



Nathaniel Lichfield  
& Partners

Planning. Design. Economics.



# Worthing Economic Research and Employment Land Review

Worthing Borough Council

Final Report

April 2016





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14676/MS/CGJ/LE

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## Executive Summary

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The Economic Research and Employment Land Review has been prepared by Nathaniel Lichfield & Partners (NLP) on behalf of Worthing Borough Council. It is intended to help inform future planning policies and allocations for 'B class' employment uses (i.e. offices [B1a/B1b], industrial [B1c/B2], and storage & distribution [B8]) in the Borough up to 2033, in order to meet the economic development needs of the local economy.

The study provides an up-to-date understanding of the existing economic situation in Worthing and explores the employment growth potential of the local economy, in order to help inform the preparation of the new Local Plan for the Borough covering the period to 2033. It considers the economic development requirements of the Borough objectively in line with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG), highlighting the balance of demand for and supply of B class employment land in Worthing, and the potential policy approaches in relation to B class employment space that could be brought forward as part of the new Local Plan.

The key findings of the study can be summarised as follows:

- 1 The existing conditions and recent trends in Worthing indicate that the local economy has achieved a moderate performance when compared to other local authority areas in the sub-region. Worthing has recorded low levels of employment growth and average worker productivity, a low level of business start-up and a high level of self-employment, and relatively low levels of economic activity and wage earnings. The Borough has also seen growth in the working-age population outpace employment growth, which is in contrast to most other local authorities in the sub-region.
- 2 Worthing's employment space is dominated by industrial uses, although commercial office stock is also relatively significant at around 38% of the total stock of B class employment space in the Borough. Both industrial and office stock has gradually been eroded in Worthing in recent periods, driven by significant losses of B class employment space and increasing pressure from other high value land uses (e.g. residential).
- 3 The recent introduction of Permitted Development Rights which provide for the change of use of offices to residential has begun to have an impact on the stock of office space in Worthing. The potential impact of the twelve granted prior approval applications in the Borough (if all implemented) would be the loss of 12,500sq.m of office stock, which is equivalent to about 8% of the total stock of office floorspace in the Borough.
- 4 The Borough has recorded moderate levels of new B class development during recent periods, principally relating to new industrial space and driven by a small number of large schemes. At the same time, the Borough has been losing some B class employment floorspace over recent years; although limitations of past completions monitoring data means the amount of lost B class employment space identified in this

study is likely to be an underestimate because change of use of B class employment space to non-commercial uses is not captured within the available monitoring data.

- 5 Worthing's commercial property market is characterised as being relatively diverse and focused upon a small number of employment sites, with the vast majority of demand for office and industrial space arising from local businesses. Although Worthing is not recognised as a strategic industrial location, the demand for industrial floorspace remains relatively strong in the Borough, while the demand for office floorspace tends to be much weaker overall in the local market.
- 6 Future employment growth in Worthing remains constrained by an acute shortfall of available employment land to meet indigenous growth needs, particularly of the industrial market, as well as enable the necessary level of churn and upgrading of current sites needed to support a functioning commercial property market. There is also an issue in terms of the viability of bringing forward new office schemes in the Borough, with uncertain levels of demand and low values limiting new speculative developments, resulting in a lower overall quality of stock in Worthing.
- 7 The study's assessment of the existing portfolio of employment sites in Worthing indicates the Borough contains a good range of employment sites of differing quality and type. Many of the sites accommodate a combination of both office (B1a/B1b) and industrial (B1c/B2/B8) uses, although some single-use employment sites also exist. The overall qualities of the sites appear suitable to meet the needs of occupiers, although some of the sites were of lower quality and possibly less suited to modern occupiers. Regardless of the overall quality of the site, nearly all employment sites are currently in active use, suggesting that they are presently meeting a need in the market at some level.
- 8 The study has assessed four different scenarios of future employment space requirements in Worthing over the period to 2033. These scenarios are based on a number of approaches that reflect forecast economic growth, past development trends and potential labour supply factors, in line with the PPG. All four scenarios indicate higher levels of future B class job growth than that recorded in the Borough in the recent past, although this is in the context of Worthing having lost B class jobs historically. The overall gross space requirements related to these different scenarios range from 54,690sq.m to 122,940sq.m for all types of B class floorspace to 2033, which implies a broad requirement between 11.6ha and 26.6ha of employment land. The majority of this identified need relates to industrial uses.
- 9 The supply of employment space coming forward within the development pipeline for the Borough includes outstanding planning permissions and currently vacant land that has been allocated for employment uses as part of the 2011 Core Strategy Areas of Change (AOC) sites. When compared with the currently identified emerging supply of employment space in Worthing, it would appear the Borough has a shortage of

employment space in quantitative terms to meet the identified future needs up to 2033 under two of the four growth scenarios. The starting point for planning policy in Worthing will therefore be that, to varying degrees, additional space will need to be identified if business requirements are to be met locally through in the period to 2033.

- 10 Given that low levels of demand for office space in Worthing makes new speculative developments in the local market difficult to bring forward, the feedback from commercial property agents suggests that the Borough is likely to continue to struggle to compete with more established office locations to attract larger office occupiers. It is therefore recommended that the Council focuses on the growth needs of local firms that are increasingly demanding better quality, modern office premises of smaller scale, which support the office-based activities of start-up and SMEs businesses. There should also be a focus on delivering new office space in Worthing town centre as part of the wider regeneration proposals, albeit out-of-town locations with good accessibility and parking would also likely be attractive to the market.
- 11 Strong demand for industrial space and a shortage of premises in the Borough means local firms have difficulties finding suitable space to support their expansion or relocation plans in the local market, while enquiries from firms outside Worthing are rarely met. In order to meet the growing needs for industrial space within Worthing, it will be necessary for new industrial space to be delivered in full on the AOC sites during the plan period, while the demand for space arising from two of the four growth scenarios indicates additional industrial provision outside existing sites will also be necessary to 2033. This reflects feedback from local commercial property agents that at least one new industrial site is required to provide a 'release valve' and enable churn, and in turn allow for intensification and the upgrading of older industrial sites.
- 12 Within the context of accommodating a positive floorspace requirement for both office and industrial uses during the plan period, a number of options (not mutually exclusive) emerge for consideration by the Council, as summarised below:
  - i adopting a stricter approach to determining planning proposals seeking change of use and/or the loss of employment floorspace, taking into account the guidance provided in the Sustainable Economy SPD (2012) when assessing planning applications that involve the proposed loss of B class employment floorspace;
  - ii encouraging the upgrading and refurbishment of existing employment areas so that they can be utilised more efficiently;
  - iii considering allocating additional sites for office and industrial development purposes to increase the current choices of sites and enable Worthing to capture future economic opportunities such as expansion of firms both from within and potentially outside the Borough; and

- iv to not specifically identify additional capacity for employment space, but by implication, assume that some requirements are met on non-allocated sites or could be displaced to adjoining local authorities that fall within the Borough's functional economic market area.
- 13 As the emerging supply of employment space in Worthing appears to be insufficient to support demand over the plan period for both industrial and office uses, even assuming the two 2011 Core Strategy AOC sites are fully developed for employment uses, it is therefore going to be even more important that available space in Worthing is regularly monitored to ensure business needs are being met over the short and long term. This includes monitoring future changes in the demand and supply of employment space in Worthing to identify any changing patterns in the local market that might necessitate a policy response from the Council. This is particularly pertinent given the effect that Permitted Development Rights is likely to have on the local office market in Worthing.



## Contents

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|     |  |           |
|-----|--|-----------|
| 1.0 | <b>Introduction</b>  | <b>1</b>  |
|     | Scope of Study .....                                       | 1         |
|     | Methodology .....  | 2         |
|     | Structure of the Report .....                              | 3         |
| 2.0 | <b>Economic Context</b>                                    | <b>5</b>  |
|     | Spatial Overview .....                                     | 5         |
|     | Economic Conditions.....                                   | 6         |
|     | Summary .....  | 16        |
| 3.0 | <b>Overview of Employment Space</b>                        | <b>18</b> |
|     | Current Stock of Employment Space .....                    | 18        |
|     | Development Rates .....                                    | 22        |
|     | Employment Space in Surrounding Areas.....                 | 27        |
|     | Summary .....  | 31        |
| 4.0 | <b>Commercial Property Market Signals and Intelligence</b> | <b>33</b> |
|     | UK Property Market Overview .....                          | 33        |
|     | Market Geography.....                                      | 33        |
|     | Market Segments .....                                      | 34        |
|     | Summary .....  | 39        |
| 5.0 | <b>Review of Employment Sites Portfolio</b>                | <b>41</b> |
|     | Overview of Sites .....                                    | 42        |
|     | Areas of Change .....                                      | 43        |
|     | Key Industrial Sites.....                                  | 45        |
|     | Key Office Sites.....                                      | 49        |
|     | Other Employment Sites.....                                | 52        |
|     | Summary .....  | 53        |
| 6.0 | <b>Future Requirements for Employment Space</b>            | <b>55</b> |
|     | Methodology .....  | 55        |
|     | A. Forecasts of Job Growth .....                           | 56        |
|     | B. Past Development Rates .....                            | 59        |
|     | C. Future Labour Supply .....                              | 61        |
|     | Net Employment Space Requirements .....                    | 64        |
|     | Gross Employment Space Requirements .....                  | 65        |
|     | Sensitivity Tests.....                                     | 69        |
|     | Summary .....  | 70        |
| 7.0 | <b>Demand / Supply Balance</b>                             | <b>72</b> |
|     | Quantitative Balance .....                                 | 72        |

Qualitative Factors..... 77  
Summary ..... 79

8.0 **Conclusions and Policy Implications** **80**  
Overview of Worthing’s Economy ..... 80  
Functional Economic Market Area..... 81  
Meeting Future Needs ..... 82  
Accommodating a Positive Requirement..... 88  
Other Policy Issues..... 92

## Appendices

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- Appendix 1 List of Consultees
- Appendix 2 Experian Sector Definitions
- Appendix 3 Enlarged Borough Maps
- Appendix 4 Site Plans
- Appendix 5 Site Assessment Criteria
- Appendix 6 Site Assessments
- Appendix 7 Definition of B Class Sectors
- Appendix 8 Baseline Employment Forecasts



## 1.0 Introduction

1.1 Worthing Borough Council ('the Council') commissioned Nathaniel Lichfield & Partners ('NLP') to undertake an Economic Research and Employment Land Review ('ER & ELR') for the Borough. The objective of the study is to inform future employment land allocations to meet the economic development needs of the Borough during the period to 2033.

1.2 The study provides an evidence base for the Council that will help inform the preparation of a new Local Plan for the Borough covering the period to 2033. It assesses the economic development requirements for the Borough objectively in line with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).

1.3 The ER & ELR is broadly based on the following three stages:

- **Stage 1 - Taking Stock of the Current Position:** an assessment of the prevailing economic strengths and weaknesses of the Borough, the functional economic area the local economy comprises, and an analysis of the fitness for purpose of the portfolio of allocated employment sites.
- **Stage 2 - Generating Economic Growth Forecasts:** an analysis of the effect of various population and household growth scenarios on future B class employment space requirements for the Borough, including the latest economic forecasts and assessments of housing needs.
- **Stage 3 - Identifying a Portfolio of Sites:** an analysis of the suitability and deliverability of available employment sites to meet future needs for employment space under each growth scenario, including which sites should be retained for employment uses and which should be released for alternative uses, as well as any need for additional employment sites.

## Scope of Study

1.4 The purpose of the ER & ELR is to form part of the evidence base for the new Local Plan for Worthing by providing the Council with an understanding of the current and potential requirements for B class employment space in the Borough to 2033. This is based on the consideration of a range of scenarios for how the economy could change in the future, with the employment space and land implications of the following B class sectors assessed in this study:

- **B1 Business:** offices (B1a), research & development (B1b) and light industrial (B1c).
- **B2 General Industrial**
- **B8 Storage and Distribution:** warehouses, wholesale centres and distribution centres.

1.5 The demand for both B class employment floorspace and land in the Borough is considered in this study, with references to "employment space" intended to

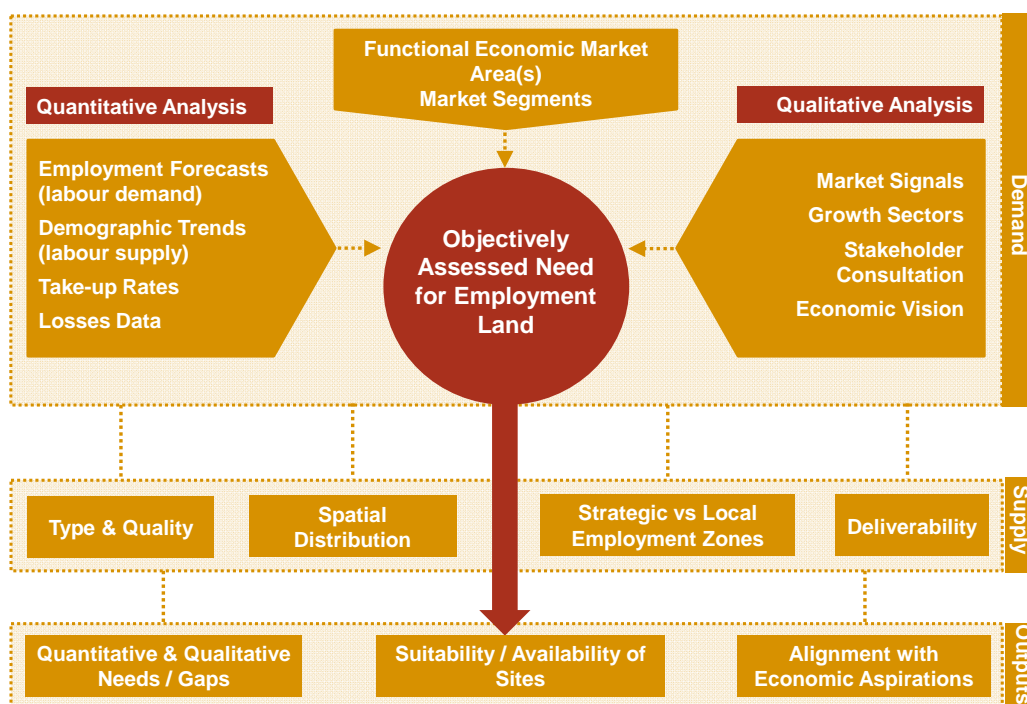
mean both of these elements. In addition, industrial space includes both manufacturing and distribution uses in this study.

- 1.6 The study also considers future projections of growth in non B class sectors in Worthing to set out how the overall local economy could change in the future, although the study does not specifically assess the space implication of these non B class sectors as they are planned for using different methodologies and are considered by other forms of technical evidence (e.g. retail studies).
- 1.7 It should be noted that there are a variety of factors and drivers to consider when objectively assessing the business needs for a local economy. The study utilises a combination of both quantitative and qualitative analysis to explore these issues within the context of the Borough, and synthesises these to draw overall conclusions and implications. An important consideration for any work of this type is that the study is inevitably a point-in-time assessment. This study has utilised the latest available data and other evidence available at the time of drafting, whilst the accuracy of the data derived from third party sources has not been checked or verified by NLP.
- 1.8 The study has involved consultation with a wide range of local stakeholders, including commercial agents, economic development agencies and business organisations. A list of the consultees is included in Appendix 1.
- 1.9 It should be noted that all references to ‘Worthing’ in this study refers to the Borough overall, unless explicitly stated otherwise.

## Methodology

- 1.10 In March 2014 the Government released Planning Practice Guidance (PPG) to provide practical support for practitioners and inform the implementation of the National Planning Policy Framework (NPPF). In regard to assessing economic development needs, the PPG states that local authorities should:
- a consider their existing stock of land, identifying the demand for and supply of employment land and determine the likely business needs and future market requirements;
  - b consider the locational and premises requirements of particular types of business;
  - c consider projections and forecasts to help identify where sites have been developed for a specific economic use;
  - d analyse supply and demand to identify whether there is a discrepancy between quantitative and qualitative supply and demand for employment sites; and
  - e identify where gaps in local employment land provision exists by comparing the available stock of land with the requirements of the area.
- 1.11 The methodology that has been used to undertake the ER & ELR conforms to the requirements of the NPPF and PPG, and has been summarised in Figure 1.1 overleaf.

Figure 1.1 Methodological Framework Adopted for the Worthing ER & ELR



Source: NLP analysis

## Structure of the Report

1.12

The report is structured as follows:

- **Economic Context (Section 2.0):** a review of economic conditions and recent trends in the Borough, and the strengths and weaknesses of the local economy that may influence the future need for employment space.
- **Overview of Employment Space (Section 3.0):** an analysis of the current stock and trends of employment space in the Borough in terms of the range of uses, development rates, gains and losses, and employment space provision in adjoining local authority areas.
- **Commercial Property Market Signals and Intelligence (Section 4.0):** a review of the local commercial property market including the supply of and demand for different types of employment space within the Borough and needs of different market segments.
- **Review of Employment Sites Portfolio (Section 5.0):** an assessment of the quality of current and potential employment land supply against defined criteria, including the attractiveness of the employment sites to the market and their ability to contribute to meeting future requirements.
- **Future Requirements for Employment Space (Section 6.0):** an estimate of future employment space requirements for B class sectors in quantitative terms, drawing on employment projections and other factors.
- **Demand / Supply Balance (Section 7.0):** an analysis of the balance between current land supply and future needs in both quantitative and

qualitative terms, comparing forecast requirements with the availability of current or emerging employment land supply.

- **Conclusions and Policy Implications (Section 8.0):** a consideration of policy and other strategic measures required to support economic growth in Worthing.



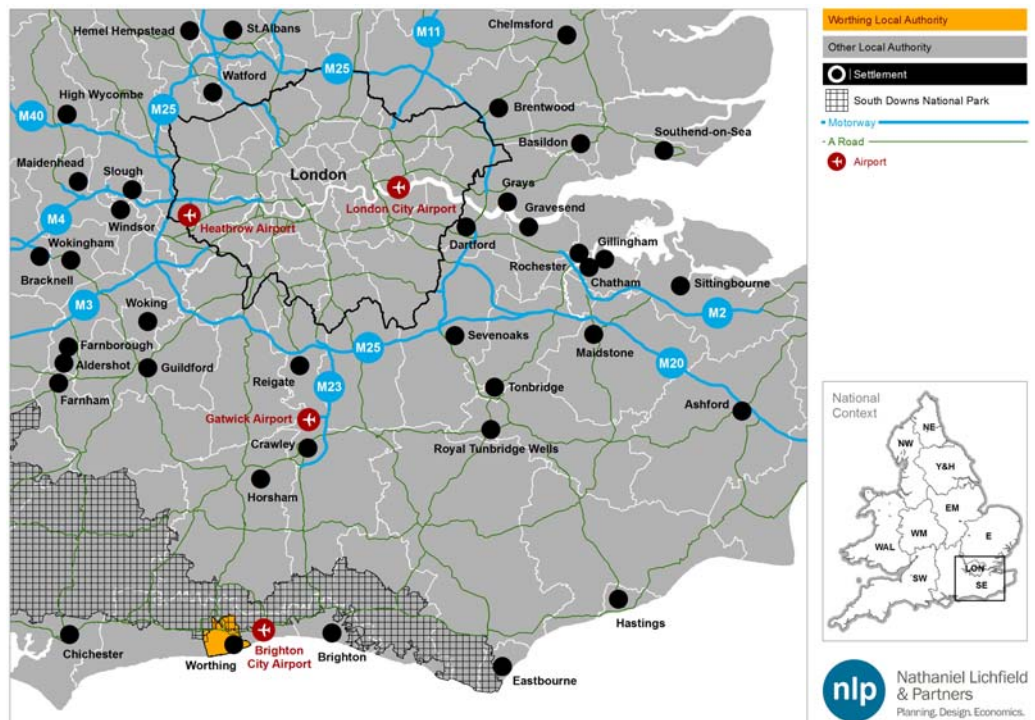
## 2.0 Economic Context

2.1 This section establishes the economic and labour market context for the study by summarising recent economic conditions and trends in Worthing relative to West Sussex, the South East and the national economy. This is important for identifying the prevailing strengths and weaknesses of the local economy, and the factors likely to influence the future demand for employment space.

### Spatial Overview

2.2 Worthing Borough is located on the south coast between the Sussex Downs to the north and English Channel to the south. The Borough is bordered by Adur District to the east and Arun District to the north and west, and forms part of the Coastal West Sussex sub-region. Despite being mainly urban in character, Worthing does also comprise some environmentally sensitive areas, including areas in the north of the Borough that fall within the South Downs National Park Authority (Figure 2.1).

Figure 2.1 Spatial Context of Worthing Borough



Source: NLP analysis

2.3 Worthing is one of the largest towns in West Sussex, supporting a significant amount of employment activity, community and cultural amenities, educational institutions, retail outlets and visitor attractions. The seafront is recognised to be an important asset in the Borough that accommodates a number of historic buildings, gardens and public spaces. Outside the town centre and seafront area, the rest of the Borough is generally more suburban in character.

- 2.4 The strategic road network that serves the Borough primarily comprises the A27 that links the town along the coast to the east and west, the A24 that links the town to the north, and the A259 that links the town to Lancing and Shoreham-by-Sea to the east and Littlehampton to the west. Worthing also supports five railway stations that provide services to other centres within the sub-region and beyond to London. The closest airports to the Borough include Brighton City Airport (Shoreham) and Gatwick Airport.

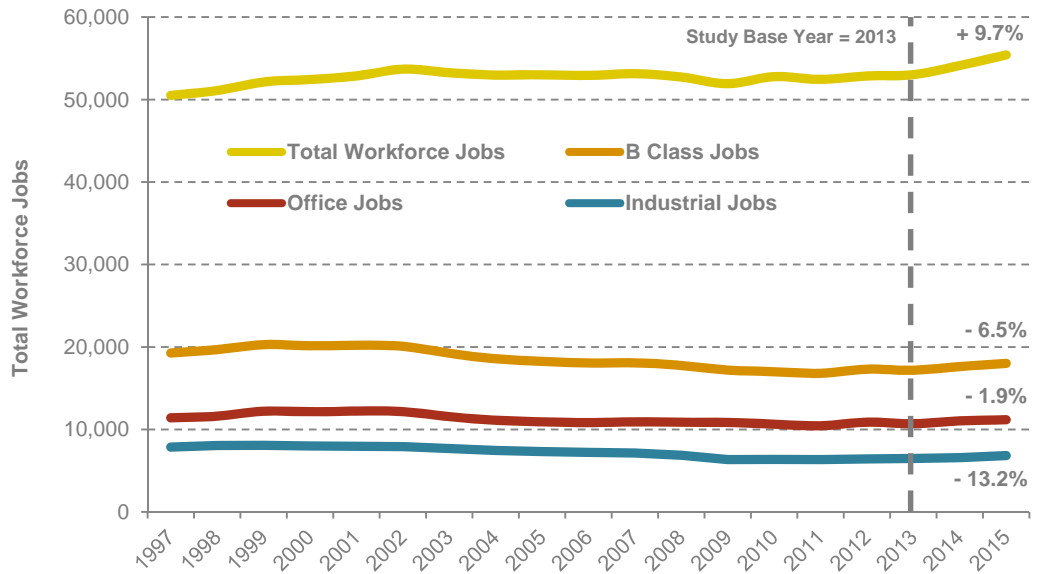
## Economic Conditions

- 2.5 Existing economic conditions and recent trends in Worthing are summarised below, with comparisons made, where appropriate, with regional and national benchmarks. The data used to assess the key economic features of Worthing is primarily based on the latest Experian dataset (June 2015) and Office for National Statistics (ONS) sources available at the time of drafting, unless stated otherwise.

## Employment

- 2.6 Based on Experian data, Worthing registered 55,410 workforce jobs in 2015, representing an increase of 9.7% over the period from 1997. This increase was much lower than in West Sussex (15.8%), the South East (19.9%) and the UK (18.1%). The number of workforce jobs in Worthing also amounted to 53,020 in 2013 (i.e. the base year of the study); meaning growth in the Borough between 2013 and 2015 was equivalent to 4.5%. This recent growth was slightly lower than in West Sussex (5.2%), the South East (5.2%) and the UK (4.9%).
- 2.7 Between 1997 and 2002, Worthing recorded a steady increase in workforce jobs that equated to around 640 new jobs per year before growth plateaued for about a decade in the Borough. However since 2012 workforce job growth in the Borough has begun to increase again with an average growth rate over this period of 820 new jobs per year. The share of B class jobs in the Borough has also been decreasing at a relatively constant rate, dropping from 38.2% in 1997 to 32.0% in 2011. However the proportion of B class jobs in Worthing has grown slightly over recent years to 32.5% of total workforce jobs in 2015 which corresponds with a slight increase in the growth rate recorded in office and industrial sectors in Worthing (Figure 2.2).

Figure 2.2 Changes in Total Workforce Jobs and B Class Jobs in Worthing, 1997 - 2015



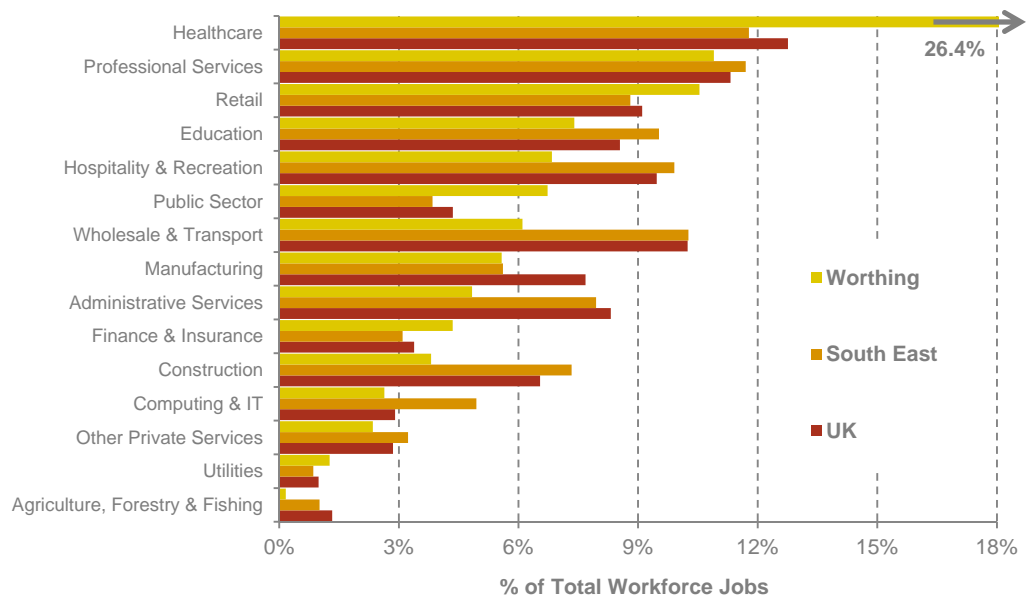
Source: Experian 2015 / NLP analysis

Note: B class jobs comprise both office based jobs and industrial based jobs.

