand where there is no established market.
- 12.32 Other approaches may be needed to encourage employment development on allocated sites that have failed to attract development. These could include:
- on appropriate sites and where a clear need is demonstrated, allowing a limited amount of higher value "enabling development" or mixed use schemes to help fund infrastructure and support provision of speculative employment premises;
 - supporting funding bids or other mechanisms to kick-start key infrastructure to open up and stimulate development on key sites, although it has to be recognised that the scope for this may be more limited in future;
 - de-allocating sites clearly unlikely to attract employment development and seeking to identify better sites, although the options for new sites appear limited;
 - encouraging the maximum flexibility in the types of employment uses and forms of development on sites, including opportunities for design & build by occupiers.

- 12.33 A need was identified for more, small, lower cost office units available on flexible terms and suited to start-up firms moving out of incubation or enterprise centres. In normal circumstances, it appears unlikely that the market will deliver such space in Lewes District. Based on experience elsewhere, three approaches to providing such premises could be considered:
- seek provision of small office units within larger employment developments, residential or mixed use schemes; this could be achieved as part of the S106 obligations with the developer delivering the units for management by the Council or another operator;
 - pooling S106 contributions from other developments in the District to develop or support provision for small, start-up firms;
 - encourage conversion/sub-division of an older industrial unit into a number of small, lower cost office units (a small business centre); if the market did not bring this forward, such a scheme could be instigated by the Council with a development partner.

Release of Sites

- 12.34 Release of lower performing undeveloped employment allocations to alternative uses should be considered if they have failed to attract development interest after some years or offer limited prospect of delivering any employment floorspace within the plan period. However, some of the lower quality sites in Lewes District are occupied and serve a local need at some level, particularly in the rural areas. Generally in Lewes District, a very cautious approach should be taken to release of employment sites to non B Class uses. This reflects the District's constraints on finding new sites in future because of environmental constraints.
- 12.35 Some of the lower quality sites are still in active employment use and should be retained. Several other allocated sites – Balcombe Pit and part of the Woodgate Dairies site - appear to have limited potential of being developed for employment uses in the near future. This would not prevent existing buildings and land being used for low cost, rural based activities and, unless they are causing environmental harm or have potential for residential use, they could be retained as such, with the situation being monitored. If the current allocations fail to serve any need for low cost rural employment space, de-allocation could be considered in future. At the present time, therefore, the study is not recommending any employment sites be released to other non employment uses.

Monitoring

- 12.36 It will be important to monitor future change in the demand and supply of employment space to identify changing patterns and inform any policy responses required. Specific items to be monitored would include:

- a) the levels of future demand for office/industrial space and which of the study's estimates of future requirements this best relates to;
- b) how much of the currently identified supply of employment space is likely to come forward;
- c) the emerging land requirements of Non B uses;
- d) the extent and type of any losses of existing employment land to non B uses;
- e) any on-going deficiencies in provision for specific types of employment premises e.g. small, low cost, business or industrial units.

12.37

In addition, this Employment & Economic Land Review was prepared at a time of major economic change in the UK, during the most severe recession in the last 40 years. While some allowances were made for this factor, it is possible that national economic recovery will change the current picture of current supply and future requirements for employment space. For these reasons, it is recommended that this study be updated within a reasonable period, such as 4-5 years from now.

APPENDICES

Appendix 1 Study Consultees

Organisations Consulted

Kirsten Williamson, East Sussex County Council (Minerals & Waste)

Robert Frew, East Sussex County Council (Local Education Authority)

Joel Hufford, East Sussex Downs & Weald Primary Care Trust

Brighton and Hove City Council

Mid Sussex District Council

Wealden District Council

Mike Cogswell, Locate East Sussex

Nicky Easton, Peacehaven Chamber of Commerce

Paul Boswell, Newhaven Chamber of Commerce

Gerry Orri, Seaford Chamber of Commerce

Lewes Chamber of Commerce [no response]