2.8

In employment terms, the largest industry in Worthing in 2015 was healthcare (26.4%), while professional services (10.9%), retail (10.5%), and education (7.4%) also accounted for a high proportion of workforce jobs. When compared with the sector breakdown in the South East, the Borough is over-represented in employment terms in healthcare, retail, public sector, and finance & insurance, while being under-represented in education, hospitality & recreation, wholesale & transport, administrative services, and construction (Figure 2.3).

Figure 2.3 Workforce Jobs by Sector in Worthing, 2015



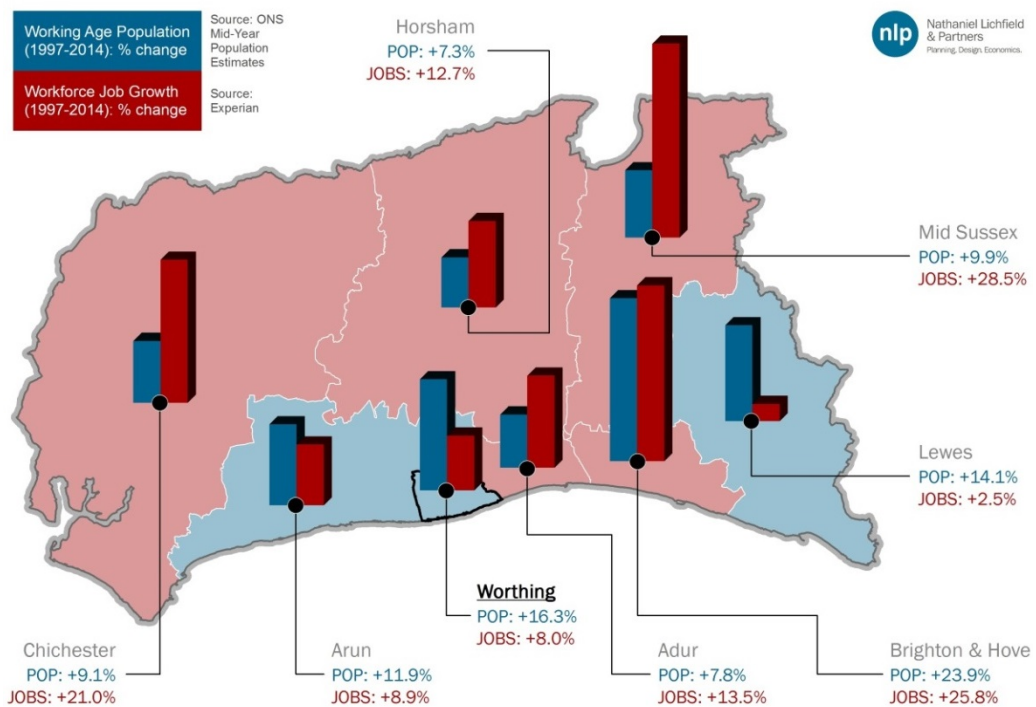
Source: Experian 2015 / NLP analysis

2.9 The specific sub-sectors defined as falling within each employment sector in the Experian dataset are set out in Appendix 2, which has been taken from the Experian Data Guide for the June 2015 release of the Experian RPS data.

2.10 Between 1997 and 2015 employment growth in Worthing was mainly driven by healthcare (representing growth of 6,070 workforce jobs), professional services (2,900 jobs), and education (910 jobs). At the same time, large employment losses were recorded in finance & insurance (representing a decrease of 3,270 jobs), manufacturing (decrease of 1,430 jobs), and the public sector (decrease of 960 jobs) in the Borough.

2.11 As shown in Figure 2.4, workforce job growth in Worthing between 1997 and 2014 lagged behind working-age population growth. This trend is in contrast to nearly all other local authority areas in the surrounding sub-region, including Adur, Brighton & Hove, Chichester, Horsham and Mid Sussex. Other authority areas within the sub-region that recorded similar trends of higher working-age population growth compared to workforce job growth includes Arun and Lewes.

Figure 2.4 Changes in Working-Age Population and Workforce Jobs, 1997 - 2014



Source: ONS Mid-Year Population Estimates / Experian 2015 / NLP analysis

2.12 These population and employment growth trends are likely to help explain the Borough's continued role as a net exporter of labour as working-age residents have been required to search outside the local economy to find suitable employment roles, or have relocated to the Borough but continued to work elsewhere. The travel-to-work patterns for the Borough are considered in more detail later in this section.

## Productivity

- 2.13 Productivity (i.e. measured by Gross Value Added [GVA] per workforce job) in Worthing currently stands at £37,850 per workforce job which is lower than the average for West Sussex (£39,100), the South East (£48,760) and the UK (£45,790). The productivity level in the local workplace in Worthing is similar to other local authority areas in the surrounding sub-region (e.g. Horsham, Mid Sussex, Adur, Chichester and Arun), but lower than Brighton & Hove and Lewes (Table 2.1).

Table 2.1 Average GVA per Workforce Job and Total GVA Levels, 2015

| Rank     | Borough            | GVA Per Workforce Job | Total GVA      |
|----------|--------------------|-----------------------|----------------|
| 1        | Brighton & Hove    | £60,590               | £9.40bn        |
| 2        | Lewes              | £48,370               | £1.97bn        |
| 3        | Horsham            | £38,150               | £2.45bn        |
| 4        | Mid Sussex         | £38,020               | £2.58bn        |
| <b>5</b> | <b>Worthing</b>    | <b>£37,850</b>        | <b>£2.10bn</b> |
| 6        | Adur               | £37,640               | £0.86bn        |
| 7        | Chichester         | £37,600               | £2.77bn        |
| 8        | Arun               | £37,150               | £1.90bn        |
| -        | <b>West Sussex</b> | <b>£39,100</b>        | -              |
| -        | <b>South East</b>  | <b>£48,760</b>        | -              |
| -        | <b>UK</b>          | <b>£45,790</b>        | -              |

Source: Experian 2015 / NLP analysis

- 2.14 This average productivity level in Worthing could reflect the significant focus of some lower value employment sectors within the Borough, including an above average share of retail and public sector jobs forming the local employment base. It also indicates that there is scope to enhance productivity and output levels in the future, particularly if more of the Borough's higher-skilled residents can be encouraged to also work in the local economy, rather than commuting elsewhere.

## Business Demography and Enterprise

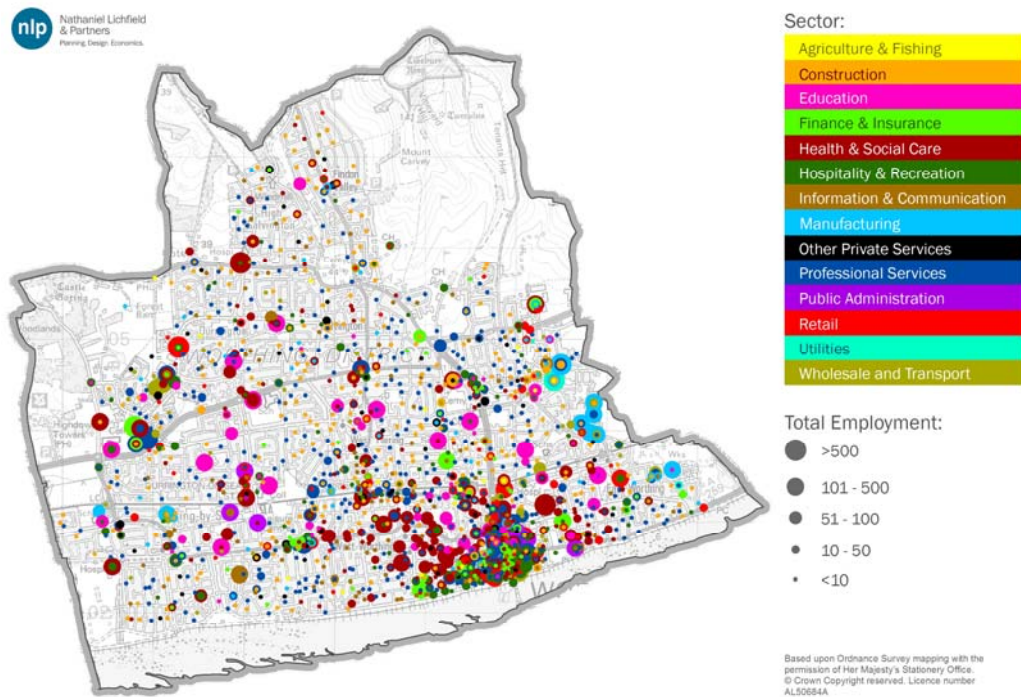
- 2.15 Worthing has a slightly lower share of small businesses employing between 0 and 9 workers (88.6%) compared to the South East (89.4%), but an equivalent share to the UK average (88.7%) as a whole. The Borough (10.7%) supports a higher proportion of medium-sized businesses employing between 10 and 99 workers compared to the South East (9.7%) and the UK (10.3%), and a similar share of larger businesses employing more than 100 workers (1.0%).
- 2.16 The Borough supports relatively low levels of business start-up compared with the South East, with about 77 new business registrations per 10,000 working-age persons in Worthing contrasting with 92 new businesses across the South

East in 2013. The business start-up rate within Worthing is also lower than the national rate of 85 new business start-ups per 10,000 working-age persons. However the Borough does display higher rates of self-employment compared to the regional and national rates, with 14.0% of the working-age population in this employment category compared with 11.7% in the South East and 10.1% in Great Britain.

2.17

Drawing upon Inter-Departmental Business Register (IDBR) data, the spatial distribution of key business clusters and sectors in Worthing can be illustrated (Figure 2.5). This underlines the presence of a diverse mix of business sectors across Worthing, with the largest cluster of businesses found within Worthing town centre. Outside the town centre the distribution of businesses tends to be much more dispersed, although smaller clusters can also be identified around the East Worthing Industrial Estate & Broadwater Business Park in the eastern part of the Borough, and Yeoman Way and Faraday Close in the west.

Figure 2.5 Spatial Distribution of Business Sectors and Employment in Worthing, 2014



Source: IDBR / NLP analysis

Note: IDBR data does not record smaller businesses that fall under the VAT threshold.

2.18

The IDBR data also indicates that Worthing town centre and Yeoman Way in the west of the Borough support important cluster of businesses in professional services and finance & insurance, while the East Worthing Industrial Estate & Broadwater Business Park in the east of the Borough accommodate a number of businesses undertaking manufacturing activities. In addition, the suburban areas of the Borough are home to a diversity of sectors including businesses in health & social care, education, public administration and construction sectors.

2.19 A larger and more detailed version of the IDBR map illustrating the spatial distribution of business sectors and employment in the Borough is included in Appendix 3.

2.20 In this context, the largest existing employment sites in Worthing in terms of employee numbers can be identified based on IDBR data (Table 2.2). This shows that the largest proportion of total employment in the Borough is found within the East Worthing Industrial Estate & Broadwater Business Park (6.9%), Yeoman Way (4.0%), Liverpool Gardens/Liverpool Terrace (3.4%), Faraday Close (2.1%) and Chatsworth Road Office Area (2.1%). Together, the 21 sites comprising the employment sites portfolio for Worthing which are assessed in Section 5.0 of this study accommodate around one quarter of all employment in the Borough, as well as around 13% of all businesses. This points towards employment activity being relatively dispersed across the Borough.

Table 2.2 Share of Employees and Businesses in Worthing in Key Employment Sites, 2014

| Employment Site  | % of Total Employees | % of Total Businesses |
|--|----------------------|-----------------------|
| East Worthing Industrial Estate & Broadwater Business Park | 6.9%                 | 2.9%                  |
| Yeoman Way   | 4.0%                 | 0.2%                  |
| Liverpool Gardens / Liverpool Terrace                      | 3.4%                 | 3.1%                  |
| Faraday Close  | 2.1%                 | 0.7%                  |
| Chatsworth Road Office Area                                | 2.1%                 | 0.8%                  |
| Land Adjacent to Martlets Way AOC 8 & Inland Revenue Site  | 0.1%                 | 1.7%                  |
| Goring Business Park                                       | 0.9%                 | 1.4%                  |
| <b>All Assessed Employment Sites</b>                       | <b>26.3%</b>         | <b>13.0%</b>          |
| <b>Remainder of the Borough</b>                            | <b>73.7%</b>         | <b>87.0%</b>          |

Source: IDBR / NLP analysis

Note: 'All Assessed Employment Sites' relates to the 19 existing employment sites and 2 Areas of Change (AOC) that comprise the employment sites portfolio for Worthing that are assessed in Section 5.0.

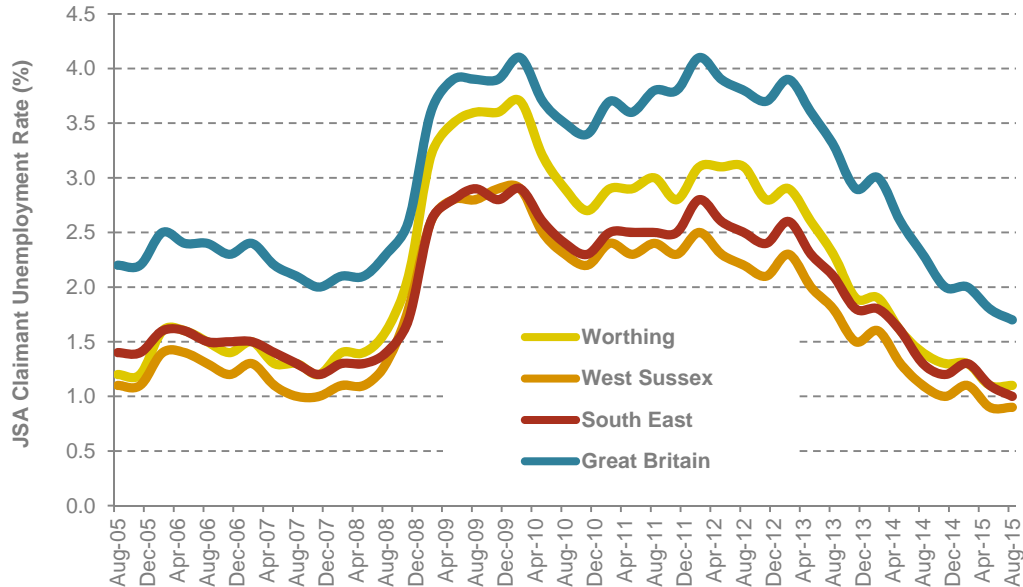
## Labour Market

2.21 The economic activity rate (i.e. the proportion of the working-age population in or seeking employment) in Worthing at 71.7% is much lower than the regional (80.0%) and national (77.4%) rates. This economic activity rate is also much lower than in the adjoining local authorities of Adur (77.8%), Arun (82.0%) and Horsham (84.7%). This suggests there could be some capacity in Worthing to expand the local labour supply from the existing resident population.

2.22 Claimant unemployment levels increased significantly within Worthing between 2008 and 2009 (reflecting the onset of the recession), with Job Seeker's Allowance (JSA) claimant unemployment levels peaking at 3.7% in February 2010. Since then, the proportion of JSA claimants in the Borough has gradually

fallen to a recent low of 1.1% in August 2015. The current JSA claimant unemployment level in Worthing is similar to the levels in West Sussex (0.9%) and the South East (1.0%) and lower than in Great Britain (1.7%) (Figure 2.6).

Figure 2.6 Changes in JSA Claimant Rates, 2005 - 2015



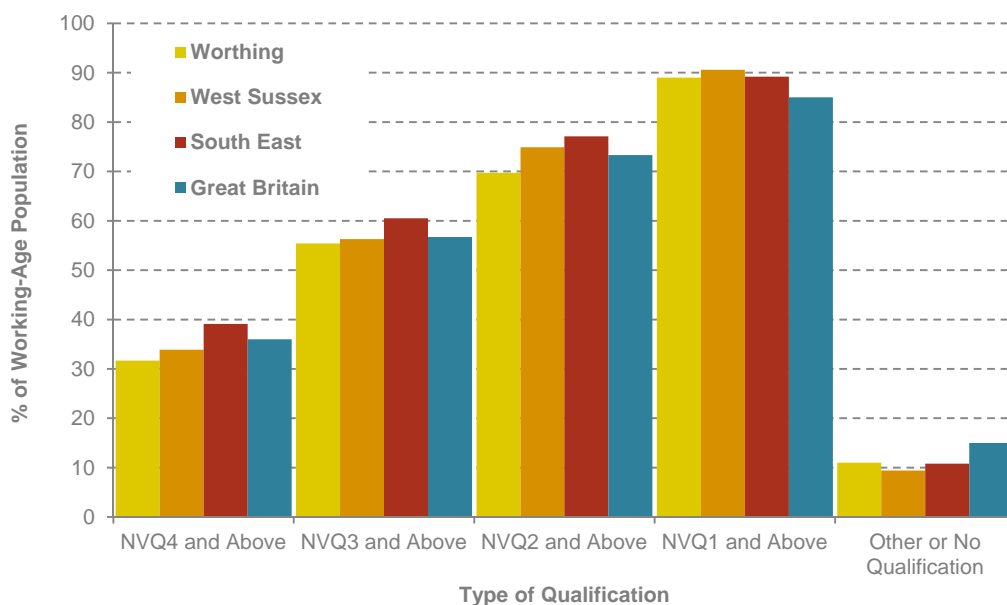
Source: ONS (NOMIS) / NLP analysis

2.23

The Borough's resident workforce also has lower than average qualification levels when compared to the equivalent levels in West Sussex, the South East and Great Britain. The Annual Population Survey indicates 31.7% of working-aged residents within Worthing have obtained NVQ4 and above qualifications, which compares with 33.9% within West Sussex, 39.1% within the South East and 36.0% within Great Britain (Figure 2.7). This relative lack of skilled workers in Worthing limits the capacity of the local economy to capture opportunities associated with higher value sectors.



Figure 2.7 Resident Qualification Levels, 2014



Source: ONS Annual Population Survey (NOMIS) / NLP analysis

- 2.24 The occupation profile of Worthing’s resident workforce also indicates a lower proportion of workers are employed in higher skilled roles represented by SOC 2010 Major Groups 1 - 3 (45.8%) when compared with the South East (49.6%), although a higher proportion are employed in such roles compared with Great Britain (44.3%). However a higher proportion of resident workers in Worthing are employed in intermediate roles represented by SOC 2010 Major Groups 4 - 5 (24.1%) compared to the South East (21.3%) and Great Britain (21.4%), whilst a smaller share are employed in lower skilled occupations represented by SOC 2010 Major Groups 8 - 9 (12.9%) when compared with the South East (13.7%) and Great Britain (17.2%).<sup>1</sup> This implies resident workers in Worthing are able to obtain employment roles across a variety of skilled levels.
- 2.25 As shown in Table 2.3 overleaf, resident wages in Worthing at £522 per week is lower than in West Sussex (£553), the South East (£575) and Great Britain (£530). When compared against other local authority areas in the surrounding sub-region, Worthing has a higher level of earnings by residence than in Adur and Arun, but a lower level of resident wages than all other local authorities in the sub-region.
- 2.26 Those who are employed in the Borough also earn less than local residents, with workplaces wages at £489 per week in Worthing about 7% lower than the average resident wages. This indicates the types of jobs available in Worthing are less well paid than elsewhere in the surrounding sub-region and that many workers are commuting to higher paid jobs outside the Borough. The average workplace earning in the Borough was lower in 2015 than in Lewes, Mid

<sup>1</sup> SOC 2010 Major Groups 1 - 3 include managers, directors and senior officials; SOC 2010 Major Groups 4 - 5 include administrative occupations and trades occupations; SOC 2010 Major Groups 6 - 7 include service occupations and sales occupations; and SOC 2010 Major Group 8 - 9 include process plant & machine operatives and elementary occupations.

Sussex, Horsham and Brighton & Hove, while being higher than in Chichester, Adur and Arun (Table 2.3).

Table 2.3 Median Gross Weekly Earnings, 2015

|          | Borough              | Earnings by Residence |          | Borough              | Earnings by Workplace |
|----------|----------------------|-----------------------|----------|----------------------|-----------------------|
| 1        | Horsham              | £627.9                | 1        | Lewes                | £544.2                |
| 2        | Mid Sussex           | £615.8                | 2        | Mid Sussex           | £537.6                |
| 3        | Lewes                | £553.4                | 3        | Horsham              | £528.1                |
| 4        | Brighton & Hove      | £546.6                | 4        | Brighton & Hove      | £514.6                |
| 5        | Chichester           | £540.0                | <b>5</b> | <b>Worthing</b>      | <b>£489.4</b>         |
| <b>6</b> | <b>Worthing</b>      | <b>£522.3</b>         | 6        | Chichester           | £481.0                |
| 7        | Adur                 | £500.4                | 7        | Adur                 | £460.5                |
| 8        | Arun                 | £486.2                | 8        | Arun                 | £419.7                |
| -        | <b>West Sussex</b>   | <b>£552.7</b>         | -        | <b>West Sussex</b>   | <b>£520.9</b>         |
| -        | <b>South East</b>    | <b>£574.9</b>         | -        | <b>South East</b>    | <b>£552.1</b>         |
| -        | <b>Great Britain</b> | <b>£529.6</b>         | -        | <b>Great Britain</b> | <b>£529.0</b>         |

Source: ONS Annual Survey of Hours and Earnings (NOMIS) / NLP analysis

## Deprivation

2.27 Worthing is characterised as having moderate levels of deprivation with an average ranking of 172<sup>nd</sup> out of 326 local authorities in England on the Indices of Multiple Deprivation (2015), which places the Borough within the top 50% least deprived local authorities in England. However this Borough-wide profile does mask some significant variations in Worthing, with more entrenched pockets of deprivation concentrated within Northbrook in the north-west of the Borough and West Worthing in the central parts of the Borough with a number of the Lower Super Output Areas (LSOAs) in these areas ranked in the top 20% most deprived in England.

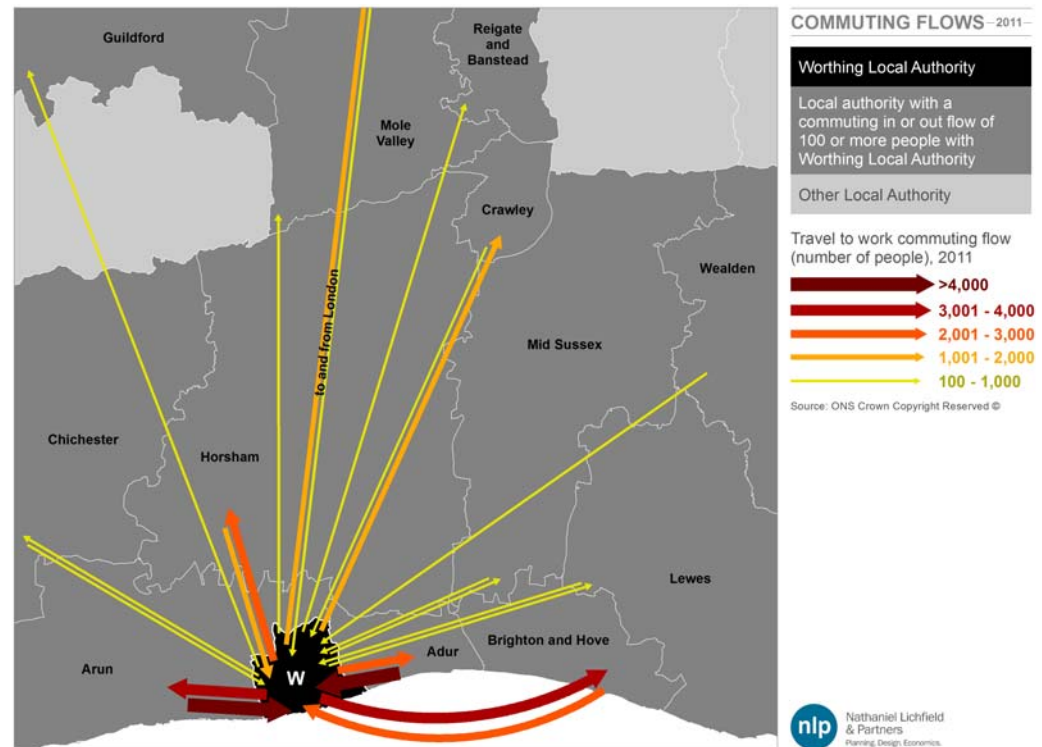
## Commuting Flows

2.28 Examining commuting flows can help to define the functional economic market area (FEMA) of a local economy. Using the latest travel-to-work flow data from the 2011 Census, the commuting patterns for Worthing can be considered.

2.29 In 2011 approximately 35% of Worthing's working residents commuted outside the Borough for their employment. The self-containment level for the Borough (i.e. the share of local residents also working within the Borough) was therefore equivalent to around 65% in 2011, which is the same level of self-containment as that recorded at the time of the 2001 Census (Table 2.4). The worker outflow in 2011 equated to 17,690, with the most significant flows to Brighton & Hove (18.7%), Arun (17.8%), Adur (16.5%) and Horsham (11.5%). At the same time, 16,610 workers commuted into the Borough for their employment,

principally from the surrounding local authority areas of Arun (34.3%), Adur (25.3%) and Brighton & Hove (16.8%) (Figure 2.8).