Stefan Diella, local business owner, Seaford

Chris Hudson, Sussex Innovation Centre

A. Grundy, University of Brighton

Andrew Halfacree, Flude Commercial

David Martin, Stiles Harold Williams

Michael Squire, Clifford Dann

Claire Murray, Basepoint (Newhaven Enterprise Centre)

Audrey Whitney, Federation of Small Businesses

Anne Peeks, East Sussex Enterprise

Tony Mycock, HB Ingredients (recent inward investor)

C. Warren, The Cupboard Door Company

Daeron McGee (Seaford Traders & Retailers Group)

Appendix 2 Reference Documents

Reference Documents

Employment Land Reviews: Guidance Note: ODPM (2004).

South East Plan Supplementary Guidance: Employment and Economic Land Assessments, South East Partnership Board, February 2010.

Regional Monitoring Report 2008, SEERA

Strategic Review of Employment sites in East Sussex and the Priority Sites Strategy, East Sussex Economic Partnership/Locate East Sussex

East Sussex Economic Study 2007/8, Locate East Sussex

Small Business Units and Employment Land Demand Study 2004, Vail Williams/ESCC

Audit of existing Business and Industrial Premises in the Lewes District as at December 2004

An Analysis of Business Growth Potential in Lewes District, Step Ahead

Audit of existing uses within the town centres of the Lewes District at Spring 2004

Newhaven Eastside Business Park, Newhaven Site Evaluation, May 2007

A way forward for the economy of the Lewes District: An interim Economic Development Strategy, 2006

Lewes District Council Annual Monitoring Reports 2005-2008

Industrial, Commercial, Retail and Hotel Monitoring Report in the Lewes District at April 2008 (and previous years)

Lewes District Retail Study, GVA Grimley, 2005

Surveys of Businesses by East Sussex County Council, 2008 and 2010

Eastside Business Park, Newhaven - Site Evaluation, Donaldsons for East Sussex Economic Partnership/Lewes District Council, 2007

East Sussex and Brighton & Hove Waste & Minerals Core Strategy - Preferred Strategy (2009)

East Sussex and Brighton & Hove Waste Local Plan (February 2006)

East Sussex County Council 2010 Business Survey: Business Accommodation Theme Paper, May 2010

Physical Development Vision for Newhaven, BBP Regeneration for SEEDA/Lewes DC/ East Sussex County Council, 2008.



Appendix 3 Economic Policy Context

Summary of Economic Policies

This Appendix summarises key planning and economic policy aims relevant to the future economic strategy and employment land needs of Lewes District.

PPS4: Planning for Sustainable Economic Growth (December 2009)

This guidance deals with retail development, town centre uses and economic development. In terms of economic development and employment land, its main messages are:

- an overarching objective of sustainable economic growth;
- as well as B Class uses, economic development now includes main town centre uses (e.g. leisure and retail uses) and public and community uses that generate jobs, create wealth or produce economic outputs;
- a generally more positive stance on economic development that secures economic benefits, weighing economic benefits against social and environmental costs and taking account of economic and physical regeneration of deprived areas, impact on local jobs, accessibility and effects on climate change;
- greater emphasis on a flexible approach to the supply and use of land;
- emphasis on the need for up to-date assessments of employment land needs and support for joint ELR and SHLAA studies;
- planning positively to support growth of clusters of knowledge based activities and emerging sectors;
- making the most efficient and effective use of land, prioritising previously developed land subject to factors as the locational requirements of businesses, site quality, access and proximity to markets and to the local workforce;
- considering how sites for different business types can be delivered and sites assembled including use of CPOs and other planning tools;
- an increased emphasis on economic development in rural areas but focused on existing settlements and local service centres, and supporting conversion and re-use of appropriately located and suitably constructed rural buildings.