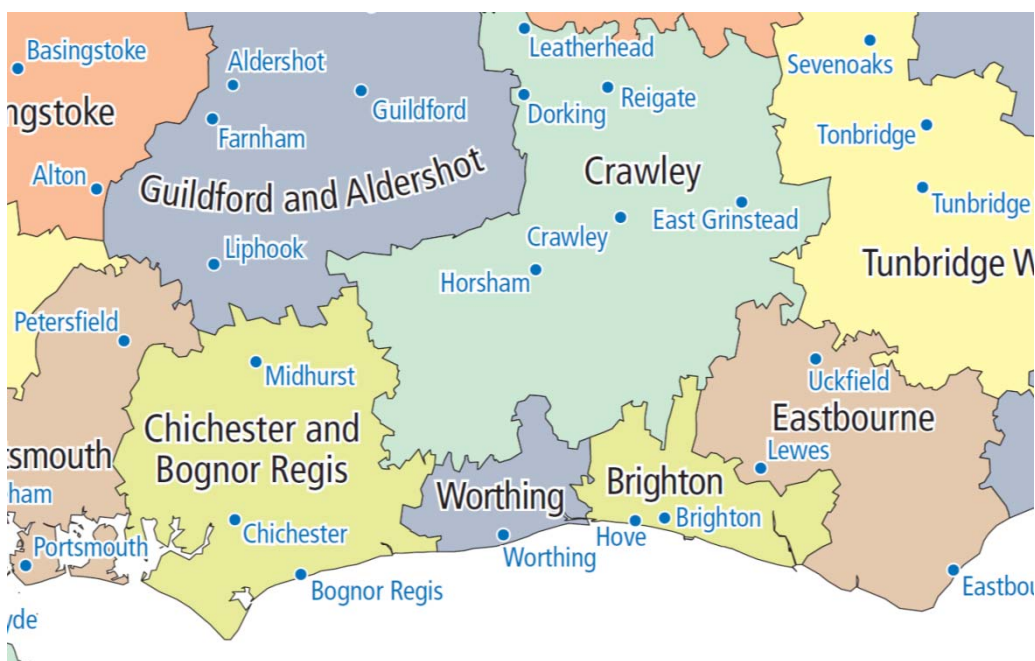
Figure 2.8 Travel-to-Work Flows for Worthing, 2011



Source: 2011 Census / NLP analysis

- 2.30 On this basis, Worthing is characterised as being a net exporter of labour, with a net outflow of around 1,070 workers which is equivalent to approximately 2% of all resident workers within the Borough at the time of the 2011 Census.
- 2.31 In addition, the ONS defines labour market areas as those areas where the majority of the resident population is also employed. Defining the labour market area requires an analysis of commuting flows data to identify Travel to Work Areas (TTWAs) for a local economy. The current criteria for defining TTWAs is for at least 75% of an area’s resident workforce to be employed in the area and at least 75% of the people who work in the area to also reside in the area. This area must also have a working population of at least 3,500 persons.
- 2.32 Applying this methodology to the 2011 Census data, it is possible to define the TTWA for the Borough as the four local authorities of Worthing, Adur, Arun and Brighton & Hove, which together comprise the workplace for 83% of Worthing’s resident workforce and the residence for 90% of the Borough’s workers.
- 2.33 In 2015, the ONS used 2011 Census data on home and work addresses to define 228 TTWAs that covers the whole of the UK. This analysis identified a Worthing TTWA that comprises the entirety of Worthing, the majority of Adur, the eastern part of Arun, and a small part of south Horsham (Figure 2.9).

Figure 2.9 ONS Defined Worthing Travel to Work Area, 2011



Source: ONS / 2011 Census

2.34

Between 2001 and 2011, the net outflow of workers from Worthing increased slightly as the quantum of out-commuting workers from the Borough increased at a higher level than the number of workers commuting into the Borough. The level of self-containment in Worthing in 2011 was the same as that recorded in 2001 (Table 2.4).

Table 2.4 Changes in Travel-to-Work Flows for Worthing, 2001 - 2011

| Commuting Flows                 | 2001 Census | 2011 Census  | Change (2001 - 2011) |
|---------------------------------|-------------|--------------|----------------------|
| Out-Commuting Working Residents | 15,440      | 17,690       | + 2,250              |
| In-Commuting Workers            | 14,640      | 16,610       | + 1,970              |
| <b>Net Out-Commuting Flow</b>   | <b>800</b>  | <b>1,080</b> | <b>+ 280</b>         |
| <b>Self-Containment Rate</b>    | <b>65%</b>  | <b>65%</b>   | <b>-</b>             |

Source: 2001 & 2011 Census / NLP analysis

Note: Differences in the way that the two sets of Census data (2001 and 2011) record 'no fixed place of work' means that the two data sets are not directly comparable.

## Summary

2.35

Worthing has recorded reasonably low levels of employment growth over the period since 1997 (9.7%), being outperformed by the equivalent growth within West Sussex (15.8%), the South East (19.9%) and the UK (18.1%). The share of B class jobs in the Borough also fell consistently between 1997 and 2011, before rising slightly over recent years from growth in both industrial and office jobs.

- 2.36 Workforce job growth has also traditionally been outpaced by working-age population growth in the Borough, which is in contrast to the trend in many other local authorities within the sub-region.
- 2.37 Some of the key sectors in Worthing that have experienced strong employment growth over the period since 1997 include healthcare, professional services and education. At the same time, significant employment losses were recorded in finance & insurance, manufacturing and the public sector. The productivity of jobs in the local economy is also relatively low when compared to a number of other local authorities in the sub-region, which reflects the concentration of lower value sectors in the Borough.
- 2.38 The business base in Worthing accommodates a slightly lower proportion of small businesses and higher proportion of medium-sized businesses compared to the regional average, as well as a similar proportion of large businesses that employ more than 100 workers. The local business base is also characterised by low levels of business start-up and high levels of self-employment. Outside the focus of businesses in Worthing town centre, the distribution of firms within the Borough tends to be relatively dispersed, although smaller clusters are also found in the eastern and western parts of the Borough.
- 2.39 The local labour market within the Borough is characterised by low economic activity and similar claimant unemployment compared with the averages in the region and nationally, which contributes to only moderate levels of deprivation in the Borough. Workplace wages in Worthing are also significantly lower than resident wages suggesting the types of employment roles available locally are less well paid than elsewhere in the sub-region.
- 2.40 Worthing is a net exporter of labour with a net outflow of approximately 1,080 resident workers based on 2011 Census data. Over the ten year period prior to the 2011 Census, the self-containment rate for the Borough remained the same at 65% despite an increasing number of out-commuting resident workers from Worthing to other local authorities in the sub-region and beyond.

3.0

## Overview of Employment Space

3.1

This section provides an overview of the current stock of B class employment space in Worthing and its adjoining local authorities, while also outlining recent trends and changes to the supply of this employment space. The amount of employment land and quantity of built employment space has been considered across the main types of employment uses (i.e. offices [B1a/b], manufacturing [B1c/B2] and warehousing and distribution [B8]). This assessment uses data and information from the following sources:

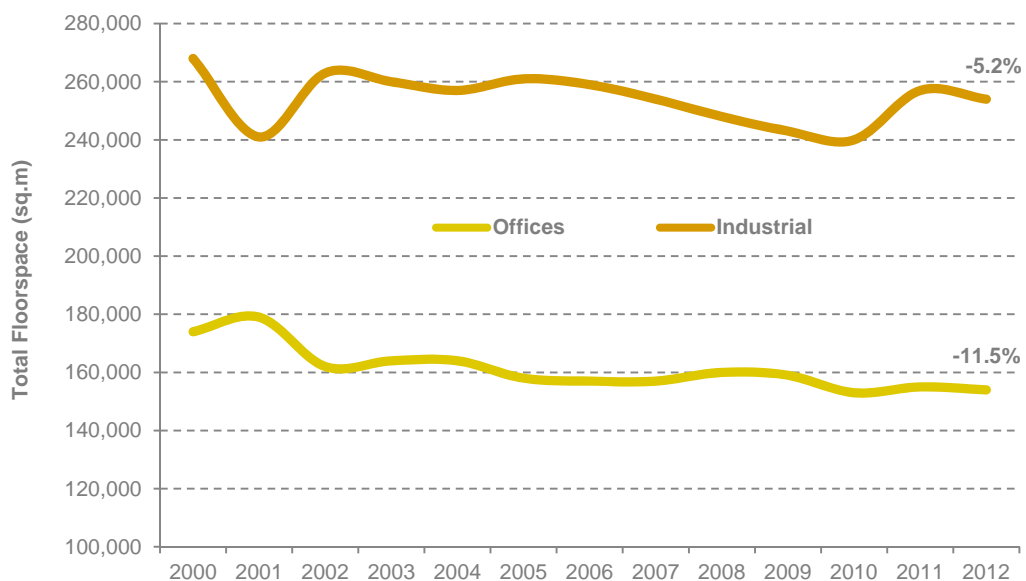
- Commercial floorspace data from the Office for National Statistics (ONS) and Valuation Office Agency (VOA).
- Monitoring data on office and industrial floorspace from West Sussex County Council.
- Planning policy documents and employment evidence studies prepared for local authorities in the sub-region.

### Current Stock of Employment Space

3.2

In 2012, Worthing contained around 408,000sq.m of B class floorspace. The majority of this floorspace was industrial in nature with 62.2% of the floorspace in industrial use and 37.7% in office use. The total stock of employment space in the Borough declined by 7.7% between 2000 and 2012, which contrasted with the small growth recorded in the South East (4.6%) over the same period. Office floorspace in the Borough fell much more substantially during the period with an 11.5% decline in office space in Worthing contrasting with the 11.9% growth recorded in the South East (Figure 3.1).

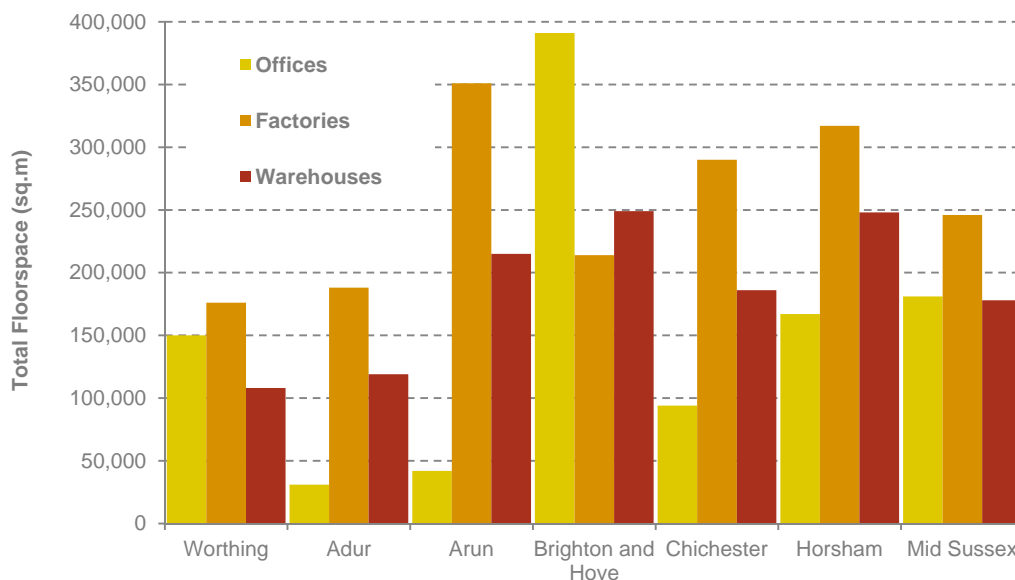
Figure 3.1 Changes in Office and Industrial Floorspace in Worthing, 2000 - 2012



Source: VOA Business Floorspace / NLP analysis

3.3 A breakdown of total employment floorspace by uses in the Borough in 2008 is provided in Figure 3.2, including a comparison with the employment floorspace recorded in other local authority areas surrounding Worthing.

Figure 3.2 Components of Employment Floorspace by Local Authority, 2008



Source: VOA 2008<sup>2</sup> / NLP analysis

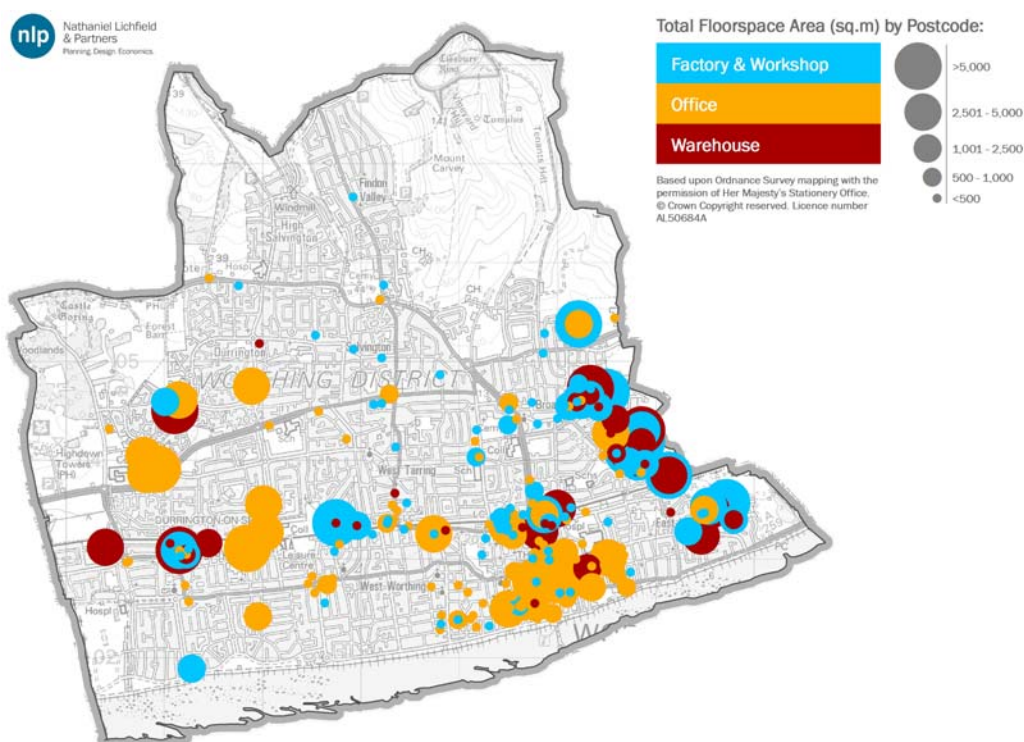
3.4 The analysis indicates that the supply of employment space within Worthing is dominated by industrial space (i.e. factory and warehouses), which together accounts for 65% of total commercial floorspace (i.e. 40.6% for factories and 24.9% for warehouses). The Borough contains less industrial space than all of the surrounding local authorities in the sub-region, with industrial space in the Borough about half the amount of space accommodated in Arun and Horsham. Office space in Worthing also accounts for 34.6% of the total floorspace stock, with the Borough accommodating the fourth largest amount of office space in the sub-region behind Brighton & Hove, Mid Sussex and Horsham.

### Spatial Distribution

3.5 Figure 3.3 and Table 3.1 show the spatial distribution of B class employment space across Worthing using the latest VOA data. This indicates that industrial space is overwhelmingly concentrated in the east of the Borough, particularly within East Worthing Industrial Estate & Broadwater Business Park (East Worthing IE & Broadwater BP) (44.1%), Meadow Road (9.1%) and Downlands Business Park (6.3%). Other clusters of industrial space are also found within Faraday Close (13.4%) and Goring Business Park (8.3%) in the west of the Borough. Outside these employment sites in Worthing, the remaining 18.8% of industrial space is mostly found in a number of smaller sites within the centre of the Borough located next to the West Coastway Line.

<sup>2</sup> VOA commercial floorspace analysis presented in this section draws on a number of different VOA datasets. Although these have been published at different time periods (i.e. 2008, 2010 and 2012), they have been used because they each provide data on commercial floorspace in a range of slightly different, albeit complementary formats.

Figure 3.3 Spatial Distribution of Employment Floorspace in Worthing, 2010



Source: VOA 2010 / NLP analysis

3.6 A larger and more detailed version of this VOA map illustrating the spatial distribution of business floorspace across Worthing is included in Appendix 3.

Table 3.1 Location of Employment Floorspace in Worthing, 2010

| Employment Site  | % of Total Floorspace |              |                     |
|--|-----------------------|--------------|---------------------|
|  | Office                | Industrial   | Total in Borough    |
| East Worthing Industrial Estate & Broadwater Business Park | 0.5%                  | 44.1%        | <b>29.8%</b>        |
| Faraday Close  | 2.4%                  | 13.4%        | <b>9.8%</b>         |
| Meadow Road  | 1.1%                  | 9.1%         | <b>6.4%</b>         |
| Land Adjacent to Martlets Way AOC 8 & Inland Revenue Site  | 18.6%                 | 0.0%         | <b>6.1%</b>         |
| Goring Business Park                                       | 0.4%                  | 8.3%         | <b>5.7%</b>         |
| Downlands Business Park                                    | 1.8%                  | 6.3%         | <b>4.8%</b>         |
| <i>Other Employment Sites</i>                              | <i>75.3%</i>          | <i>18.8%</i> | <b><i>37.4%</i></b> |

Source: VOA 2010 / NLP analysis

Note: A number of employment sites in Worthing did not have their floorspace recorded on VOA data, so have not been included in this particular analysis.

3.7 In contrast to the industrial market, the spatial distribution of office space in Worthing is more dispersed across a variety of smaller employment sites. The largest concentration of office floorspace can be found in the Land Adjacent to Martlets Way AOC 8 and Inland Revenue Site (AOC 8 & Inland Revenue Site)

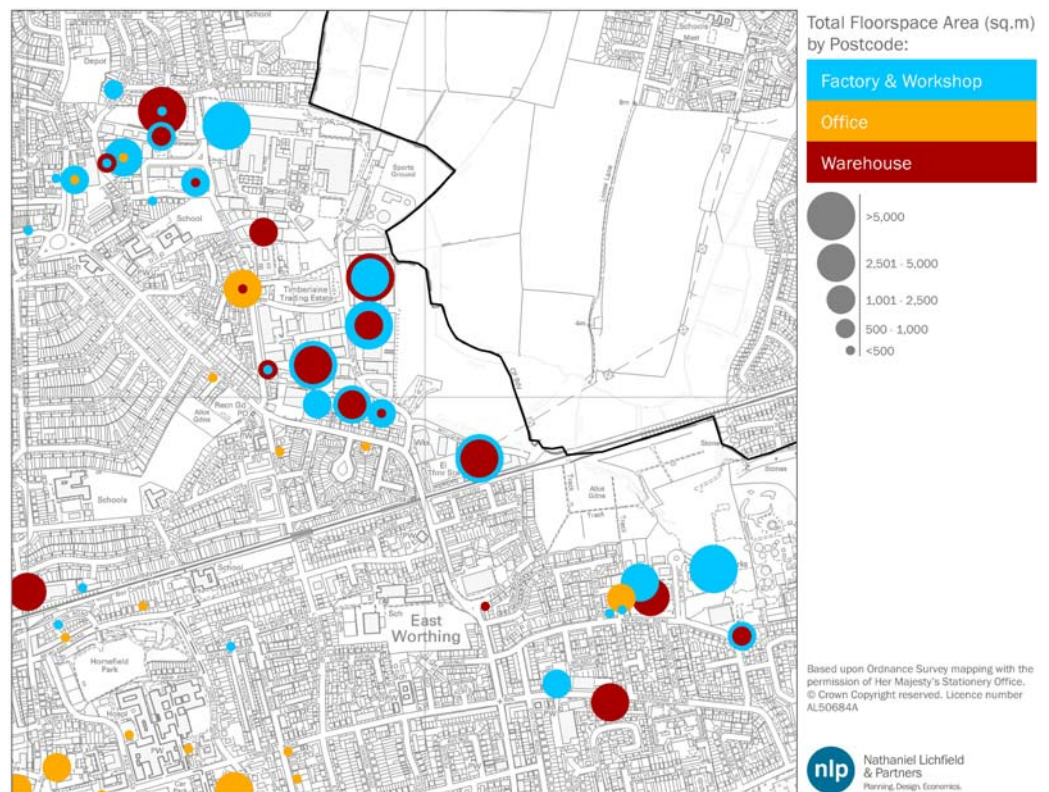


(18.6%) located within the west of the Borough adjacent to the West Coastway Line, while Yeoman Way (10.2%) located alongside the A2032 within the west of the Borough and Liverpool Terrace/Liverpool Gardens Office Area (10.1%) in Worthing town centre also support a large share of office floorspace. Overall, Worthing town centre contains 43% of the total office stock within the Borough, including in the more significant office areas of Liverpool Terrace/Liverpool Gardens, Chatsworth Road, Railway Approach and Farncombe Road, amongst others.<sup>3</sup>

3.8

A more detailed distribution map of employment floorspace in east Worthing is presented in Figure 3.4, which highlights the significant presence of factory and warehousing premises in this part of the Borough. The stock of industrial space in this area is predominately clustered around three distinct employment areas: a northern cluster around Northbrook Business Park and the GlaxoSmithKline (GSK) site; a central cluster around Dominion Way and Decoy Way; and a southern cluster around Meadow Road and Dale Road. The more detailed map also highlights the fact that limited office space is found in this highly industrial location, with only two larger office premises and a series of smaller office buildings identified in this area based on the latest VOA data.

Figure 3.4 Spatial Distribution of Employment Floorspace in East Worthing, 2010



Source: VOA 2010 / NLP analysis

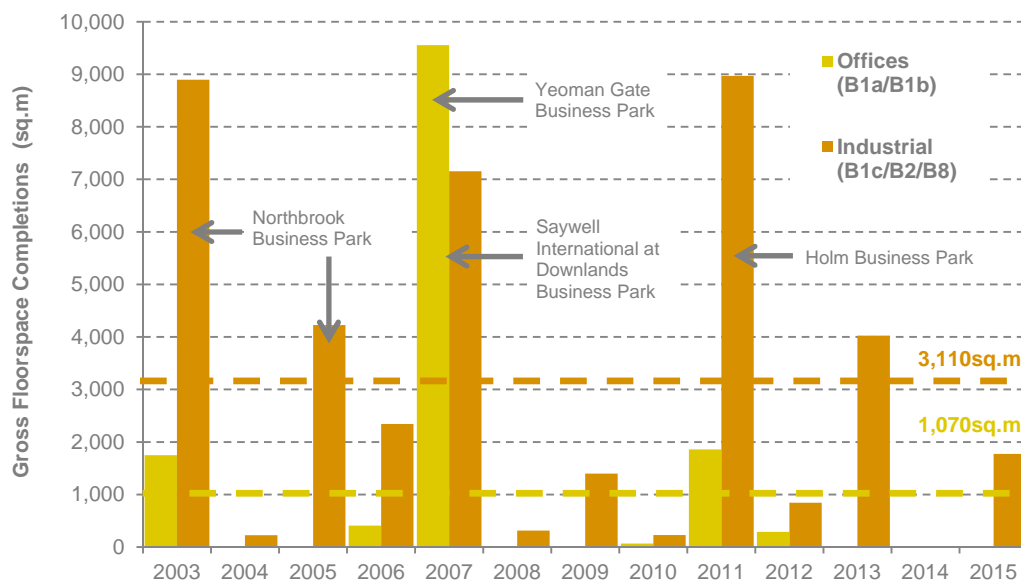
<sup>3</sup> A number of employment sites in Worthing did not have their floorspace recorded on VOA data, so have not been included in this particular analysis or commentary.

## Development Rates

### Gross Completions

- 3.9 The gross amount of floorspace developed for employment uses in Worthing during the period 2003 to 2015 is presented in Figure 3.5, which shows around 54,320sq.m of gross B class employment floorspace was developed within the Borough through the thirteen year period. This development is equivalent to an average of 4,180sq.m of new B class floorspace each year. The majority of the new B class floorspace developed within Worthing during this period was in industrial uses (74.4%), including 34.2% in factory use and 39.5% in warehouse use.
- 3.10 It should be noted that past completions monitoring data for Worthing from West Sussex County Council includes 435sq.m of gross flexible B class space. This flexible employment space was split between office and industrial use completions in this analysis based on the overall share of the total gross space that was developed within the Borough for each type of B class space between 2003 and 2015 (e.g. 25.6% of gross B class floorspace developed in Worthing during this period was for office uses, so 25.6% of the flexible space was attributed to office uses).
- 3.11 As illustrated in Figure 3.5, the level of new development in the Borough was relatively uneven during this period with the reporting years of 2003, 2007 and 2011 standing out as recording higher levels of gross B class employment space development. Together, these three years made-up around 70% of the total employment space developed in Worthing during the thirteen year period.

Figure 3.5 Gross B Class Employment Floorspace Completions in Worthing, 2003 - 2015



Source: West Sussex County Council / NLP analysis

Note: The annotated schemes in the chart identify the location of the most significant gross floorspace completions within Worthing between 2003 and 2015, and are described in more detail overleaf.

3.12 The gross completion of industrial space in Worthing between 2003 and 2015 was mainly driven by a few large developments that are annotated in Figure 3.5 above. These three individual schemes represent approximately 43% of the total gross industrial floorspace developed in the Borough over this period:

- 5,400sq.m of new industrial and warehousing floorspace developed at Northbrook Business Park in 2003 and 2005.
- 5,830sq.m of warehousing floorspace gained at Downlands Business Park in 2007 through the change of use and extensions of the existing office floorspace occupied by Saywell International.<sup>4</sup>
- 5,980sq.m of industrial and warehousing floorspace gained at Holm Business Park in 2011 through the conversion and extension of existing warehousing floorspace.

3.13 In comparison to industrial developments, the gross completion of office space within the Borough between 2003 and 2015 was much lower. The annual average gross completion of office floorspace in Worthing during this period equated to 1,070sq.m, while 3,110sq.m of industrial floorspace was completed per year during this period. The most notable year of office developments over this period was in 2007, with the two schemes completed this year equivalent to almost 70% of the total gross office floorspace developed in the Borough between 2003 and 2015:

- 3,730sq.m of new office floorspace developed at Yeoman Gate Business Park in 2007.
- 5,830sq.m of office floorspace gained at Downlands Business Park in 2007 through the change of use and extensions of the prevailing office floorspace occupied by Saywell International.

### Losses of Employment Space

3.14 Monitoring data from West Sussex County Council also indicates that past losses of employment floorspace to other uses (excluding residential uses) has been relatively significant and variable by year in Worthing. As shown in Figure 3.6, the most notable years for losses of B class floorspace are in 2007, 2011 and 2013, which together represent about 67.2% of total losses of employment floorspace during the monitoring period from 2003 to 2015.