The South East Plan: Regional Spatial Strategy for the South East of the England, 2009

Although this plan has now been revoked, the priorities of the plan are likely to continue to exert an influence on local policy for some time. In economic terms, the Plan focuses on increasing prosperity and growth in the region, and helping to regenerate disadvantaged areas. Specific policies of relevance include:

(a) Policy RE2, which encourages local authorities to promote nationally and regionally significant sectors and clusters, taking into account national economic interests and the recommendations of SEEDA and local economic partnerships. Specifically, Local Development Documents should include policies that:

- ensure land and premises are available to meet the specific requirements of regionally important sectors and clusters;
- enhance, develop and promote local assets that can facilitate the development of sectors and clusters.

(b) Policy RE3, which requires local authorities to assess the employment needs of the local economy and workforce, providing a range of sites and premises based on the following criteria:

- Locations that are accessible to the existing and proposed labour supply;
- Efficient use of existing and underused sites and premises, through increasing the intensity of use on accessible routes;
- Focus on urban areas;
- Locations that promote the use of public transport.

The district of Lewes lies within two different sub-regions. The southern part of the district lies within the Sussex Coast sub-region and includes the towns of Seaford, Newhaven and Peacehaven/Telscombe. The north west of the district lies within the Gatwick sub-region. The remainder of the district, which includes the town of Lewes, falls outside any of the specific sub-regions. A range of sub-regional specific policies are set out with the RSS.

Sussex Coast Sub-Region

Policy SCT1 indicates that sustainable economic growth and regeneration is a priority for the Sussex Coast and Local Authorities and other agencies must 'proactively pursue and promote' this approach. This includes:

- Reducing intra-regional disparities between the sub-region and the South East average,
- Responding to the different needs, opportunities and characteristics of each town;
- Building upon and help deliver major improvements to transport infrastructure to reduce peripherality and improve accessibility;
- Creating a better balance between provision of housing and capability of both the local environment and economy to absorb this in a sustainable way while also responding to needs of local people; and
- Protecting and enhancing the sub-region's environmental quality and designated landscapes, promote excellence in the design of new developments in recognition of their importance to economic success and quality of life.

Policy SCT2 seeks a step change in the sub-region's economic performance which includes directing expenditure to promote social and economic regeneration in pockets of social and economic deprivation. It also requires the delivery of improvements to east-west transport links by road (especially the A27/A259) and rail to facilitate development opportunities and enable the better functioning of overlapping local labour and housing markets. Finally, the policy also seeks improvements to the key north-south communication links to increase the sub-region's attraction as a business location. The accompanying text recognises that the most pressing economic and social needs exist in the central and eastern parts of the sub-region, which includes the south of Lewes district (Paragraph 17.4). The text also highlights the need to 'upgrade' local skills (Paragraph 17.5).

Policy SCT3 plans for the management of existing employment sites and premises and requires that sufficient appropriate sites and premises for business and other uses should be delivered in order to regenerate the local economy. Local Authorities are asked to co-ordinate delivery mechanisms to unlock and implement existing allocated business parks and other important sites that have persistently remained undeveloped and sites with economic potential. This explicitly includes Newhaven Eastside and Port. The policy also states that, on other sites, Local Authorities should identify and bring forward mixed use sites in circumstances where this would deliver necessary employment space on sites which would be unviable for an employment only scheme. Local Authorities must also seek to improve and upgrade existing industrial estates and business areas to bring them up to modern standards and in rural areas, to protect existing and allocated employment land from other uses where employment land reviews show them to be essential for the needs to small businesses.

Policy SCT4 requires that in allocating land for development, the Local Authority should give priority to delivering employment development in strategically accessible locations - particularly by rail – ensuring an appropriate mix of readily available sites and premises whilst also providing sufficient space to enable existing firms to expand or relocate, create attractive inward investment opportunities and to at least match anticipated increases in the resident workforce.

Gatwick

The Gatwick sub-region is centred on Gatwick Airport and Crawley and as such most of the sub-regional policy emphasis is on the role of these locations and its relationship with London. Only a very small proportion of the district lies within this sub-region and this includes mainly smaller rural villages. However, the sub-regional policy does recognise the environmental sensitivities with which this area is faced.