3.15 These three years that recorded significant losses of B class employment space in Worthing are predominately the result of the following developments:

- 9,240sq.m of existing office space lost at Downlands Business Park in 2007 as a result of change of use of the floorspace occupied by Saywell International to a mix of office and warehousing floorspace (i.e. the change of use nature of the scheme means no actual floorspace is likely

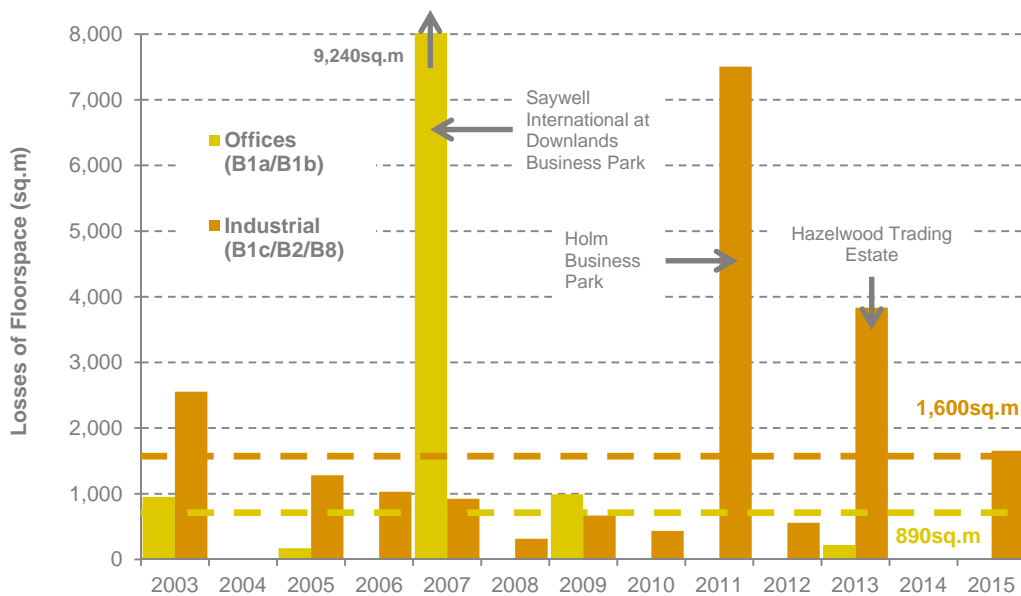
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<sup>4</sup> Monitoring data from West Sussex County Council indicates 11,660sq.m of gross office and storage & distribution space was developed at Downlands Business Park in 2007. This analysis assumes a 50:50 split between office and warehousing space for this completion, meaning 5,830sq.m of warehousing space and office space is respectively assumed to have been developed at the site in 2007.

to have been lost as a result of the development, with only the type of uses supported by the floorspace changing).

- 5,930sq.m of existing warehousing space lost at Holm Business Park in 2011 as a result of the conversion to flexible industrial and warehousing floorspace (i.e. the conversion nature of the scheme means no actual floorspace is likely to have been lost as a result of the development with only the type of uses supported by the floorspace changing).
- 3,050sq.m of existing warehousing space lost at Hazelwood Trading Estate in 2013 as a result of the changes of use to industrial floorspace (i.e. the change of use nature of the development means no actual floorspace is likely to have been lost as a result of the scheme with only the type of uses supported by the floorspace changing).

Figure 3.6 Losses of B Class Employment Floorspace in Worthing, 2003 - 2015



Source: West Sussex County Council / NLP analysis

3.16 Overall the Borough registered an annual average loss of B class employment floorspace during the period 2003 to 2015 of around 2,490sq.m, with this loss of employment floorspace evenly balanced across warehousing (36.2%), office (35.8%) and industrial (28.0%) use. The majority of this lost B class space was to other B class uses, with about 80% of the lost floorspace related to changes of use from one B class use to another. It is therefore likely only a small share of the floorspace losses set out in the analysis would actually relate to concrete losses of floorspace in the Borough, with the vast majority of the losses simply relating to a change in the type of B class use supported by the floorspace.

3.17 It should be noted that the past completions monitoring data collated by West Sussex County Council only records gains and losses of employment space to other employment uses, meaning losses of B class floorspace to other non B class uses (such as housing) is not captured as part of this data. Based on known trends in the Borough whereby B class floorspace has been converted into residential uses, it is likely the losses of B class employment space set out

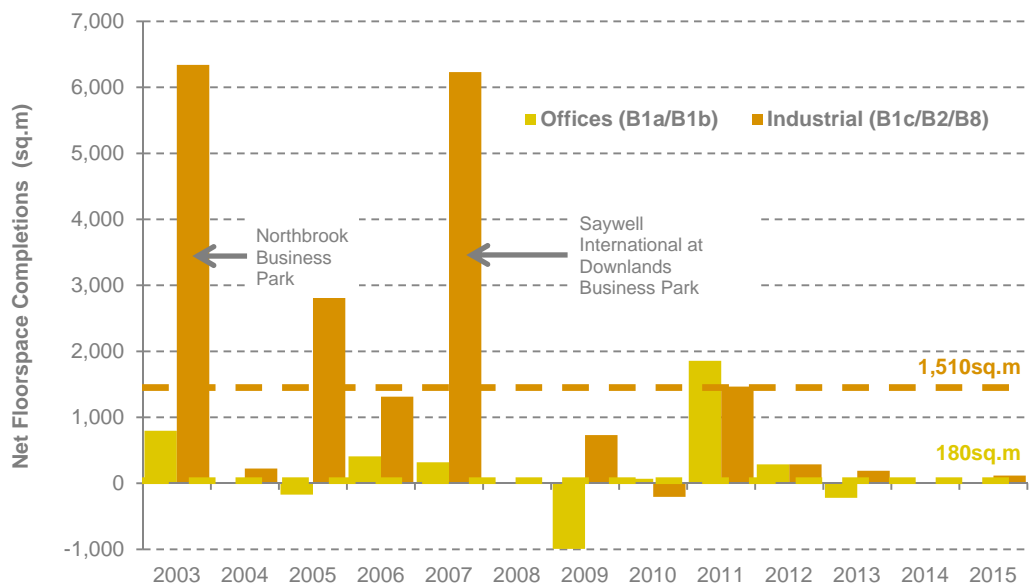
in this analysis understates the overall losses of floorspace that have occurred in reality in Worthing during this monitoring period.

### Net Completions

3.18 The net completion of B class employment floorspace in Worthing during the period 2003 to 2015 remains positive after taking account the losses of space. Between 2003 and 2015, the Borough registered a net completion of around 21,990sq.m of employment floorspace, which is equivalent to 1,690sq.m each year during this period. This means that across all B class employment space, the gross completions of floorspace has exceeded the losses over this period, resulting in an increase in the amount of B class floorspace in Worthing.

3.19 As shown in Figure 3.7, the majority of the net completions in Worthing over this period were in industrial uses, with more than 89% of total net completions in Worthing between 2003 and 2015 for industrial space. The average annual net completion of industrial floorspace during this period equated to 1,510sq.m, while the annual net completion of office floorspace amounted to 180sq.m. Given that the past completions monitoring data does not take into account the loss of employment floorspace to residential uses, it is possible that the actual net completions of office space was negative in Worthing during this period.

Figure 3.7 Net B Class Employment Floorspace Completions in Worthing, 2003 - 2015



Source: West Sussex County Council / NLP analysis

Note: A large share of the net industrial completions at Downlands Business Park in 2007 relate to the change of use of existing office space at the Saywell International premises, meaning the actual amount of new floorspace at the site is likely to be lower than that identified in this analysis.

### Permitted Development Rights

3.20 In 2013, the Government announced the proposed introduction of Permitted Development Rights (PDR) to allow for the change of use from B1(a) offices to residential uses without the need to acquire planning permission from the local

planning authority. In October 2015, the Government confirmed that temporary PDR will be made permanent. In this context, the influence of the new PDR is expected to be an increase in the rate of losses of office floorspace, potentially above historic rates of floorspace losses.

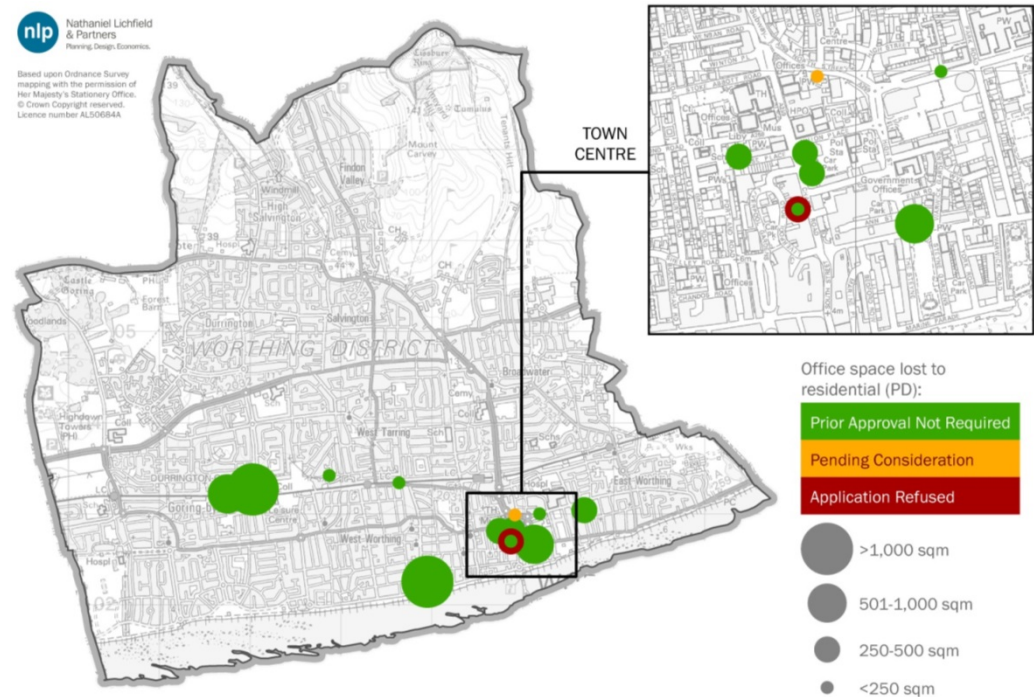
- 3.21 An analysis of monitoring data from Worthing Borough Council indicates that twelve prior approval applications have been granted for a change of use from office to residential uses in the Borough under the new PDR since May 2013.<sup>6</sup> These granted prior approval applications have the potential to deliver at least an additional 161 residential units in Worthing, while an application pending consideration as at September 2015 could deliver a further 5 dwellings.
- 3.22 Although it is not a requirement under the regulations to monitor the scale of office floorspace lost through PDR, it is possible to use the historic VOA data to estimate the amount of office floorspace that could be lost in the Borough if all twelve applications that have gained prior approval as at September 2015 were implemented in full. These applications would result in a loss of 12,500sq.m of office floorspace, which is equivalent to about 8.1% of the overall office stock in the Borough. When compared with the average annual loss of office floorspace in the Borough between 2003 and 2015, these potential losses through PDR is equivalent to approximately fourteen years of historical losses of office floorspace in Worthing.
- 3.23 However it should be noted that two individual schemes comprise the majority of the total office space that would be lost through prior approval applications in Worthing, with the change of use of the Lloyds TSB Building<sup>7</sup> (5,850sq.m) and MGM House (3,620sq.m) accounting for about 75% of the total potential losses of office floorspace through PDR in the Borough. Outside these major losses of office floorspace, the average loss of space for the remaining ten applications equates to around 300sq.m of office space.
- 3.24 As presented in Figure 3.8, the majority of the prior approval applications in the Borough relate to smaller office premises located in and around Worthing town centre, while two larger premises (i.e. Lloyds TSB Building and Durston House) with prior approval applications are located in the eastern part of the Borough next to Durrington-on-Sea train station, and MGM House is located in the southern part of the Borough.
- 3.25 The introduction of PDR is expected to have a significant effect on the supply of office floorspace in local authorities across the UK, but particularly in those local authorities with the highest residential land values and pressure on lower value uses (e.g. office floorspace). With PDR now confirmed as permanent, it will clearly be necessary for Worthing Borough Council to carefully monitor the future loss of office space to determine whether additional provision becomes necessary over and above the requirements set out in Section 6.0.

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<sup>6</sup> Permitted Development Rights monitoring data from Worthing Borough Council provides data up to September 2015.

<sup>7</sup> The conversion of the Lloyds TSB Building to residential use was completed in 2015.

Figure 3.8 Spatial Distribution of Office Premises with Permitted Development Rights in Worthing, 2015



Source: Worthing Borough Council / VOA 2010 / NLP analysis

## Employment Space in Surrounding Areas

3.26 To provide a full assessment of employment land in Worthing, it is necessary to consider the extent of available employment land in surrounding authorities, as well as any major economic developments that are emerging in these locations. A review has been undertaken of each adjoining local authority area based on their employment land reviews and equivalent available studies, in addition to annual monitoring reports and other planning policy documents.

### Adur

3.27 Adur is situated east of Worthing and is a relatively constrained area, with the South Downs National Park to the north and the English Channel to the south. Adur's office market is predominately made-up of small and medium-sized units which comprise an overall very small office market. However the smaller office floorspace in Adur perform well with 100% occupancy rates, which is in contrast to the overall vacancy rate of 20%

3.28 Industrial and warehousing space dominates Adur's commercial property market and has a low vacancy rate of 6%, although the majority of the stock is of older age and of fairer quality. The large industrial space in Adur is taken-up by non-local industrial occupiers such as Mittal Steel at Shoreham Harbour.

3.29 An employment land review carried out in 2014<sup>8</sup> indicates that there is a distinct lack of high quality sites in the District that will support the attraction of

<sup>8</sup> GL Hearn, Adur Employment Land Review, 2014

inward investment. The ELR states that the B class floorspace requirement in Adur between 2011 and 2031 equates to 47,640sq.m, which mainly relates to a significant increase in B1a and B8 uses, which will offset the expected decrease in demand for B2 uses.

- 3.30 The emerging Local Plan recognises the need to diversify the economy away from such a reliance on industrial floorspace and has moved to the provision of office space. The forecast demand for B1a premises is being largely driven by growth in professional services. However a continuing issue in Adur is the extremely low rental values that ensure any significant increase in the provision of office space will be bordering on unviable as businesses refuse to pay more than market rents. Future development will also be focused around Adur's key areas of Lancing, Sompting, Shoreham-by-Sea, Southwick and Fishergate.

## Arun

- 3.31 Arun is situated to the west of Worthing and is currently in the examination process for its Local Plan which was submitted to the Secretary of State for examination on the 30<sup>th</sup> January 2015. This plan is currently experiencing a delay in coming forward primarily due to an underestimate of its objectively assessed need (OAN) for housing.
- 3.32 The emerging Local Plan indicates that Arun will provide sufficient commercial floorspace within accessible locations, indicating that these will be focused on Bognor Regis, Littlehampton and Angmering as part of an overall regeneration package. An application was made to the government to try and obtain an Enterprise Zone designation in Bognor Regis but was unsuccessful. However the Council plans to push forward with the idea without government support, and has designated 82.5ha of clean development land in the area, which will facilitate a manufacturing park and knowledge park by 2017 as well as a range of other new business premises at the site.
- 3.33 Office space in Arun had declined by about 24% during the twelve year period from 2000 to 2012, which is in contrast to the 12% rise across the South East. This is reflected in recent development patterns, with 54% of new employment space being for B8 uses, 28% for B1c/B2 uses and 5% for B1a/B1b uses.
- 3.34 The strategy for economic growth in Arun is largely focused on utilising what would have been the 'Enterprise Bognor Regis' Zone to support the delivery of commercial space, with 33,120sq.m of new employment floorspace already with planning permission at Oldland's Farm, with a further 20,500sq.m granted on land north of Toddington Lane. In total, 168,650sq.m of B class floorspace is coming forward, although only 24% of this new employment floorspace is exclusively for office use, with around 40% for mixed-use.

## Brighton & Hove

- 3.35 Brighton & Hove is located to the east of Worthing along the coast. The City has two key trunk roads (i.e. the A27 and A23) that provide road access out of



the area, as well as good rail connections to both London Victoria and London Bridge.

- 3.36 Policy DA8 in the Brighton & Hove City Plan identifies Shoreham Harbour as a location where 7,500sq.m of additional employment floorspace can be brought forward. In addition, the Brighton & Hove Employment Land Supply Trajectory emphasises the importance of the Woodingdean Business Park in the eastern part of the local authority area for potentially supporting additional employment land in the City.<sup>9</sup>
- 3.37 The office stock in the City is predominantly located in Central Brighton, with 77% of the total stock of office spaces being constructed before 1970, pointing towards an out-dated and low grade office stock. This trend is continued in the industrial stock, which is proportionally much older than the regional average.
- 3.38 The City Plan has allocated 109,300sq.m of new employment floorspace within Policy DA2 and Policy DA8, which will be supplemented by 30,500sq.m within Policy CP3 and a further 21,100sq.m of B class floorspace in extant planning permissions. Aside from the identified growth proposals at Shoreham Harbour, proposals at Brighton Marina, Astoria, St Marys Road, Sackville Trading Estate and the Amex building are all important areas of employment growth in Brighton & Hove.

## Chichester

- 3.39 The Chichester Local Plan adopted in 2015 indicates that there is a need for around 160,000sq.m of business floorspace across the District over the plan period, some of which would be met through extant planning permissions.
- 3.40 The Local Plan also recognises that to facilitate a wide variety of employment sites in the District, it will be necessary to protect existing employment sites and encourage the refurbishment or upgrade of these sites to make them more commercially attractive. The vast majority of the forecasted demand for B class employment space in Chichester is for large-scale factories and warehouses, with the forecast requirement for office space in the District between 2011 and 2029 estimated at just over 22,000sq.m, which compares with 78,000sq.m for factory space and 106,000sq.m for warehouse space.
- 3.41 In order to meet the projected demand, employment land is designated within the District that has strong access to the A27 Chichester Bypass, with the area expected to deliver 18ha through various strategic development sites. Smaller provisions have also been made at the existing Chichester Business Park at Tangmere in addition to a major 17,470sq.m B8 floorspace development at the Glenmore Business Park.

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<sup>9</sup> Brighton & Hove Employment Land Supply Trajectory, Nathaniel Lichfield & Partners, 2013

## Horsham

- 3.42 A market appraisal document prepared in 2014 on the current and future demand for business space in Horsham<sup>11</sup> indicates that there is a significant demand for Grade A office space, although there is a distinct lack of supply. This is due to the lack of speculative development as the existing rent values are not high enough to support new development.
- 3.43 The areas identified in the ELR for development in Horsham (e.g. Broadlands Business Park and Graylands) have not resulted in developments due to a lack of access and amenity. However firms have been relocating from neighbouring Crawley, as there is even more of a constraint on supply in the Manor Royal Business Park in Crawley, which is near to full capacity.
- 3.44 In order to avail itself of this market, the Council has set out a vision that states that Horsham will be a place that supports growth in employment land, incorporating floorspace within a high value business park in addition to starter units in order to attract inward investment. Demand for office space is currently at approximately 29,450sq.m per year in Horsham and is expected to rise.
- 3.45 The older office stock in the town centre is also being converted to residential use, which is resulting in more pressure being placed on the existing supply. Further the ELR states that there is an oversupply of office stock in the District, particularly in relation to large office floorplates. In this context, an issue in Horsham is that there is an oversupply of older low quality office premises and a need for newer Grade A office premises to help maintain an inflow of inward investments, which is a similar issue to that characterising Worthing.
- 3.46 Horsham has a comparative advantage in that it is located in close proximity to Gatwick Airport, and therefore gains the benefit of being located within the Gatwick Diamond which provides benefits such as access to different avenues of grant funding.

## Lewes

- 3.47 Lewes is characterised as being a highly constrained location with a large part of the District falling within the South Downs National Park. This spatial profile means the capacity of the District to bring forward employment developments is relatively restricted particularly for industrial developments that require more sizeable land areas to support factory and warehousing premises.
- 3.48 Spatial Policy 1 of the emerging Core Strategy sets out that between 2012 and 2031 approximately 74,000sq.m of new B class employment floorspace will be provided with 60,000sq.m of this employment floorspace being industrial space and 14,000sq.m office space.
- 3.49 The ELR update in 2012<sup>12</sup> indicates that the forecast employment floorspace requirements in Lewes for the nineteen year period range from 13,480sq.m of

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<sup>11</sup> Market Appraisal on the Current and Potential Future Demand for Business Space in the Horsham District, Stiles Harold Williams, 2014

<sup>12</sup> Lewes Employment Land Review Update, Nathaniel Lichfield & Partners, 2012

B class employment space to 87,760sq.m. If the least likely projection option is discounted which would be to consider that recent trends continue, there is still a significant variation between projected floorspace, and therefore it is difficult to say with a great deal of certainty whether the numbers put forward by the Core Strategy are sufficient enough to meet demand.

- 3.50 Future office growth is also highly constrained as there are few areas in which a redevelopment of an industrial site to office use could realistically occur. However it is considered that there is the need to provide a new office location to try and stimulate development by attracting occupiers that could design and build new premises. There is also the recommendation for new industrial land to be made available for the same reasons.

## Mid Sussex

- 3.51 Mid Sussex is a constrained district in terms of its potential to support employment development. Approximately 50% of the District is located within the High Weald Area of Natural Beauty (AONB), while the southern part of the District is also within the South Downs National Park.
- 3.52 The key employment locations in Mid Sussex include Haywards Heath, East Grinstead and Burgess Hill, with Haywards Heath representing the main office location within the District. The District has traditionally recorded good demand for office space from financial institutions, although this trend has started to wane in recent years with the ageing office stock and lack of new development contributing to the increasing level of vacancy in the local office market.
- 3.53 While Burgess Hill is the primary industrial area in Mid Sussex, the local office market in the town is relatively weak. The three main business parks in the town are Victoria, Sheddingdean and Bolney Grange, which the HEDNA notes are largely characterised as having a lack of developable land to support new industrial and office premises.<sup>13</sup> For this reason, these business parks support a low share of new premises that are suitable to meet the needs of modern occupiers, contributing to higher vacancy levels at these sites.
- 3.54 The plurality of the land that has been developed in Mid Sussex between 2002 and 2012 is for industrial uses, with 24% related to office use. Demand for high quality, modern office floorspace remains, primarily driven by SMEs. However the current office floorspace in the District is relatively old and unattractive. Mid Sussex is also no longer seen as such a strong office location with weak links and transport infrastructure compared to other places within the sub-region.

## Summary

- 3.55 Employment space in Worthing is dominated by industrial (i.e. factory and warehousing) uses which account for around 62% of total B class floorspace in the Borough. Between 2000 and 2012, both industrial and office stock within Worthing decreased in scale, with office space (-11.5%) decreasing at a higher

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<sup>13</sup> Housing and Economic Development Needs Assessment (HEDNA), Mid Sussex District Council, February 2015

rate than industrial space (-5.2%) during this period. In overall terms, Worthing had the smallest stock of industrial space across the sub-region in 2008, and a smaller stock of office space when compared with Brighton & Hove, Horsham and Mid Sussex.

- 3.56 The spatial distribution of B class space in Worthing indicates the majority of industrial space in the Borough is concentrated in a few main employment sites in the east of the Borough, while some smaller clusters of industrial space are also supported in Faraday Close and Goring Business Park in the west of the Borough. The largest concentration of office space within the Borough is found in and around Worthing town centre, although there are also a range of other office sites scattered across the Borough within more residential areas.
- 3.57 Worthing has recorded moderate levels of new development over recent years, mainly relating to new industrial floorspace (B1c/B2/B8) and driven by a small number of large developments. At the same time, the Borough has been losing some B class employment floorspace in recent years, although limitations of the past completions monitoring data for Worthing from West Sussex County Council means the quantum of lost employment space is likely underestimated in this analysis (i.e. the monitoring data only records B class space lost to other commercial uses, so does not take account lost space to other uses). With this in mind, the analysis indicated Worthing has been gaining moderate levels of B class floorspace over recent years, with positive net completion rates for both industrial and office uses.
- 3.58 The recent introduction of Permitted Development Rights (PDR) for change of use from office (B1a) to residential uses has started to have an influence in the Borough, with monitoring data from the Council indicating twelve prior approval applications have been granted in Worthing. If all twelve granted applications were implemented in full, the Borough would lose 12,500sq.m of office space, which is equivalent to approximately 8% of the total office stock in the Borough in 2012. When compared with the average annual loss of office floorspace in Worthing between 2003 and 2015, these potential losses are equivalent to about fourteen years of historical losses.
- 3.59 A number of local authorities surrounding Worthing are characterised by significant constraints to employment land development due to the location of AONBs and the South Downs National Park in the sub-region. Several of the surrounding local authorities are also characterised by lower rental levels, which has resulted in minimal speculative developments of Grade A premises in these areas, creating a major gap in the sub-regional market. As residential values rise, employment land developments have also become less viable within the sub-region.

## 4.0 **Commercial Property Market Signals and Intelligence**

4.1 This section describes current property market conditions in Worthing and its relationship with surrounding areas, 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).

### **UK Property Market Overview**

4.2 The UK economic recovery, which began in 2013, has now become firmly entrenched, and sentiment in commercial property appears to be the most positive it has been for many years. Improvements in market conditions have been supported by the greater availability of real estate debt and equity finance, occupier demand is steadily increasing, and generally rents and capital values are broadly stable.

4.3 While central London offices are still the outperforming market segment, some investors and developers are also looking further afield in an attempt to access stock and achieve good returns. However, much of this activity is focusing on the best performing locations in the South East or major provincial cities. In more economically marginal locations, and those without a significant existing commercial property market, there is still uncertainty and lenders and developers are likely to remain cautious.

### **Market Geography**

4.4 Worthing accommodates a relatively self-contained commercial property market, which is reliant on a relatively large base of SMEs with few sizable occupiers and market transactions. This can partly be explained by Worthing's geographical location and proximity/location between a number of larger, more established centres including Brighton to the east and Chichester to the west.

4.5 As noted earlier, the Borough's stock of employment space is dominated by industrial uses and concentrated within a number of varied sized sites scattered across Worthing. Proximity to the Borough's main trunk road, the A27, is key for many of the Borough's occupiers, although the road suffers from congestion particularly at peak times of the day, and this is seen as a barrier by some local businesses, particularly for those travelling east-west across the Borough. Some of the main attractions for existing firms in the Borough include the presence of a local workforce that has the required skills to support the activities of local businesses, and a good quality of life.

4.6 Partly reflecting its constrained location and more limited access to strategic routes, the market is viewed as relatively localised. Many firms in the area are

long-established, with locally-based owners and workforce. Worthing sits within a broad South Coast east-west property market area of search extending from Brighton in East Sussex to Chichester in West Sussex, with east-west movements along the A27 corridor stronger than north-south movements into other parts of Sussex.