- Policy GAT1 seeks to maximise the potential for sustainable economic growth while maintaining and enhancing its character, distinctiveness and sense of place. In particular, the policy seeks to protect and enhance the sub-region's environmental assets including the South Downs Area of Outstanding Natural Beauty.
- Policy GAT2 on the sub-region's economic development focuses on 'smart-growth' and high value added economic growth and while this relates predominantly to Gatwick and Crawley, the policy seeks to retain existing businesses and to provide high quality sites for start-up and micro businesses to support growth of existing local business and to attract inward investment.

Housing Requirement

Across the sub-regional policy areas, the RSS requires a total of 3,400 net additional dwellings within Lewes District across the Sussex Coast and 1,000 net additional dwellings during the period 2006 and 2026. There is no housing requirement for Lewes district in the Gatwick sub-region.

Regional Economic Strategy for the South East Region, 2006-16

The vision of this Strategy is for the South East to be a world class region achieving sustainable prosperity by 2016. It adopts three main objectives:

1. Global Competitiveness – investing in success through assisting more businesses to operate internationally and maximising the South East's share of foreign direct investment; increasing business expenditure on research and development, and encouraging greater collaboration with the region's knowledge base; increasing the percentage of total South East business turnover attributable to new and improved products and services; and securing the infrastructure needed to secure continued prosperity.
2. Smart Growth – lifting underperformance through increasing the region's stock of businesses; maximising the number of people ready for employment at all skill levels, and ensuring they are equipped to progress in the labour market; reducing road congestion and pollution levels by improving travel choice, promoting public transport, managing demand and facilitating modal shifts; ensuring sufficient and affordable housing and employment space of the right type and size to meet the needs of the region and create the climate for long-term investment through efficient use of land resources, including mixed-use developments; and improving the productivity of the workforce and increasing economic activity.
3. Sustainable Prosperity – supporting quality of life through reducing CO₂ emissions and increasing the contribution of renewable energy to overall energy supply in the region; reducing per capita water consumption and increasing the Gross Value Added per tonne of materials entering the waste stream; achieving measurable improvements in the quality, biodiversity and accessibility of green space, open space and green infrastructure; and enabling more people

to benefit from sustainable prosperity across the region and reducing polarisation between communities.

It also emphasises that local authorities will need to carefully assess the needs of their local economy for land and building, and to make provision that meets the requirements of the sectors and types of firms which exist and are suitable to the area, including warehousing, offices and light and general industry. It is also important to support economic diversity through the promotion of small and medium enterprises (SMEs) and businesses in rural areas. The Strategy also indicates that a balanced economy requires a range of types of employment space in terms of size, location and cost.

In the RES, two areas close to Lewes District - the Gatwick Diamond and the Brighton & Hove Diamond - are identified as regional foci for investment and growth. Lewes District lies within the Coastal South East sub-area, where there are higher levels of economic and social deprivation.

Lewes District Local Plan (March 2003) (As saved September 2007)

The primary aims of the Local Plan are to achieve a “broadly based and prosperous urban and rural economy which provides employment and services for the District, and which contributes to the national economy” and a balance between housing and employment needs and provision. Linked to this, the overarching strategy for the Local Plan is to ensure that business, industry, retailing and tourism are safeguarded at their existing locations and further opportunities are provided where there is a need for local employment.

The Local Plan highlights the importance of the economic activity centred on the Academic Corridor by the Universities, Lewes and the important port and industrial areas of Newhaven. A provision has been made for new docking facilities for the ferry at Newhaven Eastside. The Plan suggests that Peacehaven, Telscombe, Seaford and the rural areas are areas where increased opportunities for employment are to be provided to give people the opportunity to reduce their need to travel to work.

District-wide, the Local Plan seeks to promote and increase employment opportunities through Policy E1. It allows business and industrial uses on sites allocated within the plan, on sites with existing employment uses, on unidentified sites within the settlement boundary, and in rural buildings provided that other policies are complied with. The policy states that applications resulting in the loss of employment land would not be allowed unless there is serious adverse impact upon amenity of residential area or conservation area, a town centre policy would apply to the proposed use or that there is no likelihood that a future viable employment use could be secured within the life of the Plan.