- 4.7 From a more local perspective, local property agents note that Worthing's commercial property market is split in half, due in part to the A27 congestion noted above which complicates east-west movements within the Borough itself. The strongest occupier flows are reported to occur between western parts of Worthing and Littlehampton and between eastern parts of the Borough and Lancing/Shoreham. In functional commercial property market terms, the Borough therefore shares strong economic relationships with neighbouring Arun and Adur.
- 4.8 Whilst the typical occupier area of search that Worthing falls within is relatively small, local property agents note that companies are prepared to travel further for freehold opportunities which tend to be few and far between. There is reported to be some overlap between Worthing and Brighton in property market terms, particularly as availability within Brighton continues to fall. In general terms however, these overspill requirements from Brighton tend to extend only as far as Lancing in nearby Adur and as noted below, Worthing's supply of available land and premises is not sufficient to be able to accommodate the majority of enquiries from outside of the Borough. As also noted below, occupier movement also occurs in the opposite direction, with Worthing based businesses relocating to Brighton and other locations in the sub-region such as Crawley.

## Market Segments

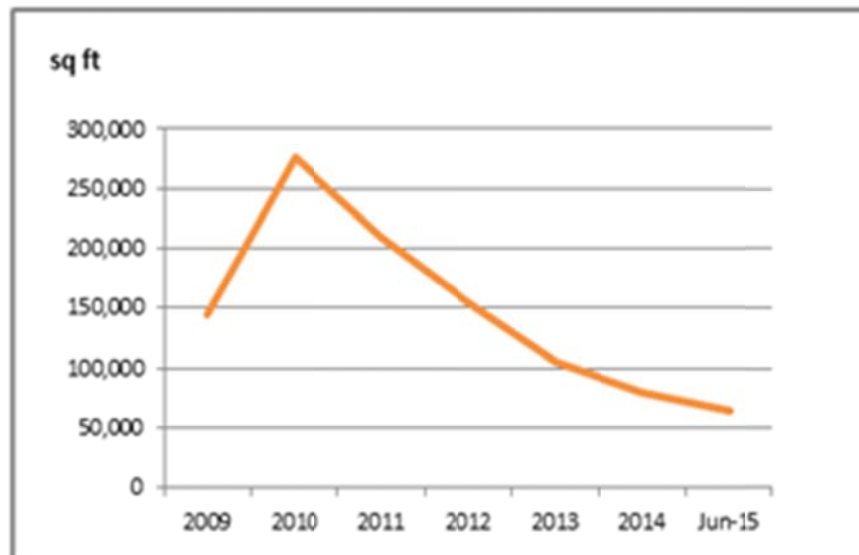
### Industrial

- 4.9 Although Worthing is not recognised as a strategic industrial location, or a particularly sizeable industrial location when compared with other locations in the wider sub-region, demand for industrial spaces remains strong and very low levels of vacancy reflect a limited supply of industrial space in the market (i.e. particularly modern, good quality space). Demand is largely localised and comes from a mix of industrial sectors (i.e. particularly warehousing and small scale logistics), with premise requirements mostly ranging between 2,000sq.ft and 10,000sq.ft (185sq.m and 930sq.m). However recent enquiries have also been received in the market for industrial space ranging from 10,000sq.ft to 50,000sq.ft (930sq.m to 4,645sq.m), indicating some demand for large industrial accommodation does exist in Worthing.
- 4.10 Development of new industrial space in Worthing has been very limited in recent years, with much of the Borough's existing stock relatively dated and in need of refurbishment. Coupled with strong demand, this lack of supply and severe shortage of industrial space means that existing firms within Worthing struggle to accommodate any expansion and relocation plans in the Borough

(particularly with regards to medium-large sized firms) and when enquiries are received from firms currently based outside Worthing, these are rarely able to be met. Worthing is not unique in this respect, with local commercial property agents reporting that the whole broad South Coast East-West property market area of search (i.e. extending from Brighton to Chichester) is characterised by a shortage of industrial supply.

- 4.11 It is considered that limited supply of industrial space is currently constraining industrial activity in the Borough, with overall availability levels having reduced over recent years to low levels across all sizes (Figure 4.1). Market intelligence suggests that supply levels of modern units of small sub 5,000sq.ft (465sq.m) is at an all-time low<sup>15</sup>. As noted above, this lack of supply limits the potential for expansion and movement of existing firms as there is limited capacity, whilst it may also lead to potential economic opportunities being diverted from the Borough as firms cannot be accommodated within its boundaries.

Figure 4.1 Availability/supply of industrial/logistics space in Worthing



Source: Stiles Harold Williams, South East Industrial & Logistics Focus, Q3 2015

- 4.12 The reduction in industrial supply has led to a rise in rents in Worthing in recent months as well as a reduction in incentive packages offered to occupiers. Regional property agents Stiles Harold Williams note that the highest rental increases have been seen with the sub 5,000sq.ft (465sq.m) category with rental levels now reaching £7.50 per sq.ft (Table 4.1). As shown in Table 4.1 below, typical industrial rents in Worthing are now comparable with nearby locations such as Shoreham, Chichester, but still remain competitive over Brighton & Hove.

<sup>15</sup> Stiles Harold Williams, South East Industrial & Logistics Focus, Q3 2015

Table 4.1 Industrial &amp; Office Rents in Worthing and Comparator Centres

| Location                    | Industrial Rent / Sq.ft | Office Rent / Sq.ft |
|-----------------------------|-------------------------|---------------------|
| Worthing (prime)            | £7.50                   | £14                 |
| Worthing (secondary)        | £5 - £6                 | £10 - £11           |
| Lancing (prime)             | £6 - £7                 | n/a                 |
| Lancing (secondary)         | £5 - £6                 | n/a                 |
| Shoreham                    | £7 - £8                 | £8 - £10            |
| Brighton & Hove (prime)     | £10                     | £23                 |
| Brighton & Hove (secondary) | £8                      | £17                 |
| Chichester (prime)          | £7.50                   | £17.50              |
| Washington (prime)          | £8.50                   | n/a                 |

Source: Stiles Harold Williams / EGi Property Link

- 4.13 Given that Worthing's industrial market is tight, the view from local agents is that at least one new industrial park/site is required in the Borough to provide a release valve and enable churn, intensification and upgrading of existing older sites. Any allocation of new industrial space would need to be located in close proximity to the A27 and ideally near to existing well performing industrial sites, and this would provide the opportunity to consolidate existing industrial activity onto more suitable sites.
- 4.14 This buoyancy in the Borough's industrial market and lack of supply of good quality units is reported by Stiles Harold Williams (in their Q3 2015 South East Industrial & Logistics Focus) to have led to increased interest by developers in speculative development. Whilst this has yet to take place within the Borough itself, the construction of a 62,000sq.ft (5,760sq.m) speculative business park is well under way just north of Worthing at Rock Business Park, Washington which will be the first speculative development in the area since 2006.
- 4.15 This will provide 6 high quality units (ranging in size from 1,480sq.ft [135sq.m] to 2,882sq.ft [270sq.m]) in an attractive landscaped and semi-rural setting with a good location on the A24. This is expected to attract occupiers from elsewhere in Horsham District (such as Storrington and Pulborough) but could also provide a draw for Worthing based businesses seeking newer space (albeit at a premium). Agents felt that a similar industrial product is needed in Worthing, and that there would be sufficient latent industrial demand in the local market to take-up this space very quickly.
- 4.16 The only obvious sites in Worthing that would potentially be suitable for new industrial development in the near future include the Land Adjacent to Martlets Way AOC 8 and Inland Revenue Site (AOC 8 & Inland Revenue Site) and the Decoy Farm AOC 12. The Decoy Farm AOC 12 is one of the key Areas of Change in Worthing located on the south-eastern boundary of the Borough adjoining Adur. Local agents consider this site to have a strong development opportunity for either freehold or leasehold premises, and are reported to have active developer interest. However the viability of the site is likely to be a key



challenge to delivery, with the Worthing Core Strategy (2011) stating that the land was formerly a landfill area and that there is clear evidence of existing contamination and flooding problems. Due to these constraints and relatively poor accessibility, the site has remained undeveloped and is in need of significant investment to realise its full potential.

- 4.17 The second opportunity in Worthing to bring forward industrial developments is at the AOC 8 & Inland Revenue Site (i.e. located adjacent to Goring Business Park), which local property agents consider would be suitable for a flexible mix of B1 and B8 (i.e. small scale logistics) uses. The feedback from local property agents in the Borough suggests that there is enough latent demand in the local market for this site to be delivered in full for industrial uses. However the Core Strategy also notes that the planning history of the site, physical issues, land ownership status and potential access issues could point to the need for a more flexible mixed-use development to come forward at the site.

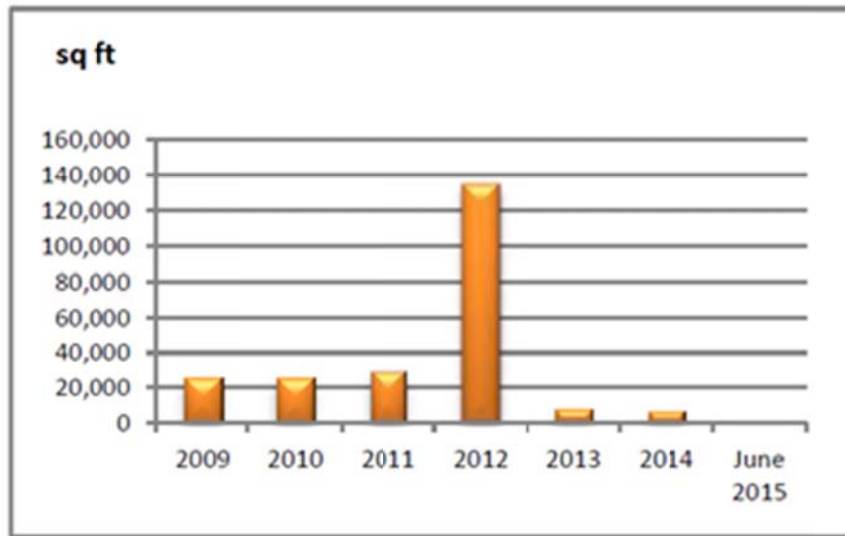
## Offices

- 4.18 The Borough is not viewed as a particularly strong office location, with limited levels of demand, take-up and stock. The Borough lacks the necessary critical mass to attract and sustain larger office occupiers and faces strong competition from larger, established and growing office centres nearby including Brighton and Chichester (both of which command higher office rents as shown in Table 4.1), and to a lesser extent Horsham. As a result, the office market is relatively localised and what limited demand there is generally comes from local SMEs (operating across a range of business service sectors) for good quality, small modern premises, typically falling within a size range of 2,000sq.ft (185sq.m) to 5,000sq.ft (465sq.m)
- 4.19 Latest market intelligence from regional agents Stiles Harold Williams<sup>16</sup> indicates that there are exceptions to this general trend, citing that a Worthing occupier is currently seeking 20,000sq.ft (1,860sq.m) of office space and is having to look outside Worthing in order to find suitable accommodation. There is also noted to be growing demand from local businesses seeking small office suites of up to 1,000sq.ft (95sq.m). Average office take-up over the past five years in Worthing is reported to have been low with the majority of transactions in the sub 5,000sq.ft (465sq.m) category (Figure 4.2).

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<sup>16</sup> Stiles Harold Williams, South East Office Focus, Q3 2015

Figure 4.2 Take up of office space in Worthing



Source: Stiles Harold Williams, South East Office Focus, Q3 2015

- 4.20 Historically office developments in Worthing has occurred across a number of sizeable, dispersed sites across the Borough in areas such as West Durrington that tend to be largely residential in character. Some of these single occupier sites (e.g. the Lloyds TSB building on The Causeway, MGM House on Heene Road in the town centre, and the former Aviva site [The Warren] in Broadwater that was sold to Worthing Sixth Form College) have subsequently been lost from the Borough's office portfolio as corporate occupiers have consolidated and downsized. Once this space is lost the scale and quality of premises is not sufficiently attractive to modern occupiers. The town centre accommodates a large proportion of Worthing's office stock (43%) across a number of sites, including Liverpool Terrace, Crescent Road and Chatsworth Road.
- 4.21 Very limited amounts of new office development have occurred in Worthing in recent years with the majority of stock therefore comprising older style 1970s and 1980s stock for which demand is low. Local commercial agents noted that there is currently insufficient demand to warrant speculative development in the Borough and this is unlikely to change over the short to medium term.
- 4.22 The notable exception to this trend is Yeoman Gate, a speculative scheme of small purpose built office units (c.2,500sq.ft [230sq.m]) completed in 2007/08 on the north west fringe of Worthing, 1.5 miles south of the A27 main Titnore Lane junction. This is regarded as a successful scheme, providing much sought after freehold opportunities for local office occupiers in a well located out of town site with good quality surroundings. It is reported to be currently largely occupied.
- 4.23 The recent introduction of Permitted Development (PD) rights for change of use from office to residential is reported to have so far had some impact upon the Borough's office market. The effect of this policy in Worthing is described in more detail in Section 3.0. Office buildings that have been subject of this PD include the Lloyds tower building on the Causeway, Durrington (60,000sq.ft

[5,575sq.m] converted to 50 flats), and Durston House on Chesterfield Road, Durrington (which would involve the loss of 9,000sq.ft [835sq.m] of office space). The view from local property agents is that so far, this has generally involved loss of poorer quality, older redundant space rather than prime office space that is in demand. Nevertheless, the Council will need to carefully monitor any future losses to consider whether measures should be put in place to protect this space or plan for additional provision, particularly if Worthing's better quality provision becomes at risk.

- 4.24 Despite relatively modest demand for and take up of office space in recent years, local agents believe that Worthing's office economy still has a role to play, but that the future health of the office market relies upon providing small scale, good quality and flexible space to meet the needs of local SMEs. As noted above, agents cite Yeoman Gate on the western fringes of Worthing as an example of some of the best quality office accommodation in the Borough. This type of scheme is likely to reflect the type and scale of new office space required in the Borough in future years, for example as local population growth increases demand for small scale, high grade workspace within proximity to new residential development. This could also provide an opportunity for existing office occupiers to relocate out of outdated space and into purpose built accommodation.

## Summary

- 4.25 Worthing accommodates a relatively self-contained commercial property market, which is reliant on a relatively large base of SMEs with few sizable occupiers and market transactions. The Borough sits within a broad South Coast east-west property market area of search extending from Brighton in East Sussex to Chichester in West Sussex, with the strongest occupier flows occurring between western parts of Worthing and Littlehampton and between eastern parts of the Borough and Lancing/Shoreham. In functional commercial property market terms, the Borough shares strong economic relationships with neighbouring Arun and Adur, and to a much lesser extent Brighton.
- 4.26 Although Worthing is not recognised as a strategic industrial location, or a particularly sizeable industrial location, compared with other centres in the sub-region, the demand for industrial space remains strong and very low levels of vacancy reflect a limited supply of industrial space. Demand is largely localised and comes from a mix of industrial sectors, with requirements mostly ranging from 2,000sq.ft to 10,000sq.ft (185sq.m to 930sq.m), although some enquiries have also been received in the market for larger industrial space that range from 10,000sq.ft to 50,000sq.ft (930sq.m to 4,645sq.m).
- 4.27 Development of new industrial space in Worthing has been very limited in recent years; coupled with strong demand, this lack of supply is considered to be constraining industrial activity in the Borough. The view from local agents is that at least one new industrial park/site is required in the Borough to provide a release valve and enable churn, intensification and upgrading of existing older sites. Any new allocation would need to be located in close proximity to the

A27 and ideally near to existing well performing industrial sites, providing the opportunity to consolidate existing industrial activity onto more suitable sites.

- 4.28 The Borough is not viewed as a particularly strong office location, with limited levels of demand, take-up and stock. The Borough lacks the necessary critical mass to attract and sustain larger office occupiers and faces strong competition from larger, established and growing office centres nearby. What limited demand there is generally comes from local SMEs (operating across a range of business service sectors) for good quality, small modern premises, typically falling within a size range of 2,000sq.ft (185sq.m) to 5,000sq.ft (930sq.m).
- 4.29 Very limited amounts of new office development have occurred in Worthing in recent years (with the key exception to this being Yeoman Gate on the north west fringe) with the majority of stock therefore comprising older style 1970s and 1980s stock for which demand is low. Local commercial agents noted that there is currently insufficient demand to warrant speculative development in the Borough and this is unlikely to change over the short to medium term.
- 4.30 The recent introduction of Permitted Development (PD) rights for change of use from office to residential is reported to have so far had some impact upon the Borough's office market although this has generally involved loss of poorer quality, older redundant space rather than prime office space that is in demand. Local agents believe that Worthing's office economy still has a role to play, but that the future health of the office market relies upon providing small scale, good quality and flexible space to meet the needs of local SMEs.

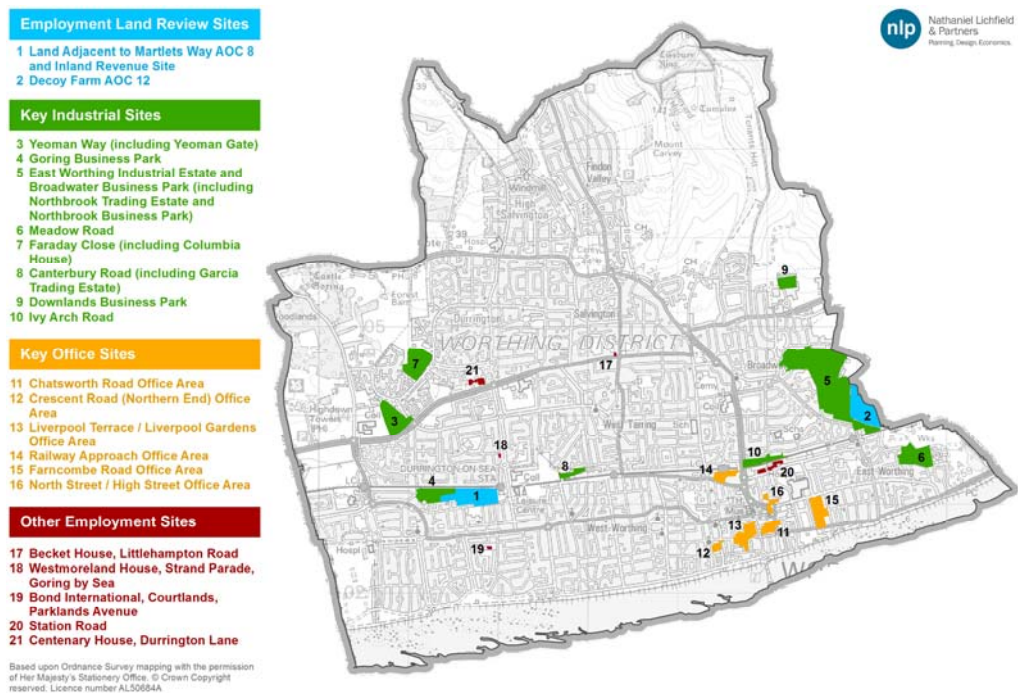
## 5.0 Review of Employment Sites Portfolio

5.1 This section presents the findings of an assessment of the employment land supply in Worthing, which considered the characteristics and quality of existing and undeveloped employment sites in the Borough and their suitability to meet the future employment development needs of the local economy.

5.2 In consultation with Worthing Borough Council, it was agreed the analysis should be structured on 19 existing employment sites and 2 Areas of Change (AOC) sites that collectively amount to 99.5ha. The majority of these sites were originally identified on the Worthing Core Strategy Proposals Map (2011) for employment uses. The assessed sites include a mix of Key Industrial Sites (8 sites), Key Office Sites (6), Other Employment Sites (5), and AOC sites (2) that were previously identified in the Employment Land Review Update (2013) as having future potential to accommodate B class employment uses.<sup>17</sup>

5.3 The location of the 21 employment sites assessed in Worthing is presented in Figure 5.1, which shows the majority of the Key Office Sites in the Borough are supported within Worthing town centre while the Key Industrial Sites and Other Employment Sites are more dispersed, largely within the eastern and western parts of the Borough.

Figure 5.1 Location of the Assessed Employment Sites in Worthing



Source: NLP analysis

5.4 The 21 identified employment sites that were included in the assessment were inspected, and in accordance with the former ODPM guidance on Employment Land Reviews and the PPG, assessed against the following criteria:

<sup>17</sup> All site classifications currently have planning policy status in the Worthing Core Strategy except for Other Employment Sites.

- a strategic and local road access;
- b proximity to labour and services;
- c adjoining uses that might constrain employment uses;
- d site size, characteristics and potential development constraints; and
- e market attractiveness.

- 5.5 In addition to the above site criteria, the assessment also considered other site factors such as their policy status, planning constraints, suitability for specific uses, and any key barriers to delivery of undeveloped sites. Although flood risk is also considered as a part of this assessment, it is recognised that being in a flood zone does not necessarily preclude some types of commercial uses from coming forward for development at these employment sites.
- 5.6 The plans for the assessed sites in Worthing are included in Appendix 4 while the details of the criteria used to assess these sites are contained in Appendix 5. A table summarising the assessment of each site against this criteria is also included in Appendix 6.
- 5.7 It should also be noted this assessment process in itself does not necessarily give a complete picture of the local significance of certain sites. For example a site could be assessed to have the potential to satisfy particular business and sector needs (i.e. which can be important reasons for retaining the site) even if it does not perform well against conventional site assessment criteria. A wider commentary is therefore provided on each site below to supplement the formal scoring exercise.
- 5.8 It is also important to note that the assessment is based on current conditions and intrinsic qualities of sites and that the associated scoring has been derived on this basis. It is possible that the scoring and relative rankings of sites could change in the future if measures were put in place to enhance their functioning as employment sites (e.g. through new infrastructure and servicing).
- 5.9 The Council also recently produced the Sustainable Economy Supplementary Planning Document (SPD) in 2012 that provides appropriate guidance on protecting employment sites in the Borough, particularly in terms of the criteria that should be considered when assessing planning applications involving the proposed loss of B class employment floorspace. This SPD plays an important role in the current decision making process for employment sites in Worthing, and will continue to have significant weight in determining the form and function of employment sites in the Borough in the future.

## Overview of Sites

- 5.10 A total of 99.5ha of employment land was assessed as a part of this study, of which 64.5% related to land in Key Industrial Sites, 15.8% in Key Office Sites, 1.4% in Other Employment Sites, and 15.8% in AOC sites (Table 5.1).

Table 5.1 Breakdown of Employment Land in Worthing by Site Status

| Site Status            | Number of Sites | Site Area (ha) | % of Total Area |
|------------------------|-----------------|----------------|-----------------|
| Key Industrial Sites   | 8               | 64.2           | 64.5%           |
| Areas of Change        | 2               | 18.2           | 18.3%           |
| Key Office Sites       | 6               | 15.7           | 15.8%           |
| Other Employment Sites | 5               | 1.4            | 1.4%            |
| <b>Total</b>           | <b>21</b>       | <b>99.5</b>    | <b>100.0%</b>   |

Source: NLP analysis

5.11 In order to supplement the formal scoring component of the site assessments, the following section provides wider commentary on the sites visited during the assessment process. It should be noted that the number shown in the square brackets alongside each site name corresponds with the reference number for that assessed employment site as set out in Figure 5.1 above.

## Areas of Change

### Land Adjacent to Martlets Way AOC 8 and Inland Revenue Site [1]

5.12 The Land Adjacent to Martlets Way AOC 8 and Inland Revenue Site (AOC 8 & Inland Revenue Site) is a large site located in the western part of the Borough adjacent to the boundary of Goring Business Park. Martlets Way, as defined in the Core Strategy as AOC 8, comprises three parcels of land: vacant land at the former sewerage treatment works; a former gas holder; and vacant land owned by HM Revenue & Customs (HMRC). Since the adoption of the Core Strategy, the Council has been made aware that the HMRC is planning to rationalise the use of its site to the east of the AOC 8 site. The inclusion of this additional land as part of a significantly extended AOC would provide a greater opportunity to comprehensively redevelop the area to provide for much needed new employment space.

5.13 It is already accepted in the Core Strategy that some residential development may be acceptable if it would help to facilitate the delivery of employment uses in this area. However given the level of need for employment land and the lack of other available sites in the Borough, it will be important to ensure that the opportunity to enhance the provision of employment land in the area is maximised. Any level of residential developments that might be acceptable will need to be justified against the evidence outlined in this study, and where appropriate in accordance with the criteria laid down in the Sustainable Economy SPD.

5.14 The site is located about 4.5km from a junction with the A27 in the north of the Borough, which provides important links to the wider strategic road network. The western part of the site is also within about a 15 minute walk from Goring-by-Sea train station, while the Inland Revenue site is positioned alongside the Durrington-on-Sea train station. Local access to the Inland Revenue site is off

the relatively narrow Barrington Road, which is accessed from the more free-flowing Shaftesbury Avenue. The existing access options for the vacant land in the eastern part of the site is via either Martlets Way or Woods Way that offer access through Goring Business Park, or from Juno Close or Barrington Road that provide access to the site from the highly residential areas to the south. One of the key challenges to delivering the AOC site is the access issues, with the Core Strategy suggesting that commercial uses accessed off Martlets Way and Woods Way, and residential uses off Juno Close and Barrington Road, might be the most optimal solution to delivering the site.

5.15 Although the AOC site is positioned adjacent to Goring Business Park it is also within a highly residential area that would make particular industrial activities at the site unsuitable given their noise and pollution externalities. The residential roads surrounding the site could also constrain local road access, in particular for larger HGVs, although the nearby housing does accommodate a proximate labour force. Some small retail provision is situated to the north of the AOC site along The Strand, as well as to the south of the site along Goring Road.

5.16 Given the previous uses on the western part of the AOC site (i.e. gas holders and sewage treatment works), the site could be subject to some contamination issues, whilst land assembly at the site would need to collaborate with multiple owners. However the currently vacant land forming the AOC site is considered an attractive location for supporting employment development, particularly for small to medium-sized industrial units that would form a seamless extension to the popular Goring Business Park. The Inland Revenue site also represents a strategic location alongside Durrington-on-Sea train station that would increase the overall potential of the AOC site if brought forward under a comprehensive development scheme with the adjoining vacant site. The Inland Revenue site is currently a low density site that includes a number of older office buildings that are in reasonable condition, but would be largely unsuitable for other occupiers if they ever became vacant.

### Decoy Farm AOC 12 [2]

5.17 The Decoy Farm AOC 12 (AOC 12) site is a large area of mostly vacant land located adjacent to the East Worthing Industrial Estate & Broadwater Business Park (East Worthing IE & Broadwater BP) in the eastern part of Worthing. The AOC site has previously been used as a landfill, while recent developments at the site include a HGV holding area and household waste recycling site in the southern part of the site. These developed areas are accessed from Dominion Way and Willowbrook Road respectively, and reduce the total vacant land at the site. The Core Strategy identifies the site as suitable for industrial uses that are complementary to the new recycling facilities developed at the site.

5.18 The AOC site is situated approximately 2.0km to the south of the A27, which is accessed from the site via a series of semi-residential roads that could be subject to congestion during peak travel periods, and are largely unsuitable for significant flows of HGV traffic. The site is also located within about a 5 minute walk from the East Worthing train station, while bus services are situated along



Dominion Road in close proximity to the site. The local road access to the site is recognised in the Core Strategy as a key reason why the land has remained undeveloped, with the considerable traffic generated by the East Worthing IE & Broadwater BP, coupled with the poor road infrastructure in the area, limiting the ability to bring the site forward for development.

- 5.19 Adjoining uses to the AOC site includes a mix of industrial premises supported in the East Worthing IE & Broadwater BP to the south and west, and open land to the north and east. The site currently acts as a buffer between Worthing and Adur, with the boundary of the site reflecting that of the Borough. The adjoining employment uses to the site means new housing would not be suitable at the site, and that industrial and storage development would be most appropriate at the AOC site in the future. Beyond the commercial areas to the south and west of the site are residential neighbourhoods that support a proximate workforce.
- 5.20 As the site was previously used as a landfill, there are known issues with land contamination that need to be addressed prior to development occurring at the site. Teville Stream that runs along the southern and western boundaries of the AOC site also represents a key development constraint, placing much of the site within a Flood Zone 3. Given the contamination and flooding issues, as well as the poor local road access to the site, the Core Strategy suggests the most appropriate employment uses at the site would be open storage facilities, which would complement the existing household waste recycling operation and extend the employment activities currently undertaken within the area.

## Key Industrial Sites

### Yeoman Way (including Yeoman Gate) [3]

- 5.21 The Yeoman Way site is a medium-sized employment site that comprises an excellent mix of Grade A office accommodation suitable for medium and large occupiers, an ambulance station, and a large health and fitness centre. The site is situated in the west of the Borough next to the dual-carriageway A2032, which offers good access to the A27 about 2.8km from the site. Rail access to the site is less well served with Goring-by-Sea and Durrington-on-Sea train stations around a 20 minute walk. Strong local road access also supports the activities at the employment site, with the site accessed from semi-residential roads that support free-flowing traffic, whilst bus stops are also located outside the entrance to the site. Internal circulation within the site is via Yeoman Way, a relatively narrow road, while a significant amount of parking is supported across the site. The high quality office premises at the site includes a range of newly constructed medium-sized office units at Yeoman Gate, and two large three-storey headquarter buildings that are also in excellent condition. Overall, the large office site supports a range of Grade A office premises set within a well landscaped and maintained location, with demand for space at the site apparently high given no vacant units were identified.

## **Goring Business Park [4]**

- 5.22 Goring Business Park comprises a wide range of industrial units located in the western part of Worthing, situated 4.4km from a junction with the A27 and a 10 minute walk from the Goring-by-Sea train station. Given the location of the site in a residential area, the local road access is somewhat constrained by narrow roads congested by on-street parking, with only limited bus stops located within the area. The access roads into and around the business park are also relatively narrow and are likely to cause difficulties for larger HGVs. The industrial premises supported at the site provide space for small and large occupiers, with the buildings differing in age and condition. Martlets Way tends to support a higher proportion of small premises, while Woods Way supports the headquarter buildings of World of Books. The currently vacant land to the east of the business park also provides an opportunity for expansion, including a new link road that would connect the two currently separated parts of the site together, thereby enhancing the access arrangements at the site by enabling a through route. Overall, the park supports a diverse range of industrial premises within a low profile housing area, with excellent activity evident across the site with few vacancies and good potential to enhance access in the future.

## **East Worthing Industrial Estate and Broadwater Business Park (including Northbrook Trading Estate and Northbrook Business Park) [5]**

- 5.23 The East Worthing Industrial Estate & Broadwater Business Park (East Worthing IE & Broadwater BP) site is the largest employment area in Worthing, three times greater in land terms than the next largest site at Faraday Close. The employment area comprises a wide range of smaller industrial and trading estates in the far east of the Borough, but can largely be disaggregated into the East Worthing IE forming the employment area to the east of Southdownview Road, and Broadwater BP forming the smaller employment area centred round Northbrook Road, Penfold Road and Southdownview Way.
- 5.24 The employment site is situated approximately 2.5km from a junction with the A27, which is accessed from a series of semi-residential roads that are subject to congestion during peak travel periods, and are largely inappropriate for significant flows of HGV traffic. The northern parts of the employment area are also located around a 20 minute walk from the East Worthing train station, although the southern parts are situated much closer. Only limited bus services are provided in close proximity to the employment site with the most proximate bus stops found along Dominion Road.
- 5.25 Road access to the employment area is predominately from Dominion Road, Southdownview Road and Penfold Road which are all semi-residential roads in character, while Dominion Way forms the key spine road for the East Worthing IE. These access roads tend to be relatively narrow and struggle to cope with the traffic generated in the area, which subsequently creates congestion issues for vehicles entering and exiting the employment site. Although the majority of

the individual sites comprising the employment area provide good off-street car parking, some on-street parking does also further constrain internal access.

- 5.26 The adjoining land uses to the employment area includes residential areas to the south, north and west, and open land to the east. The adjoining residential uses act as a constraint on the commercial activities undertaken at the site, as well as contribute to the pressure on local roads to support heavy traffic flows. The open space to the east of the site includes the Decoy Farm AOC 12 which has been identified by the Council as providing a good opportunity to expand the employment activities undertaken in the area. The local housing areas surrounding the site also support a proximate labour force.
- 5.27 East Worthing Industrial Estate supports a wide variety of industrial and office premises that meet the floorspace needs of small, medium and large occupiers, with the majority of the buildings at the estate of older stock but in excellent use. Whilst limited development has occurred at the industrial estate over recent periods, the presence of GlaxoSmithKline (GSK) in the adjoining Broadwater Business Park has attracted a small cluster of pharmaceutical companies to the employment area. Rayner Intraocular Lenses has also recently developed a large manufacturing plant at the estate with associated offices, which reaffirms the appeal of the estate for major occupants, while relatively low levels of vacancy within the employment site indicates good demand for floorspace at the industrial estate.
- 5.28 Broadwater Business Park generally provides a higher standard of premises than in the East Worthing Industrial Estate, with a particularly good quality of premises at Northbrook Business Park. As noted above, the largest occupier at the site is GSK, which significantly boosts the market profile of the business location. As with the East Worthing Industrial Estate, the business park accommodates a range of industrial and office occupiers, as well as some trade merchants and car repair services, with strong activity and limited vacancy characterising the business area.

### Meadow Road [6]

- 5.29 The Meadow Road site is a medium-sized industrial area positioned on the northern side of Meadow Road in the far south-east of Worthing. The strategic location of the industrial estate is relatively poor, with the site situated within a highly residential area that requires vehicles to travel through constrained and busy roads to access the A27 about 3.0km to the north. East Worthing train station is also about a 12 minute walk from the estate, while the closest public bus stops are some walk away along the B2223. Adjoining the site is a mix of housing, allotments, open space and parklands, with the adjoining housing the most restrictive use on the activities of the industrial estate. The premises at the site comprise a mix of small and large industrial units, with the largest units supporting the operations of Bowers & Wilkins, Mercedes-Benz, and Rossetts Commercials on the eastern side of Dale Road. These premises are generally in excellent condition, while the smaller units located on the western side of the estate are in fair condition. Good infrastructure and landscaping improve the

market attractiveness and profile of the site, particularly along Dale Road. Overall, the industrial estate provides a good quality site that supports a range of premises with limited vacancy, despite its lower strategic location.

### **Faraday Close (including Columbia House) [7]**

- 5.30 The Faraday Close estate is located within the western part of the Borough, comprising the large warehouse and office premises formerly occupied by Nissan, as well as a range of smaller industrial and office premises. The industrial site is situated off the free-flowing Romany Road just north of the A2032, and is within about 1.8km from the A27. The medium-sized industrial estate benefits from wide roads in good condition providing access to the site, although the nearest rail connections are a 25 minute walk at Goring-by-Sea train station. Adjoining the industrial estate is housing and a large Tesco superstore, with a strong boundary of trees and hedgerow helping to buffer the site from these adjoining uses. The former Nissan facilities are of older stock but in good condition, with the Columbia House offices block recently refurbished to deliver managed office floorspace for small to medium-sized occupiers. The remaining industrial and office premises within the site are in good condition and currently in use, with few vacancies identified across the estate, as well as good road and pedestrian infrastructure and landscaped areas, enhancing the site's market profile. Overall, the estate provides a small number of good quality units, set within an excellent environment, with strong occupancy levels identified across the area.

### **Canterbury Road (including Garcia Trading Estate) [8]**

- 5.31 The Canterbury Road (including Garcia Trading Estate) site includes Garcia Trading Estate and the adjoining premises accessed off Friar Walk. The small industrial area is located in the centre of the Borough about a 10 minute walk from the West Worthing train station and 3.0km from the A27, which is easily accessed via the relatively free-flowing A2031. Local road access to the site is via residential roads that restrict access to HGVs, particularly the narrow Friar Walk access road, while the closest bus stops are found on Canterbury Road. Adjoining the site are housing, allotment and railway uses, with the industrial and trade uses at the estate largely incompatible with the surrounding housing. The industrial estate supports a small number of premises that are in poor to fair condition, with a significant proportion of these buildings of older stock and in need of refurbishment. Internal circulation within the estate is also relatively poor, which in part reflects the tight space the site is situated. Overall, the site represents a lower quality industrial and trading estate that accommodates a small number of buildings in poor to fair condition, although excellent activity is still evident at the site suggesting a need is being met in the market.

### **Downlands Business Park [9]**

- 5.32 Downlands Business Park is a small employment site strategically located in the north-east of Worthing just off the A27, which offers excellent access to the wider strategic road network. The business park comprises a small number of

large Grade A warehouse and office units that accommodate larger occupiers, with Saywell International the most significant occupier at the site. The park is about a half-hour walk from the nearest rail links at East Worthing train station, while few bus routes are available from the site. Surrounding the site is open land that falls within the South Downs National Park as well as the Lyons Farm Retail Park and Downlands Retail Park to the south. Local access to the site is via Lyons Way from the A27, which means vehicles entering and exiting the business park have to contend with traffic related to the retail parks, with queuing at the A27 junction a consequence of this heavy traffic. The modern premises at the park are set within a quality environment characterised by wide access and landscaped areas, as well as a good level of parking. Overall, the park consists of a few Grade A units supporting large occupiers, with the site heavily constrained by access issues related to the adjoining retail parks.

### Ivy Arch Road [10]

5.33

The Ivy Arch Road estate is centrally situated on the northern edge of Worthing town centre, about 10 minutes' walk from the Worthing train station and 2.2km from a junction with the A27, which is easily accessible from the estate via the A24. This small industrial and trading estate comprises a range of smaller units of older stock and lower grade, with the area accessed off the residential King Edward Avenue. The estate is bordered by railway lines and the A24 to the south and west respectively, and residential areas to the north and east, which reduces the compatibility of some industrial activities undertaken at the site, as well as the traffic accessing the industrial estate. Local road access to the site is only available from Ivy Arch Road, a no-through road that offers reasonable access but is in need of upgrading. The eclectic mix of industrial, office, trade and community premises (e.g. mosque and performance studios) supported at the estate can mostly be characterised as being in poor to fair condition, while the upkeep and amenity of the site is relatively low. Overall, the site supports a range of small premises of ageing stock and lower grade with excellent activity evident across the estate, suggesting a need for small and affordable units within the local market is being met at the estate.

## Key Office Sites

### Chatsworth Road Office Area [12]

5.34

The Chatsworth Road Office Area supports two large office premises of older stock and a number of small to medium-sized premises that are in fair to good condition. A large multi-storey car park is also located at the heart of the site that dominates the environment. The office area is situated just off the A259, which allows good strategic access to the A27 about 2.5km to the north of the site, while Worthing train station is located in close proximity. The town centre office area benefits from excellent access to a range of shops and services as well as a number of proximate bus routes. The office accommodation is fully occupied with no identified vacancies, although the large seven-storey brick building currently accommodating the Environment Agency, and the three-

storey steel clad building accommodating Jobcentre, could both require future upgrading. Overall, the office area supports a range of premises in fair to good condition that are presently in excellent use, although the larger office accommodation are of older stock and lower quality.

### **Crescent Road (Northern End) Office Area [13]**

- 5.35 The Crescent Road (Northern End) Office Area is a relatively small office site located within Worthing town centre, consisting of only a few small to medium-sized office premises. The site is located within the western edge of the town centre area accessed off relatively narrow roads, although the office area is in close proximity to the A259, which provides access to the A27 within 3.0km from the site. Worthing train station is also located within walking distance. The town centre location offers strong access to a range of shops and services, as well as a number of bus routes, while each of the sites has a reasonable amount of on-site car parking. The small numbers of offices at the site are generally in good condition with low levels of vacancy, although some marketed vacancy was identified at the Crescent House offices. Overall, the small office area supports a limited number of premises in good condition and use, with the town centre location of the site enhancing its attractiveness.

### **Liverpool Terrace / Liverpool Gardens Office Area [14]**

- 5.36 The Liverpool Terrace/Liverpool Gardens Office Area is the second largest office area in the Borough, comprising a significant mix of premises that range from large multi-storey premises to smaller offices in converted residential buildings. The site is situated at the centre of Worthing town centre, primarily accessed off several narrow, one-way roads in the east, and Shelley Road in the west. The town centre location offers excellent access to a range of shops, services, and bus routes, while the A27 is at most within 2.8km to the north of the site. Worthing train station is within walking distance. The majority of the individual office sites in the area provide reasonable on-site parking, while a large surface car park within the area also offers good provision. Generally the area represents a high quality office environment with a rich mix of premises that are predominately in good condition, despite their older age. The site supports needs of both small and large office occupiers, although some vacancies were also identified across the office area. Overall, the large town centre office area consists of a wide variety of office buildings in mostly good condition, with several vacancies also characterising the area.

### **Railway Approach Office Area [15]**

- 5.37 The Railway Approach Office Area is located alongside Worthing train station within the north of Worthing town centre, supporting a large three-storey office block that is unoccupied and in poor condition, two medium-sized offices in excellent condition, and a mix of small first floor offices located above ground floor uses. The office area is located about 2.0km from a junction with the A27 to the north. Although the site is somewhat detached from the rest of the town centre, it is still in close proximity to a range of shops, services and bus stops.

A good amount of off-street parking is also supported within the area although some on-street car parking does congest the internal roads. A main detraction to the attractiveness of the office area is Teville Gate House, which is in poor condition and has been left vacant for several years, and would be difficult to reoccupy unless the site and structures were completely redeveloped. Overall, the small office area benefits from its good strategic location, but is somewhat detached from the remainder of the town centre and is dominated by one large vacant premise in poor condition.

### **Farncombe Road Office Area [16]**

- 5.38 The Farncombe Road Office Area is the largest office site in the Borough in land terms, supporting a number of small to medium-sized offices in converted two-storey residential dwellings, as well as a large five-storey office building of older stock but good condition occupied by HSBC. The office area is located in the eastern part of Worthing town centre, about 3.0km from the A27 and at most a 20 minute walk from the Worthing train station. While the site is located slightly outside the town centre area in a highly suburban neighbourhood, the office area does still benefit from good access to the shops and services within the town centre. Individual office sites within the office area provide reasonable amounts of parking, while other uses within the office area includes housing and some community facilities (e.g. dental practice and nursery). The premises within the office area are generally of good condition and excellent use, with no marketed vacancies identified, with the residential, tree-lined setting of the site providing significant amenity value to local occupiers. Overall, the site supports a mix of office premises mostly in converted residential dwellings, with strong levels of occupancy in the office area indicating strong demand for the attractive suburban office location.

### **North Street / High Street Office Area [17]**

- 5.39 The North Street/High Street Office Area is a Worthing town centre office area consisting of three medium-sized two-storey office premises located in and around North Street and High Street. The office area forms part of the northern area of Worthing town centre, positioned around 2.5km from the A27 and a 10 minute walk from the Worthing train station. Local road access is good with access from the dual-carriageway North Street, although the office units to the north of North Street are located on more narrow roads. Housing mostly adjoins the office premises although the southern part of the office area is surrounded by other town centre uses. The premises at the site also provide a good amount of off-street parking, while a number of bus stops are located in close proximity to the site. The office premises are in excellent condition and usage, with the well-maintained access and landscaped spaces helping to improve the amenity of the area. Overall, the site supports a small number of modern premises that are in excellent condition and currently occupied.

## Other Employment Sites

### Station Road [11]

- 5.40 The Station Road site is a very small site consisting of a number of small business units located in intervals along the narrow residential street of Station Road. The site is located immediately south of Ivy Arch Road estate across the railway lines in the northern part of Worthing town centre, within around a 10 minute walk from the Worthing train station and 2.5km from the A27. The site is located in a highly residential area, with Station Road effectively representing a one-way residential road once on-street parking is considered. Although most premises at the site are of poor to fair condition, a recent development of eight small business units at the eastern end of the site do offer good quality, albeit basic, floorspace. Overall, the site includes a range of units located along a very narrow residential road, with good activity evident across the site.

### Bond International, Courtlands, Parklands Avenue [18]

- 5.41 The Bond International, Courtlands site is a unique office location containing a large three-storey Grade II country house and gardens that was purchased by Bond International Software during the 1990s to accommodate their office needs. The site is situated in a highly residential area within the south-west of the Borough, within 3.5km from the A27 and 12 minute walk from Durrington-on-Sea train station. Although the office site is accessed off a relatively narrow residential road, it is within close proximity to the free flowing A259 that offers good road connections and a number of nearby bus stops. Given its country home origin, the site is beautifully landscaped and provides high amenity value to the occupant, although the suburban setting does isolate the site from any shops and services. The heritage grade of the site also means development of the buildings and grounds are highly constrained, which could lower the value of the office location if it ever became available on the market. Overall, the site provides a good quality office premises that currently meets the requirements of a single occupant, although re-tenanting the site could be difficult given its unique heritage listing and suburban location.

### Westmoreland House, Strand Parade, Goring-by-Sea [19]

- 5.42 The Westmoreland House, Strand Parade site is a small office location in the west of the Borough that solely consists of a large seven-storey office building. The site is located about 2.3km to the south of the A27, while also being within a 5 minute walk from the Durrington-on-Sea train station. The office building is accessed via Nelson Road by vehicles, while the main entrance to the building is from The Boulevard, a tree-lined road that offers a good setting for the site. A number of bus stops are found within the local area, while the site also has reasonable car parking provision. The small office site is located in a suburban area, although the building does form part of a block of mixed-use premises that accommodate a range of ground floor shops. While the office is prominent in the area, the site is separated from other business activities in the Borough, and while the building is of fair quality, some vacancies were identified. Overall



the site provides reasonable office accommodation in close proximity to train connections, although the building is currently not fully occupied.

### **Centenary House, Durrington Lane [20]**

- 5.43 The Centenary House site is located in the western part of the Borough at the intersection of the A2032 and Durrington Lane/The Boulevard, accommodating a large six-storey office building and several other small premises. The site is strategically positioned within 1.5km from the A27, while also being about a 15 minute walk from the Durrington-on-Sea train station. The location of the site just off the free-flowing dual carriageway provides excellent road access, while a number of bus stops are also found in the area. The entrance to the site, and the internal circulation within the site, are well designed, while a good amount of car parking is provided on-site. However the location is fairly isolated from any nearby shops or services reflecting its residential setting. Despite being of older stock, the office premises are of fair condition and in excellent use by West Sussex County Council and the Sussex Police, with the attractiveness of the site enhanced by landscaped areas. Overall, the site supports a prominent office building within a well-designed and maintained site, although finding new tenants for the buildings if they ever became vacant could be difficult given their scale and location.

### **Becket House, Littlehampton Road [21]**

- 5.44 The Becket House, Littlehampton Road site is a small office location consisting of a three-storey office building. The site is strategically positioned in the centre of the Borough within 1.0km from a junction with the A24 and A27, while also being a 20 minute walk from the West Worthing train station. Given the location of the site at the intersection of the A2031 and A2032, the office benefits from strong road access, although queuing at the intersection could make accessing the site difficult at times. Access to the office location is also supported by bus stops along the A2031 and A2032, while reasonable car parking is provided at the site. The office block forms part of a row of buildings that support small shops and services on the ground floor, and residential uses on the upper floors, with the overall attractiveness of the premises detracted by their location at the busy intersection. Overall, the office building is in fair condition and good use, with the space fully occupied by a large tenant, although the isolated nature of the site does detract from its market appearance.

## **Summary**

- 5.45 Overall, the assessment of identified employment sites in Worthing indicates the Borough contains a reasonable mix of sites of differing conditions and type, with the employment sites assessed as part of this study totalling 99.5ha (Table 5.2). The majority of the assessed sites have a current planning policy status (i.e. except for Other Employment Sites), are safeguarded for employment purposes.

5.46 Generally, the range of employment sites in Worthing comprises good quality, well-maintained stock with low vacancy levels, which demonstrates that much of the existing employment space in the Borough is meeting a need within the local market. While there is also evidence of some poorer quality sites and premises, often characterised by poor access and proximity to local amenities, these sites are still predominately occupied and appear to be serving a local need for more affordable space from lower value activities.

5.47 In this context, the overall rating and ranking of the 21 employment sites that were considered as part of this study is summarised in Table 5.2, which should be read in conjunction with the qualitative analysis of the sites set out above. The criteria used to assess these employment sites in Worthing is also outlined in Appendix 5, while a more detailed table summarising the assessment of each site against this criteria is provided in Appendix 6.

Table 5.2 Summary Site Assessment Matrix for the Identified Employment Sites in Worthing

| Ref | Site Name   | Area (ha) | Site Status           | Rating (out of 30) |
|-----|---|-----------|-----------------------|--------------------|
| 3   | Yeoman Way (including Yeoman Gate)  | 4.7       | Key Industrial Site   | 26                 |
| 7   | Faraday Close (including Columbia House)  | 7.7       | Key Industrial Site   | 26                 |
| 14  | Liverpool Terrace / Liverpool Gardens Office Area   | 4.3       | Key Office Sites      | 24                 |
| 17  | North Street / High Street Office Area  | 1.4       | Key Office Sites      | 24                 |
| 12  | Chatsworth Road Office Area   | 2.1       | Key Office Sites      | 23                 |
| 15  | Railway Approach Office Area  | 2.2       | Key Office Sites      | 23                 |
| 9   | Downlands Business Park   | 2.6       | Key Industrial Site   | 21                 |
| 20  | Centenary House, Durrington Lane  | 0.6       | Other Employment Site | 21                 |
| 16  | Farncombe Road Office Area  | 4.8       | Key Office Sites      | 20                 |
| 4   | Goring Business Park  | 5.1       | Key Industrial Site   | 19                 |
| 5   | East Worthing Industrial Estate and Broadwater Business Park (including Northbrook Trading Estate and Northbrook Business Park) | 36.3      | Key Industrial Site   | 19                 |
| 21  | Becket House, Littlehampton Road  | 0.1       | Other Employment Site | 18                 |
| 2   | Decoy Farm AOC 12   | 8.5       | Area of Change        | 18                 |
| 10  | Ivy Arch Road   | 3.1       | Key Industrial Site   | 18                 |
| 13  | Crescent Road (Northern End) Office Area  | 0.9       | Key Office Sites      | 18                 |
| 6   | Meadow Road   | 3.1       | Key Industrial Site   | 18                 |
| 1   | Land Adjacent to Martlets Way AOC 8 & Inland Revenue Site   | 9.7       | Area of Change        | 17                 |
| 19  | Westmoreland House, Strand Parade, Goring-by-Sea  | 0.1       | Other Employment Site | 17                 |
| 18  | Bond International, Courtlands, Parklands Avenue  | 0.1       | Other Employment Site | 15                 |
| 8   | Canterbury Road (including Garcia Trading Estate)   | 1.6       | Key Industrial Site   | 14                 |
| 11  | Station Road  | 0.6       | Other Employment Site | 13                 |

Source: NLP analysis

## 6.0 Future Requirements for Employment Space

6.1 This section considers the future economic growth needs in Worthing drawing on several methodologies that are guided by the PPG. These scenarios are used to inform the analysis of the potential economic growth drivers within the Borough, and the employment land and planning policy implications that flow from these growth scenarios.

### Methodology

6.2 The NPPF requires local authorities to “*set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth*” [paragraph 21]. In evidence base terms, this should be underpinned by a “*clear understanding of business needs within the economic markets operating in and across their area*” [paragraph 160].

6.3 In this context, a number of potential future economic scenarios have been developed through this study to provide a framework for considering the future economic growth needs and B class employment space requirements within Worthing during the period to 2033. These scenarios reflect the PPG and draw upon the following:

- projections of employment growth in the main B class sectors (**labour demand**) derived from economic projections produced by the Experian Regional Planning Service (RPS);
- consideration of **past trends in completions of employment space** based on monitoring data collected by West Sussex County Council, and how these might change in the future; and
- estimating future growth of the **local labour supply** based upon the objectively assessed housing need (OAN) figure derived for the Borough from the Worthing Housing Study (2015).

6.4 All these approaches have some limitations and consideration needs to be given as to how appropriate each is to the circumstances in Worthing. In order to be robust, the economic growth potential and likely demand for employment space within the Borough also needs to be assessed under different future scenarios, to reflect both lower and higher growth conditions that could arise in Worthing in the future.

6.5 It should also be noted that the ultimate judgement as to the level of need for which Worthing should plan for in the future is not purely quantitative, and that there will be qualitative factors (discussed in other sections of this study) that must be considered alongside the modelled scenarios in this section which will influence the future employment space requirements that need to be planned for by the Council.