Lewes District Local Development Framework

While Lewes District Council had originally begun to prepare its Local Development Framework, following legal advice a decision was made to start the preparation again. The Council undertook an Issues and Emerging Options

consultation in June and July 2010 and it is envisaged that the Preferred Strategy will be published in early 2011

Lewes District Economic Strategy (2006)

The Interim Lewes District Economic Strategy (2006) sets out the district's priorities for future economic development based around retaining businesses and industry, developing the visitor economy, and delivering vibrant town centres and sustainable countryside. Key aspects of the strategy with importance for employment land include:

- the importance of economic diversification away from the public sector;
- encouragement of greater representation of the financial and business services sector in the district;
- Encouragement of greater representation of the knowledge based, creative and cultural industries.
- maintaining the availability of land, promoting the development of quality premises for a wide variety of business and industry needs to cater for small and move - on needs.
- encouraging new forms of housing such as live-work units

Appendix 4 Site Assessment Criteria

Site Assessment Criteria

The criteria for assessing the quality/condition of protected and other existing sites, reflecting the particular circumstances of the District are set out below. These criteria mainly relate to the inherent value of a site rather than current conditions on it, although such characteristics have been noted. Additional criteria apply to undeveloped allocated/development sites although ownership and availability information has not been possible to obtain in many cases and a judgement has been made on these.

Each site is given a score of between 1 and 5 against each criterion (1 = poor, 5 = very good). No individual weightings are attached to different criteria.

Scorings 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.

Existing Developed Employment Areas

Strategic Access:

5 = Very good: within 2 Km of strategic road junction/ via good unconstrained roads

1 = Poor: over 5 Km from strategic road junction/access, and/or through constrained/local roads, and/or through town centre or residential areas etc.

Local Accessibility:

5 = Very good local access: 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

1 = Poor: difficult/narrow road access, via residential roads, difficult site access junction, congested local roads; low level/limited range/infrequent public transport services nearby;

Proximity to Urban Areas and Access to Labour and Services:

5 = Very good: near centre of urban area with wide range of services nearby; proximity to sizeable residential areas providing local labour supply.

1 = Poor: remote isolated site, no local services or residential areas nearby;

Site characteristics and development constraints:

5 = 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,

1 = 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

Proximity to incompatible uses:

5 = Within larger employment area/no incompatible surrounding land use

3-4 = B1 use adjoining residential/other sensitive uses;

1 = B2/B8 adjoining residential/other sensitive uses;

Market Attractiveness:

5 = Very good: high profile/high quality appearance, managed site; good environment and quality of occupiers; under 10% vacant; viewed as attractive by agents/occupiers; recent investment/development activity, strong demand, units rarely available

1 = Poor: run-down unattractive appearance/location; attracts lower end users and over 25% vacant space/buildings; vacant units not marketed; no recent investment; units remain vacant for lengthy period;

Sequential Status:

Applies to existing/potential office sites only – identifies whether site is in town centre, edge of centre or out-of-centre location in PPS4 terms

Barriers to Delivery:

Identify any factors that would constrain development of the site for employment uses e.g. site occupied, need for infrastructure

Planning Factors:

Identify any planning designations or policy constraints that could affect development of the site for employment uses.

Appendix 5 Assessments of Existing Sites

Appendix 6 B Class Employment Forecasts by Sector

B Class Employment Forecasts by Sector

Experian Sector	1998	2008	2026	Change 2008 26
Agriculture, Forestry & Fishing	957	993	947	-46
Oil & Gas Extraction	0	0	0	0
Other Mining	20	4	2	-2
Food, Drink & Tobacco	597	149	148	-1
Textiles & Clothing	43	48	58	10
Wood & Wood Products	190	184	146	-38
Paper, Printing & Publishing	640	414	523	109
Fuel Refining	0	0	0	0
Chemicals	126	92	77	-15
Rubber & Plastics	210	196	203	7
Minerals	82	64	44	-20
Metals	518	332	305	-27
Machinery & Equipment	208	343	445	102
Electrical & Optical Equipment	1229	882	945	63
Transport Equipment	61	50	52	2
Other Manufacturing	2188	1173	1166	-7
Gas, Electricity & Water	32	22	15	-7
Construction	2618	4015	4215	200
Wholesaling	2465	2221	1898	-323
Retailing	3866	3946	4318	372
Hotels & Catering	1264	1889	2069	180
Transport	1098	1180	1291	111
Communications	395	502	530	28
Banking & Insurance	741	273	261	-12
Business Services	2630	4723	5144	421
Other Financial & Business Services	602	1196	1563	367
Public Admin. & Defence	3064	3031	2751	-280
Education	2905	3924	4415	491
Health	5476	6160	7711	1551
Other Services	2427	3568	4031	463
Total	36652	41574	45273	3699
Distribution	2,651	2,486	2,225	-261
Manufacturing	3,496	2,966	3,010	44
Offices	4,533	6,659	7,450	791
Total B-class	10,680	12,111	12,685	574

Note: Figures are total employment

Source: Experian, Spring 2010

Appendix 7 Categorization of B and Non B Uses by Sector

Categorization of B and Non B Uses by Sector

Experian Sector	Uses	Office, Industrial or Non B?	Considered in Report?
Agriculture, Forestry & Fishing	Agriculture, Forestry & Fishing	Non-B	No
Oil & Gas Extraction	Oil & Gas Extraction	Non-B	No
Other Mining	Iron, uranium, other metal ores	Non-B	No
Food, Drink & Tobacco	Food, Drink & Tobacco	Industrial	Yes
Textiles & Clothing	Luggage, footwear, clothes, other textiles	Industrial	Yes
Wood & Wood Products	Wood & Wood Products	Industrial	Yes
Paper, Printing & Publishing	Paper, Printing & Publishing	Industrial & Office	Yes
Fuel Refining	Fuel Refining	Industrial	Yes
Chemicals	Pharmaceuticals, pesticides, paint etc	Industrial	Yes
Rubber & Plastics	Rubber & Plastics	Industrial	Yes
Minerals	Glass, ceramics, stone, concrete	Industrial	Yes
Metals	Metals	Industrial	Yes
Machinery & Equipment	Machinery & Equipment	Industrial	Yes
Electrical & Optical Equipment	Electrical & Optical Equipment	Industrial	Yes
Transport Equipment	Transport Equipment	Industrial	Yes
Other Manufacturing	Furniture, Recycling	Industrial & Non-B	Yes
Gas, Electricity & Water	Power stations, network maintenance, reservoirs	Non-B	No
Construction	Construction of buildings	Industrial & Non-B	Yes
Wholesaling	Vehicle sales & maintenance, petrol filling stations, trade counters	Industrial & Non-B	Yes
Retailing	Shops and auxiliary functions	Non-B	Yes
Hotels & Catering	Hotels, restaurants, bars, nightclubs	Non-B	Yes
Transport	Cargo handling, taxis, bus & trains, haulage, travel agencies	Industrial & Non-B	Yes
Communications	Post, Couriers & Telecommunications	Office & Industrial	Yes
Banking & Insurance	Banks, Insurers and auxiliary functions	Office	Yes
Business Services	Legal, accounting, consultancy, advertising, industrial cleaning	Office	Yes
Other F&Bs	Real estate, hire of vehicles & machinery, research & development	Office	Yes
Public Admin. & Defence	Local & County Councils, Civil Service, Quangos, NGOs, military installations	Office & Non-B	Yes
Education	Schools, universities, nurseries, language schools	Non-B	Yes
Health	Hospitals, GPs surgeries, care homes, vets, dentists,	Non-B	Yes
Other Services	Cinemas, churches, refuse disposal, theme parks, sports facilities, libraries, museums, theatres	Non-B	Yes

Appendix 8 Assessment of Potential New Sites