## A. Forecasts of Job Growth

- 6.6 The forecasts of employment growth in Worthing over the period to 2033 were obtained from the June 2015 release of the Experian RPS, which takes into account recent regional and national macroeconomic patterns to predict future economic growth at the local authority level.
- 6.7 Such trends underpinning the projections include a strong performance of the UK economy during the past two years that has accelerated the recovery since the recession; with the ground lost during the recessionary period recovered at a much faster rate than previously predicted. However the repercussions of the recession and ongoing Eurozone difficulties are set to continue to hamper economic progress at the national level during coming years. In particular, the key risks to future growth within the national economy includes the Greek crisis and Eurozone response, tensions in Eastern Europe, weaker demand for UK exports, and the extension of fiscal restraint and tighter monetary policy. At the regional level, recent growth in the South East has been the highest within the country outside London, with strong Gross Domestic Product (GDP) and job growth, and low levels of unemployment, buoying growth in the region.<sup>18</sup>
- 6.8 It is important to note that there are innate limitations to the use of economic projections of this type, particularly in the context of changes to the economy. National macroeconomic assumptions are taken as the starting point and then modelled down to the regional and local levels by reference to the existing economic profile and sectoral composition of an area. Data at the local level is less comprehensive and reliable than at the national and regional level, which can affect how the modelling is calibrated. Similarly top-down forecasts do not take account of specific factors at the local level that might affect job growth. However forecasts are recognised to be a valuable input to indicate the broad scale and direction of future economic growth within different sectors, which helps to assess the future land requirements of a local economy.
- 6.9 Latest population projections are just one of several inputs used to generate economic forecasts in terms of both future changes in working-age population (i.e. directly impacts on the demand for jobs) and total population (i.e. creates demand for consumption activities). The Experian RPS June 2015 release uses Office for National Statistics (ONS) 2012-based sub-national population projections to forecast changes in the population profile. It is important to note that population projections are frequently revised, as are assumptions around future working-age population, economic activity levels, and national changes to the pension age.

### Scenario 1: Baseline Labour Demand

- 6.10 The forecasts of job growth by sector in Worthing reflect recent trends and are based on projections at the regional level, and how specific sectors in Worthing have fared relative to the historic growth achieved in the regional economy. For example, where particular sectors have performed well compared to the South

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<sup>18</sup> Experian Regional Planning Service, Data Guide, June 2015, p. 13 - 15

East average, the projections generally assume that these sectors will continue to drive growth within the Borough in the future.

6.11 In this context, the employment forecasts obtained from the Experian RPS indicate overall growth of 11,080 jobs in Worthing over the 20 year plan period to 2033 (Table 6.2), equivalent to 554 new jobs per annum on average. Table 6.1 shows the highest growing sectors within the Borough under this scenario, alongside those sectors expected to see a drop in workforce job numbers over this period. A full breakdown of baseline employment growth by sector is provided in Appendix 8.

Table 6.1 Highest Growing and Declining Employment Sectors in Worthing, 2013 - 2033

| Sector                               | Use Class    | Absolute Change | % Change |
|--------------------------------------|--------------|-----------------|----------|
| Health                               | Non B Class  | + 3,690         | + 44.6%  |
| Residential Care & Social Work       | Non B Class  | + 3,180         | + 59.1%  |
| Professional Services                | B Class      | + 1,720         | + 40.6%  |
| Accommodation & Food Services        | Non B Class  | + 900           | + 36.4%  |
| Pharmaceuticals                      | B Class      | + 740           | + 69.2%  |
| Land Transport, Storage & Post       | Part B Class | + 700           | + 56.5%  |
| Education                            | Non B Class  | + 620           | + 15.9%  |
| Finance                              | B Class      | - 1,350         | - 57.7%  |
| Public Administration & Defence      | Part B Class | - 630           | - 15.9%  |
| Administrative & Supportive Services | Part B Class | - 590           | - 22.3%  |
| Utilities                            | Part B Class | - 370           | - 50.0%  |

Source: Experian 2015 / NLP analysis

6.12 This analysis indicates that healthcare, residential care & social work, and professional services are expected to be the key drivers of employment growth in Worthing through the next twenty year period, whilst accommodation & food services, pharmaceuticals, land transport, storage & post, and education are forecast to also account for a significant proportion of employment growth over the plan period. Sectors forecast to see the largest job losses over this period include finance, public administration & defence, administrative & supportive services, and utilities. It should be noted that the majority of the sectors set to record the highest growth over this period are non B class sectors, or only part B class sectors, with only professional services and pharmaceuticals classified as being wholly B class in nature.

6.13 The overall employment change in Worthing resulting from these projections is set out in Table 6.2, alongside the forecast growth in the main B class sectors. This includes an allowance for jobs in other non B class sectors that normally would occupy some office or industrial spaces, such as in construction; vehicle repairs; courier services; road transport and cargo handling; and some public administration activities (see Appendix 7).

Table 6.2 Forecast Employment Change in Worthing, 2013 - 2033

| Uses                             | Number of Jobs |               | Change (2013 - 2033) |
|----------------------------------|----------------|---------------|----------------------|
|                                  | 2013           | 2033          |                      |
| Offices (B1a/B1b)*               | 10,690         | 12,220        | + 1,530              |
| Manufacturing (B1c/B2)**         | 4,280          | 4,870         | + 600                |
| Distribution (B8)***             | 2,210          | 2,890         | + 680                |
| <b>Total B Class Jobs</b>        | <b>17,180</b>  | <b>19,990</b> | <b>+ 2,810</b>       |
| <b>Total Jobs in All Sectors</b> | <b>52,950</b>  | <b>64,030</b> | <b>+ 11,080</b>      |

Source: Experian 2015 / NLP analysis

Note: \* Includes publishing and a proportion of government offices.

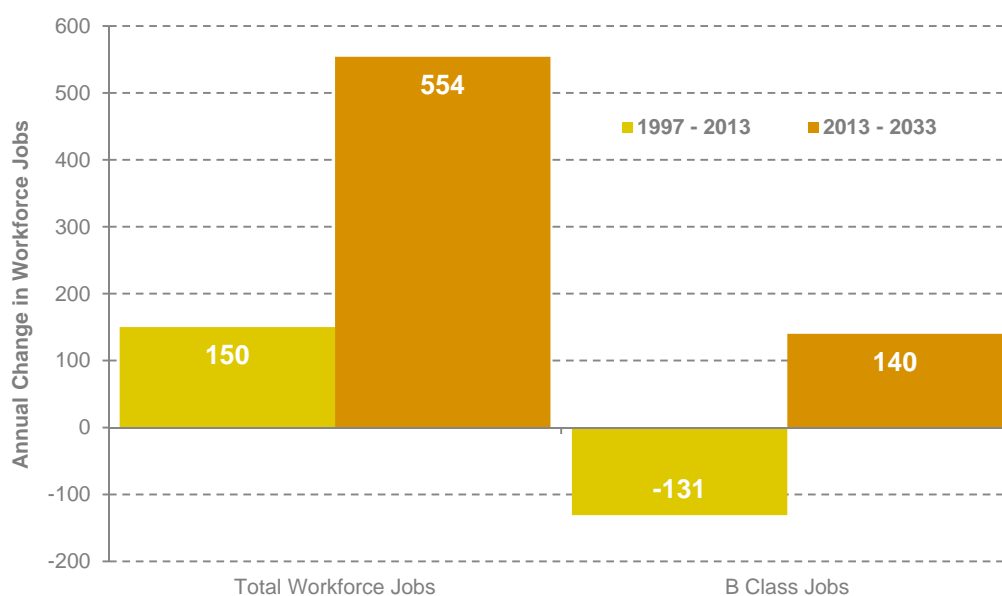
\*\* Includes vehicle repairs and some construction activities.

\*\*\* Includes parts of transport and communication sectors that use industrial land.

6.14 The analysis indicates moderate overall net job gains in B class sectors (2,810 jobs) in Worthing over the period to 2033, with strong growth in office jobs and lower growth in manufacturing and distribution jobs. This is in the context of overall workforce job growth of 11,080 jobs forecast for the Borough during the plan period, which outside B class sectors will mainly be in health, residential care & social work, and accommodation & food services.

6.15 The projected net increase of 2,810 B class jobs within Worthing up to 2033 is equivalent to an annual average increase of 140 B class jobs during this period. This forecast B class job growth is in contrast to the decrease of 131 B class jobs on average each year that was recorded within Worthing between 1997 and 2013, suggesting that B class sectors are expected to perform much stronger in the Borough over the plan period than historically (Figure 6.1).

Figure 6.1 Historic vs Forecast Annual Workforce Job Growth in Worthing, 1997 - 2033



Source: Experian 2015 / NLP analysis

- 6.16 In addition, total workforce job growth is forecast to accelerate beyond the level of growth recorded within the Borough between 1997 and 2013, with 554 new workforce jobs forecast to be created within Worthing on average each year up to 2033. This is in contrast to the annual average of 150 new workforce jobs in Worthing between 1997 and 2013, suggesting the baseline job growth scenario could be regarded as an optimistic estimate of future growth.
- 6.17 These job forecasts can be converted to future employment space needs assuming standard ratios of jobs to floorspace for different types of B class uses. To estimate employment space requirements within the Borough the following average ratios have been applied to the employment forecasts:
- **Offices:** 1 job per 12.5sq.m for general office space;
  - **Industrial:** 1 job per 43sq.m as an average for B1c and B2 uses; and
  - **Warehousing:** 1 job per 65sq.m for general, smaller scale warehousing (assumed to account for 80% of all stock) and 1 job per 74sq.m for large scale, lower density units (assumed to account for 20% of all stock).
- 6.18 These assumptions are based upon the latest HCA/OffPAT guidance on job density ratios published in 2010. This guidance takes account of recent trends in terms of changing utilisation of employment space, with the main change being the more efficient use of office floorspace due to the higher frequency of flexible working and hot-desking. This has resulted in a decline in the amount of floorspace per office worker assumed compared to earlier guidance.
- 6.19 An allowance of 10% is also added to all positive space requirements to reflect a normal level of market vacancy in employment space. From this assessment, the net employment floorspace requirements in Worthing up to 2033 based on the baseline job forecasts are set out in Table 6.3.

Table 6.3 Net Employment Space Requirements based on Baseline Labour Demand, 2013 - 2033

| Uses                            | Net Floorspace Requirement (sq.m) |
|---------------------------------|-----------------------------------|
| Offices (B1a/B1b)               | 21,010                            |
| Manufacturing (B1c/B2)          | 28,260                            |
| Distribution (B8)               | 50,290                            |
| <b>Total B Class Floorspace</b> | <b>99,560</b>                     |

Source: NLP analysis

## B. Past Development Rates

- 6.20 Because they reflect market demand and actual development patterns on the ground, in some cases long term completion rates of employment space can provide a reasonable basis for informing future land needs. Completions over such a period as ten years or more should even out demand fluctuations in a business cycle, and provide a reasonable basis for estimating future needs given land supply has not been constrained. Whilst forecasts show job growth in net terms, past trend-based analyses take into account recent patterns of

employment floorspace development and the role that recycling of sites play in supporting employment uses in the Borough.

## Scenario 2: Past Completion Rates

6.21 Past completions monitoring data by B class uses between 2003 and 2015 was provided by West Sussex County Council. During this period, the average annual net completions of B class employment space in Worthing equated to around 1,690sq.m. The gross completions were much higher in the Borough at an average of 4,180sq.m per annum, although this masks losses of floorspace during this period, as well as a large proportion of the gross completions relating to change of use activities (Table 6.4).

6.22 It should be noted that past completions monitoring data for Worthing from West Sussex County Council includes 435sq.m of gross flexible B class space developed in the Borough between 2003 and 2015. This flexible B class space was split between office and industrial floorspace completions in the analysis based upon the proportion of the total gross employment space that has been developed within the Borough for each type of B class use (i.e. 26% of gross B class space developed in Worthing between 2003 and 2015 was for office uses, so 26% of the flexible space was attributed to office uses).

Table 6.4 Annual B Class Floorspace Completions in Worthing, 2003 - 2015

| Uses                            | Net Annual Completions (sq.m) | Gross Annual Completions (sq.m) |
|---------------------------------|-------------------------------|---------------------------------|
| Offices (B1a/B1b)               | 180                           | 1,070                           |
| Industrial (B1c/B2/B8)          | 1,510                         | 3,110                           |
| <b>Total B Class Floorspace</b> | <b>1,690</b>                  | <b>4,180</b>                    |

Source: West Sussex County Council / NLP analysis

6.23 One view of future growth in Worthing could therefore simply assume that past development rates carry on in the future at the long term average. If it were assumed that past net completion rates were to continue over the next twenty year period, this would equate to an increase of 3,620sq.m of office space and 30,200sq.m of industrial space by 2033 (Table 6.5). The B class employment floorspace requirements associated with this scenario are much lower than those estimated under the baseline labour demand scenario above.

Table 6.5 Net Employment Space Requirements based on Past Completion Rates, 2013 - 2033

| Uses                            | Assumed Net Annual Completions (sq.m) | Net Floorspace Requirement (sq.m) |
|---------------------------------|---------------------------------------|-----------------------------------|
| Offices (B1a/B1b)               | 180                                   | 3,620                             |
| Industrial (B1c/B2/B8)          | 1,510                                 | 30,200                            |
| <b>Total B Class Floorspace</b> | <b>1,690</b>                          | <b>33,820</b>                     |

Source: NLP analysis



- 6.24 Using standard ratios of jobs to floorspace for the different types of B class floorspace (as set out above), it is possible to estimate that around 870 B class jobs would be created in Worthing by 2033 under the past development rates scenario. This is equivalent to a small growth of about 45 B class jobs per year on average over the course of the plan period.
- 6.25 As noted in Section 3.0, West Sussex County Council monitoring data on B class completions does not include information on B class floorspace losses to other non B class uses (such as residential), and therefore underestimates the true scale of B class floorspace that has been lost from Worthing's stock over recent years. Due to these data limitations, the scenario of future growth in Worthing based upon past completions continuing has therefore been included for comparison purposes only, and should not be relied on as a definite source of information with regards to planning for future employment growth in the Borough.

### C. Future Labour Supply

- 6.26 It is also important to take into account the number of jobs and the associated employment floorspace requirement that would be necessary to largely match the forecast growth of the resident workforce in the Borough. In contrast to the other two scenario approaches, this approach focuses on the future supply of labour rather than the demand for labour. It identifies the number of workforce jobs that would be required to match the future supply of working-age persons, and the amount of employment space that would be needed to support these new workforce jobs within the Borough.

#### Scenario 3: Labour Supply (636 dw.p.a.)

- 6.27 At the request of Worthing Borough Council, a labour supply based scenario has been considered based on the projected labour supply associated with the objectively assessed [housing] need (OAN) figure for Worthing taken from the 2015 Worthing Housing Study<sup>19</sup>. This identifies an OAN figure of 636 additional dwellings per year up to 2033. This housing growth in the Borough is expected to support an increase in the number of local residents in employment from 52,100 in 2013 to 60,690 in 2033.
- 6.28 An adjustment for commuting patterns has been made by NLP based on the latest 2011 Census travel-to-work data. These commuting trends for Worthing are assumed to remain the same for the entirety of the plan period up to 2033, meaning that the Borough is assumed to continue to operate as a slight net exporter of labour throughout the plan period.
- 6.29 Table 6.6 summarises the resident and workplace labour supply resulting from this scenario, which is equivalent to a growth of 8,580 and 8,060 respectively over the plan period up to 2033. Based upon the projections from the Worthing Housing Study, the number of workforce jobs required to support the increase in employed persons within the Borough assumes that one additional

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<sup>19</sup> GL Hearn, Worthing Housing Study [Final], June 2015

workforce job would be required for each additional worker, whilst the share employed in B class sectors takes into account the existing and forecast share of B class jobs to total workforce jobs in Worthing from the Experian RPS data.

6.30 This analysis results in a need for 1,760 B class jobs in Worthing over the plan period up to 2033, which is equivalent to approximately 90 new jobs per year. These jobs include a need for 900 office jobs, 350 manufacturing jobs and 510 distribution jobs (Table 6.6).

Table 6.6 Forecast Labour Supply and B Class Job Requirements for Worthing, 2013 - 2033

| Uses                               | Annual Change | Total Change |
|------------------------------------|---------------|--------------|
| Resident Labour Supply             | 430           | 8,580        |
| Workplace Labour Supply            | 405           | 8,060        |
| <i>Office Jobs (B1a/B1b)</i>       | <i>45</i>     | <i>900</i>   |
| <i>Manufacturing Jobs (B1c/B2)</i> | <i>15</i>     | <i>350</i>   |
| <i>Distribution Jobs (B8)</i>      | <i>25</i>     | <i>510</i>   |
| <b>Total B Class Jobs</b>          | <b>90</b>     | <b>1,760</b> |

Source: Worthing Housing Study 2015 / NLP analysis

6.31 The forecast requirement for B class employment floorspace for these B class jobs can then be estimated by applying the same job density ratios used under the baseline labour demand scenario, and adding a 10% allowance for normal levels of vacancy.

6.32 The overall future employment floorspace requirements based on meeting the B class job needs of forecast workers in the Borough equates to approximately 66,380sq.m of B class employment space in Worthing during the plan period to 2033. These requirements include 12,380sq.m of office space, 16,460sq.m of manufacturing space and 37,540sq.m of warehousing space (Table 6.7).

Table 6.7 Net Employment Space Requirements based on Labour Supply (636 dw.p.a.), 2013 - 2033

| Uses                            | Net Floorspace Requirement (sq.m) |
|---------------------------------|-----------------------------------|
| Offices (B1a/B1b)               | 12,380                            |
| Manufacturing (B1c/B2)          | 16,460                            |
| Distribution (B8)               | 37,540                            |
| <b>Total B Class Floorspace</b> | <b>66,380</b>                     |

Source: NLP analysis

6.33 This labour supply based estimate provides a useful benchmark for comparing with the demand approaches. Based on the OAN figure for Worthing from the Worthing Housing Study, this forecast generates a positive space requirement that is much lower than the baseline labour demand scenario but higher than then past completions rate scenario.

## Scenario 4: Labour Supply (300 dw.p.a.)

- 6.34 In light of recent patterns of housing delivery in the Borough Worthing Borough Council has requested the study consider the implications of an alternative scenario whereby a lower level of housing delivery is achieved within Worthing over the plan period than the projected OAN figure for the Borough of 636 dwellings per annum. On this basis, an alternative labour supply based scenario considers the future B class floorspace requirements associated with 300 new dwellings per year over the period up to 2033. This is slightly higher than the 240 net additional homes completed on average each year in Worthing between 2006/07 and 2014/15.<sup>20</sup>
- 6.35 In order to estimate growth in the local labour supply over the plan period related to 300 new homes each year this analysis uses the same assumptions around working-age population and economic activity as adopted in the 2015 Worthing Housing Study. The estimated growth in the resident labour supply in the Borough therefore simply assumes the proportional difference between the forecast delivery of 300 homes and 636 homes can be used to estimate the potential growth in the number of employed persons in Worthing based on 300 new homes per year. Given the 300 dwelling per annum scenario is equivalent to approximately 47% of the OAN figure for Worthing, it is assumed 47% of the growth in the resident labour supply associated with the OAN figure (as set out under Scenario 3) is achieved under this scenario, which is equivalent to an increase of 4,050 employed persons.
- 6.36 Applying the same adjustments for existing commuting patterns for Worthing, the growth in the local workplace labour supply associated with 300 additional dwellings each year during the plan period amounts to 3,800. This results in a need for 830 B class jobs in Worthing during the period up to 2033, which is equivalent to 40 new B class jobs per annum (Table 6.8).

Table 6.8 Forecast Labour Supply and B Class Job Requirements for Worthing, 2013 - 2033

| Uses                               | Annual Change | Total Change |
|------------------------------------|---------------|--------------|
| Resident Labour Supply             | 200           | 4,050        |
| Workplace Labour Supply            | 190           | 3,800        |
| <i>Office Jobs (B1a/B1b)</i>       | 20            | 425          |
| <i>Manufacturing Jobs (B1c/B2)</i> | 10            | 165          |
| <i>Distribution Jobs (B8)</i>      | 10            | 240          |
| <b>Total B Class Jobs</b>          | <b>40</b>     | <b>830</b>   |

Source: Worthing Housing Study / NLP analysis

- 6.37 The future employment floorspace requirements based on the housing delivery scenario of 300 new dwellings completed in the Borough each year during the plan period equates to a total of around 28,460sq.m of B class floorspace over the period to 2033. These requirements include 5,310sq.m of office floorspace,

<sup>20</sup> Worthing Borough Council, Annual Monitoring Report 2013 - 14, December 2014, p. 53

7,060sq.m of manufacturing floorspace and 16,100sq.m of warehousing floorspace (Table 6.9).

Table 6.9 Net Employment Space Requirements based on Labour Supply (300 dw.p.a.), 2013 - 2033

| Uses                            | Net Floorspace Requirement (sq.m) |
|---------------------------------|-----------------------------------|
| Offices (B1a/B1b)               | 5,310                             |
| Manufacturing (B1c/B2)          | 7,060                             |
| Distribution (B8)               | 16,100                            |
| <b>Total B Class Floorspace</b> | <b>28,460</b>                     |

Source: NLP analysis

## Net Employment Space Requirements

6.38 Drawing together the results from each of the future scenarios for Worthing, the net B class employment floorspace requirements for the Borough over the period to 2033 reflect a range of potential growth scenarios. For office space, the requirements range from 3,620sq.m based on the past completion rates scenario and 21,010sq.m from the baseline labour demand scenario. In terms of industrial space, the requirements range from 23,160sq.m based upon the lower labour supply (300 dw.p.a) scenario to 78,550sq.m from the baseline labour demand scenario (Table 6.10).

Table 6.10 Net Employment Floorspace Requirements for Worthing by Scenario, 2013 - 2033

| Uses                                   | 1. Baseline Labour Demand | 2. Past Completion Rates | 3. Labour Supply (636 dw.p.a.) | 4. Labour Supply (300 dw.p.a.) |
|--|---------------------------|--------------------------|--------------------------------|--------------------------------|
| Offices (B1a/B1b)                      | 21,010                    | 3,620                    | 12,380                         | 5,310                          |
| Industrial (B1c/B2/B8)                 | 78,550                    | 30,200                   | 54,000                         | 23,160                         |
| <b>Total B Class Floorspace (sq.m)</b> | <b>99,560</b>             | <b>33,820</b>            | <b>66,380</b>                  | <b>28,460</b>                  |

Source: NLP analysis

## Safety Margin

6.39 To estimate the overall requirements of B class employment space that should be planned for and to provide some flexibility of provision, it is normal to add an allowance as a safety margin.

6.40 In a location such as Worthing that is characterised by a constrained land supply, and strong development pressure from other higher value uses, there is a need to ensure a reasonable allowance that provides for some flexibility, but avoids over-provision of land. The safety margin also needs to reflect that there may be potential delays in some of the strategic employment sites coming forward for development in the Borough.

6.41 The former South East of England Partnership Board (SEEPB) guidance on employment land assessments recommends an allowance that is equivalent to

the average time for a site to gain planning permission and be built-out, which typically amounts to two years. In regards to Worthing, the margins used in this study are based on two years of average net take-up as recommended by the former SEEPB guidance. These margins are outlined in Table 6.11 and appear to be a suitable level relative to the estimated scale of the assessed need for B class space in the Borough.

Table 6.11 Safety Margin Allowance

| Uses                   | Average Annual Net Completion Rates (sq.m) | Safety Margin (sq.m) |
|------------------------|--|----------------------|
| Offices (B1a/B1b)      | 180  | 360                  |
| Industrial (B1c/B2/B8) | 1,510                                      | 3,020                |

Source: NLP analysis

## Gross Employment Space Requirements

- 6.42 To convert the net B class employment floorspace requirements for Worthing into gross space requirements (i.e. the amount of employment space or land to be allocated or planned for in the Borough), an allowance is also usually made for some replacement of losses of existing employment floorspace that may be redeveloped for other non B class uses. This allowance ensures that sufficient space is re-provided to account for the employment space that is anticipated to be lost in the future, and provides some protection against the continued erosion of B class employment floorspace in the Borough.
- 6.43 A judgement was made as to the suitability and degree to which an allowance for future losses of employment space should be applied to the analysis based on the prior assessment of the employment land supply deliverability factors, and existing trends in the local commercial property market. It should be noted that not all losses need to be replaced as some will simply reflect restructuring in the local economy, such as a decline in the need for manufacturing space in the future. For this reason consideration has been given to a number of factors and property market dynamics to determine the degree to which losses of employment floorspace need to be replaced.
- 6.44 Analysis of past completions monitoring data from West Sussex County Council for Worthing during the period 2003 to 2015 indicates that the Borough has lost an average of 890sq.m of office floorspace and 1,600sq.m of industrial floorspace per annum over this period. However as noted in Section 3.0, this monitoring data only registers losses of employment floorspace to other commercial uses, meaning that the loss of B class employment floorspace only relates to a change of use and does not register the loss of floorspace to other non commercial uses such as residential. In addition, the monitoring data does not give detailed information for changes of use of existing B class employment floorspace, only setting out the main uses prior and after the application has occurred at the site which means it is not possible to disaggregate the changes of use for larger premises that support a number of B class uses (e.g. warehousing and offices).

- 6.45 For this reason, the changes in total office and industrial stock in the Borough over the period 2000 to 2012 from Valuation Office Agency (VOA) data offers a more robust data series to identify the historic change in B class employment floorspace in Worthing. This data indicates that in net terms office floorspace in the Borough decreased by around 1,670sq.m each year on average over this period, while industrial floorspace decreased by around 1,170sq.m per annum. Given this data identifies the net changes in overall B class floorspace levels in the Borough, it is possible to assume the actual losses of B class space would have been higher in Worthing during this period after taking account of gross employment floorspace completions.
- 6.46 It should also be noted that the prior approval applications granted in Worthing for Permitted Development Rights (PDR) since 2013 is not captured in this VOA data, and would effectively increase the quantum of office floorspace lost to other uses. As set out in Section 3.0, granted PDRs in Worthing could result in 12,500sq.m of office space being lost if these applications are implemented in full, which is equivalent to about 4,170sq.m of lost office space each year during this three year period.
- 6.47 However it should be noted that this loss of office floorspace in Worthing from PDR applications has so far predominately related to two large office buildings (i.e. Lloyds TSB Building and MGM House), while it could also be expected that the rate of loss would decrease in the future as the older, redundant office premises in the Borough are converted as part of these initial prior approval applications, leaving fewer offices in Worthing that are effectively redundant to current market requirements and lack occupier appeal.
- 6.48 Taking into account these recent property market trends, it is considered to be inappropriate for the Borough to replace all office and industrial floorspace that is lost in the future. The analysis therefore assumes that approximately 25% of office losses are replaced in the future, which based on 25% of the 1,670sq.m of office space lost on average each year in Worthing between 2000 and 2012 according to VOA data, equates to a replacement allowance of 8,330sq.m of office floorspace over the twenty year plan period.
- 6.49 In terms of industrial losses, it has been assumed that some 50% of lost floorspace is replaced in future. Based on 50% of the 1,170sq.m of industrial space lost on average each year in Worthing over the period 2000 and 2012 according to the latest available VOA data, this equates to a replacement allowance of 11,670sq.m over the plan period to 2033.
- 6.50 Based on these estimated replacement allowances for office and industrial floorspace in Worthing during the period to 2033, as well as the safety margins for flexibility identified above, the resultant gross floorspace requirements for B class employment floorspace are set out in Table 6.12 and Figure 6.2 below.

Table 6.12 Gross Employment Floorspace Requirements for Worthing by Scenario, 2013 - 2033

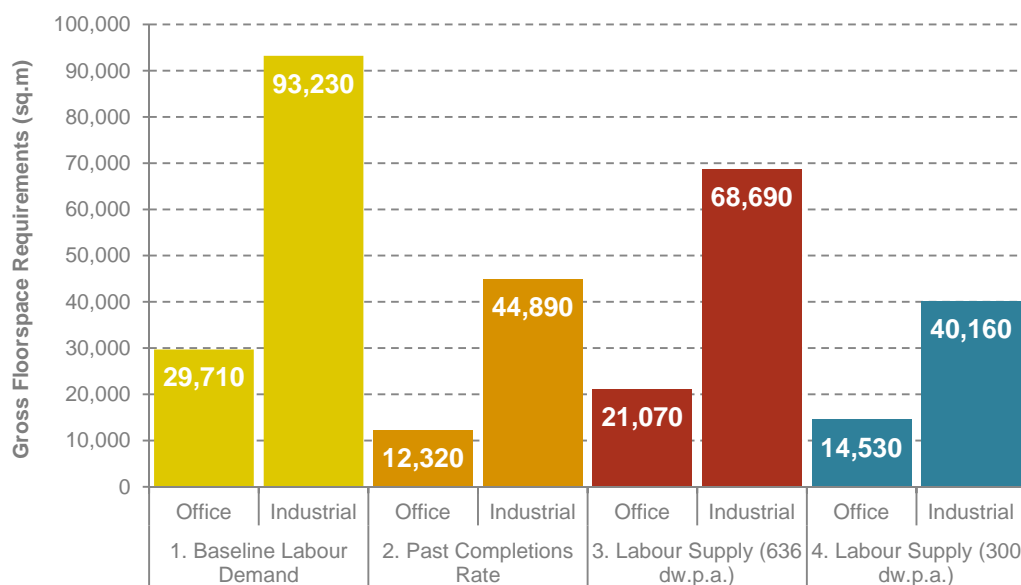
| Uses                                   | 1. Baseline Labour Demand | 2. Past Completion Rates | 3. Labour Supply (636 dw.p.a.) | 4. Labour Supply (300 dw.p.a.) |
|--|---------------------------|--------------------------|--------------------------------|--------------------------------|
| Offices (B1a/B1b)                      | 29,710                    | 12,320                   | 21,070                         | 14,530                         |
| Industrial (B1c/B2/B8)                 | 93,230                    | 44,890                   | 68,690                         | 40,160                         |
| <b>Total B Class Floorspace (sq.m)</b> | <b>122,940</b>            | <b>57,200</b>            | <b>89,760</b>                  | <b>54,690</b>                  |

Source: NLP analysis

6.51 The range of gross floorspace requirements for industrial uses in Worthing over the plan period to 2033 is relatively wide across the four growth scenarios with the requirements ranging from 40,160sq.m under the lower labour supply (300 dw.p.a.) scenario to 93,230sq.m for the baseline labour demand scenario. Set against the stock of industrial floorspace in the Borough in 2012, this range of requirements would be equivalent to an increase in existing industrial stock of between 16% and 37% up to 2033.

6.52 In terms of the gross space requirements for office uses in the Borough over the twenty year plan period, the range of requirements is slightly narrower than for industrial floorspace, with the requirements ranging from 12,320sq.m under the past completion rates scenario to 29,710sq.m under the baseline labour demand scenario. These requirements are equivalent to growth of between 8% and 19% of the total stock of office floorspace in the Borough in 2012.

Figure 6.2 Gross Employment Floorspace Requirements for Worthing by Scenario, 2013 - 2033



Source: NLP analysis

### Land Requirements

6.53 The gross employment floorspace requirements for office and industrial space across the four scenarios can then be translated into land requirements, which

can be calculated by applying appropriate plot ratio assumptions to the gross space requirements. The following plot ratio assumptions have been applied to the gross space requirements to reflect the development patterns in Worthing:

- **Industrial:** plot ratio of 0.4 was applied so that a 1ha industrial site would be needed to accommodate a footprint of 4,000sq.m of floorspace; and
- **Offices:** assumed 30% of the new floorspace would be in lower density, out-of-centre sites with a plot ratio of 0.4, whilst 70% would be in higher density, town centre sites with a plot ratio of 2.0.

6.54

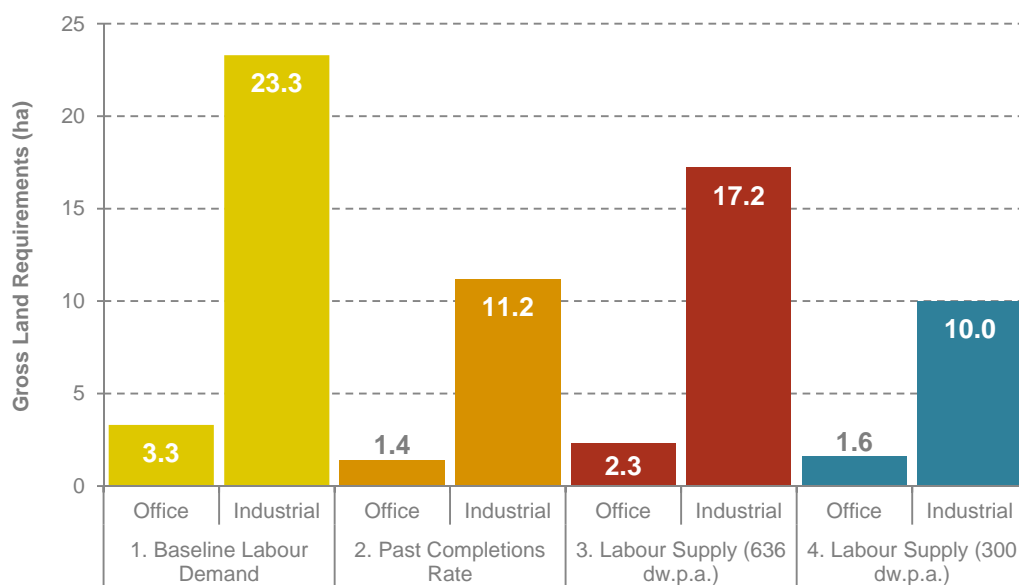
Based on the application of plot ratios to the estimated gross requirements for office and industrial floorspace in the Borough over the plan period to 2033, the resulting land requirements for office and industrial developments are set out in Table 6.13 and Figure 6.3.

Table 6.13 Gross Employment Land Requirements for Worthing by Scenario, 2013 - 2033

| Uses                           | 1. Baseline Labour Demand | 2. Past Completion Rates | 3. Labour Supply (636 dw.p.a.) | 4. Labour Supply (300 dw.p.a.) |
|--------------------------------|---------------------------|--------------------------|--------------------------------|--------------------------------|
| Offices (B1a/B1b)              | 3.3                       | 1.4                      | 2.3                            | 1.6                            |
| Industrial (B1c/B2/B8)         | 23.3                      | 11.2                     | 17.2                           | 10.0                           |
| <b>Total B Class Land (ha)</b> | <b>26.6</b>               | <b>12.6</b>              | <b>19.5</b>                    | <b>11.6</b>                    |

Source: NLP analysis

Figure 6.3 Gross Employment Land Requirements for Worthing by Scenario, 2013 - 2033



Source: NLP analysis

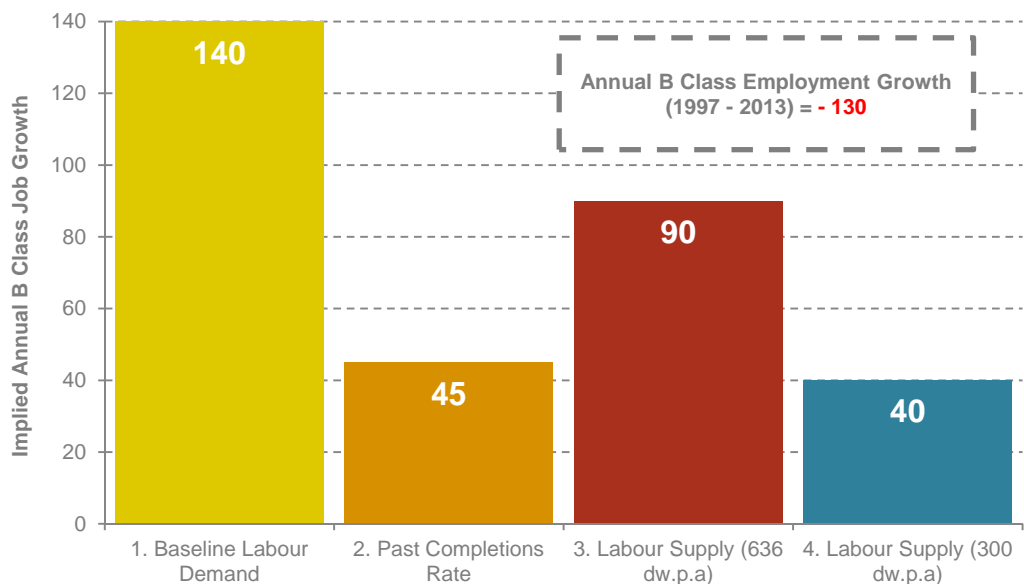


## Sensitivity Tests

6.55 Given the breadth of the potential requirements for office and industrial space in Worthing from the four scenarios, it is important to consider how appropriate each requirement appears to be against other factors, and how sensitive they are to different assumptions.

6.56 It is useful to first compare the employment growth implied by these identified land requirements against historic employment growth within the Borough over recent periods (Figure 6.4). The lowest estimate of land requirements is based on the lower labour supply (300 dw.p.a.) scenario, which implies an increase of 40 B class jobs per annum during the twenty year period to 2033. This implied employment growth includes minimal growth in office based jobs and industrial based jobs.

Figure 6.4 Annual B Class Employment Growth Implied by the Scenarios for Worthing, 2013 - 2033



Source: NLP analysis

Note: The estimated B class employment levels for each scenario are based upon net employment floorspace requirements and do not take into account the additional floorspace allowance in the safety margin, which is identified for planning purposes only and may not actually be developed.

6.57 The highest growth estimate of land requirements for Worthing is based on the baseline labour demand scenario, which implies an increase of approximately 140 B class jobs per year during the plan period. The majority of this growth is in office based jobs, with 54.4% of all new B class jobs in the Borough over the plan period office based. The range of implied employment growth associated with the scenarios compares with an average annual decrease of about 130 B class jobs within Worthing between 1997 and 2013, meaning all four scenarios estimate much higher B class employment growth than historic levels.

## Summary

- 6.58 In interpreting the outputs of this section, regard should be had to guidance from the PPG, which states that local authorities should develop an idea of the future economic needs of their area based on a range of data and forecasts of quantitative and qualitative requirements. In this respect, planning for growth should avoid relying upon using single sources of data or forecasts which tend to rely on a number of different variables that are inevitably subject to change.
- 6.59 It is also important to recognise that there are inevitable uncertainties and limitations related to modelling assumptions under any of the future scenarios of growth considered in this study. For example, there are some inherent limitations to the use of local level economic projections, particularly within the context of significant recent changes within the economy. These forecasts are regularly updated and the resulting employment outputs will change over the plan period for Worthing.
- 6.60 This assessment considered four different scenarios of future employment space requirements in Worthing based on a number of approaches that reflect economic growth, past development patterns, and potential housing supply factors. The overall gross B class employment floorspace requirements related to these different scenarios range from **54,690sq.m to 122,940sq.m** during the period to 2033, which implies in broad terms a need for between **11.6ha and 26.6ha** of employment land. Under all the assessed scenarios, the majority of this spatial requirement relates to industrial (B1c/B2/B8) uses and the overall B class job growth associated with the scenario was higher than what was achieved in the recent past in Worthing.
- 6.61 Given the limitations of the past completions monitoring data for Worthing, the growth scenario based on the past take-up of B class employment space in the Borough continuing forward during the plan period provides a less robust basis for objectively assessing the employment space requirements for supporting economic growth. This limitation relates to the fact that the monitoring data on B class completions in Worthing does not include information on the loss of B class floorspace to other, non B class uses (e.g. residential uses) and therefore underestimates the true scale of B class floorspace that has been lost from Worthing's stock over recent years.
- 6.62 In contrast, the growth scenarios implied by the Experian job growth forecasts and the OAN figure from the Worthing Housing Study (2015) are based on the most up-to-date demographic and macroeconomic assumptions and therefore provide the most objective assessment of needs. In the context of the NPPF requirement to plan positively for growth, the Council should plan to support at least the labour supply (636 dw.p.a.) scenario based on the OAN figure for the Borough to ensure that the indigenous growth potential of Worthing (i.e. from its resident workforce) is not constrained by a lack of spatial capacity, although this positive planning approach will also need to be considered in the context of the constrained availability of land in Worthing.

6.63

The Council could consider planning to accommodate the higher requirement arising from the baseline labour demand scenario based on the Experian employment projections, which implies a much higher job B class job growth over the plan period up to 2033 than the other three scenarios. This would provide the opportunity for the Borough to readdress the balance between local population and job growth going forward, and would also appear to better reflect local property market signals that point to the relatively strong demand for industrial floorspace in the Borough, as well as potentially allowing for expansion of office-based sectors. However as stated above, the ability of the Council to positively plan for growth needs to be considered in the context of constrained land supply in the Borough.

## 7.0 Demand / Supply Balance

- 7.1 This section draws together the forecasts of future employment land needs in Worthing in Section 6.0, and the estimates of the employment space available within the Borough from outstanding planning permissions and allocated land for employment uses on Areas of Change (AOC) sites, to identify any need for additional employment space in the Borough over the plan period to 2033, or surpluses of it, in both quantitative and qualitative terms.

### Quantitative Balance

- 7.2 Section 6.0 identified a need for between 54,690sq.m and 122,940sq.m of B class employment floorspace in Worthing during the period to 2033 including a safety margin to allow for delays in sites coming forward for development and an allowance to allow for the replacement of some losses of B class floorspace in the future. The majority of this gross B class employment space requirement is for new industrial space. The land requirements related to these amounts of employment floorspace were estimated at between 11.6ha and 26.6ha, which clearly reflects a wide variation in the level of growth that could be supported in the Worthing economy during the plan period.
- 7.3 The supply of B class employment floorspace in the development pipeline for Worthing comes from both outstanding planning permissions (i.e. those yet to be implemented as at August 2015) and currently vacant land that has been allocated for employment uses at Core Strategy Areas of Change (AOC) sites.

### Outstanding Planning Permissions

- 7.4 Based upon monitoring data from West Sussex County Council, the extant planning permissions in Worthing as at August 2015 represent approximately 10,675sq.m of net additional B class employment floorspace. This includes an increase in industrial floorspace and a decrease in office floorspace (Table 7.1). Based on the average annual gross completions of B class floorspace in Worthing between 2003 and 2015 of 4,180sq.m, the extant permissions within the Borough are equivalent to about 2.5 years of historic gross completions.
- 7.5 The most significant B class employment floorspace development from the extant planning permissions relates to the GlaxoSmithKline site in Broadwater Business Park, which accounts for approximately 12,195sq.m of new office and industrial floorspace. Outside this key development site, the next largest concentration of positive outstanding planning permissions are situated within Worthing town centre (2,400sq.m) and the East Worthing Industrial Estate (2,060sq.m), while 6,300sq.m of B class employment space is expected to be lost through extant permissions in areas outside the main employment sites in the Borough, with the majority of the net losses relating to offices (Table 7.1).

Table 7.1 Net Employment Floorspace from Extant Planning Permissions in Worthing (at August 2015)

| Employment Sites                                | Offices<br>(B1a/B1b) | Industrial<br>(B1c/B2/B8) | Total         |
|---|----------------------|---------------------------|---------------|
| GlaxoSmithKline Site                            | 1,605                | 10,590                    | 12,195        |
| Worthing Town Centre                            | 2,915                | - 515                     | 2,400         |
| East Worthing Industrial Estate                 | 0                    | 2,060                     | 2,060         |
| Goring Business Park                            | 320                  | 0                         | 320           |
| Downlands Business Park                         | - 915                | 915                       | 0             |
| Remainder of the Borough                        | - 6,100              | - 200                     | - 6,300       |
| <b>Total Extant Planning Permissions (sq.m)</b> | <b>- 2,175</b>       | <b>12,850</b>             | <b>10,675</b> |

Source: West Sussex County Council / NLP analysis

- 7.6 It should also be noted that there is no guarantee that these outstanding planning permissions will be implemented in full during the plan period to 2033 particularly in the case of those planning permissions that have yet to begin construction. In addition, the permissions relate to specific schemes and users, so they may be less able to meet general development needs in the future.

### Areas of Change

- 7.7 In addition to the outstanding planning permissions, the Borough supports two plots of land that have been identified in the Worthing Core Strategy (2011) as Areas of Change (AOC) sites that have the potential for supporting B class employment development in the future. These two AOC sites include the Land Adjacent to Martlets Way AOC 8 and Inland Revenue Site (AOC 8 & Inland Revenue Site) positioned in the western part of the Borough alongside Goring Business Park, and the Decoy Farm AOC 12 situated in the eastern part of the Borough alongside the East Worthing Industrial Estate.
- 7.8 In total, these two AOC provide about 18.2ha of potential employment land in the Borough, including 9.7ha at the AOC 8 & Inland Revenue Site and 8.5ha at the Decoy Farm AOC 12. However these sites also include some existing uses that should be discounted to estimate the total vacant land at the two AOC that could be available for future employment development. These uses include the Inland Revenue premises in the eastern half of the AOC 8 & Inland Revenue Site, and a HGV holding area and waste recycling site in the southern part of the Decoy Farm AOC 12. Once the land areas related to these prevailing uses are taken into account, the total vacant and developable land available at these strategic employment sites include approximately 6.0ha at the AOC 8 & Inland Revenue Site and 7.2ha at the Decoy Farm AOC 12, which together provide about 13.2ha of employment land.
- 7.9 In order to convert these AOC sites from land to floorspace figures so that the emerging supply from these vacant and developable sites can be combined with the outstanding planning permissions in the Borough, standard plot ratios were applied to these strategic employment sites. These plot ratios include:

- **Industrial:** plot ratio of 0.4 was applied so that a 1ha industrial site would be needed to accommodate a footprint of 4,000sq.m of floorspace; and
- **Offices:** plot ratio of 0.4 was applied so that a 1 ha office site would be required to support a footprint of 4,000sq.m of low density floorspace in an out-of-centre office location.

- 7.10 Although it is not certain as to the type of B class employment development that would come forward at the sites during the plan period, the Core Strategy (2011) does set out some broad development principles for these AOC that provide an insight into whether industrial or office spaces are more likely to be accommodated at the two sites.
- 7.11 In terms of the AOC 8 & Inland Revenue Site, the Core Strategy identifies the need to bring forward a *'flexible mixed-use scheme'*<sup>21</sup> that includes commercial and residential uses. For the purposes of this study, it is assumed that all vacant land at the site would be brought forward for employment uses, with a 50:50 split between office and industrial uses developed at the site. In terms of the Decoy Farm AOC 12, the Core Strategy indicates the site could support a mix of *'B1, B2 and B8 industrial units or open storage'*<sup>22</sup> uses, indicating that the entire site is assumed to come forward for industrial development.
- 7.12 On this basis, it is broadly estimated that the 13.2ha of currently vacant land at the two AOC sites in Worthing could accommodate approximately 52,800sq.m of B class employment floorspace in net terms. This emerging supply includes 12,000sq.m of industrial space and 12,000sq.m of office space at the vacant parcels of land at the AOC 8 & Inland Revenue Site, and 28,800sq.m of industrial space at the Decoy Farm AOC 12.
- 7.13 Together the combined B class employment floorspace emerging in Worthing from outstanding planning permissions and vacant land in allocated AOC sites equates to approximately 63,475sq.m. This supply is anticipated to primarily comprise industrial developments, whilst the small implied loss of office space associated with the outstanding planning permissions would be offset by the vacant and developable land at the two AOC sites (Table 7.2).

Table 7.2 Combined Emerging Supply of Employment Floorspace in Worthing, 2015

|  | Net Additional Employment Space (sq.m) |                           |               |
|--|--|---------------------------|---------------|
|  | Offices<br>(B1a/B1b)                   | Industrial<br>(B1c/B2/B8) | Total         |
| Extant Planning Permissions<br>(as at August 2015) | - 2,175                                | 12,850                    | 10,675        |
| Vacant Land at Areas of Change                     | 12,000                                 | 40,800                    | 52,800        |
| <b>Total Employment Space</b>                      | <b>9,825</b>                           | <b>53,650</b>             | <b>63,475</b> |

Source: West Sussex County Council / NLP analysis

<sup>21</sup> Worthing Borough Council, Worthing Core Strategy, April 2011, p. 63

<sup>22</sup> Worthing Borough Council, Worthing Core Strategy, April 2011, p. 70

7.14 Beyond the emerging supply of B class employment space outlined above the current level of vacancy in the office and industrial market in Worthing appears to be much lower than the ‘normal’ market vacancy rate of 10% which typically enables some churn and choice within a property market. For this reason, no surplus capacity in terms of existing vacant space has been added to this supply position for the Borough.

7.15 A broad comparison of estimated demand for B class space with all currently identified supply implies Worthing would have insufficient land in quantitative terms to 2033 to meet the requirements arising under the baseline labour demand scenario and labour supply (636 dw.p.a.) scenario, although there is an adequate amount to meet requirements arising from the past completions rate scenario and lower labour supply (300 dw.p.a.) scenario (Table 7.3).

Table 7.3 Demand / Supply Balance of B Class Employment Floorspace in Worthing up to 2033

|                                  | 1. Baseline Labour Demand | 2. Past Completions Rate | 3. Labour Supply (636 dw.p.a.) | 4. Labour Supply (300 dw.p.a.) |
|----------------------------------|---------------------------|--------------------------|--------------------------------|--------------------------------|
| Requirement for B Class Space    | 122,940                   | 57,200                   | 89,760                         | 54,690                         |
| Emerging Supply of B Class Space | 63,475                    |                          |                                |                                |
| <b>Surplus / Shortage (sq.m)</b> | <b>- 59,465</b>           | <b>+ 6,275</b>           | <b>- 26,285</b>                | <b>+ 8,785</b>                 |

Source: NLP analysis

7.16 The potential shortage of employment floorspace in the Borough over the plan period up to 2033 would range from 26,285sq.m under the labour supply (636 dw.p.a.) scenario to 59,465sq.m under the baseline labour demand scenario. The potential surplus of employment floorspace in the Borough during the plan period would range from 6,275sq.m under the past completions rate scenario to 8,785sq.m under the lower labour supply (300 dw.p.a.) scenario.

### Needs of Different Employment Uses

7.17 The availability of a choice of sites in a market is also important for meeting the needs of different employment sectors within the Borough, particularly in terms of accommodating a diversity of employment opportunities across a wide range of different skill sets. The potential supply of employment space for both office and industrial uses was therefore compared with the estimated need arising for these uses under each of the requirement scenarios.

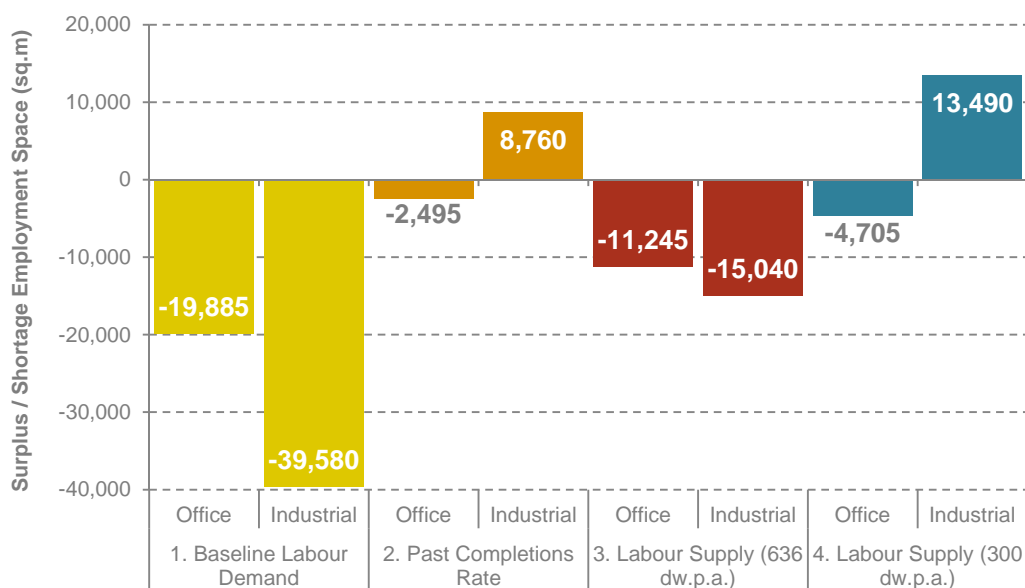
7.18 In this context, the demand and supply situation for industrial and office uses are set out separately in Table 7.4 and Figure 7.1. This analysis indicates that there would not be sufficient supply available, purely in quantitative terms, to meet the office floorspace requirements under all four demand estimates. The shortage of office space over the period to 2033 would range from 2,495sq.m under the past completions rate scenario to 19,885sq.m under the baseline labour demand scenario.

Table 7.4 Demand / Supply Balance of Office and Industrial Floorspace in Worthing up to 2033

|                                     | 1. Baseline Labour Demand | 2. Past Completions Rate | 3. Labour Supply (636 dw.p.a.) | 4. Labour Supply (300 dw.p.a.) |
|-------------------------------------|---------------------------|--------------------------|--------------------------------|--------------------------------|
| <b>OFFICES</b>                      |                           |                          |                                |                                |
| Requirement for Office Space        | 29,710                    | 12,320                   | 21,070                         | 14,530                         |
| Emerging Supply of Office Space     | 9,825                     |                          |                                |                                |
| <b>Surplus / Shortage (sq.m)</b>    | <b>- 19,885</b>           | <b>- 2,495</b>           | <b>- 11,245</b>                | <b>- 4,705</b>                 |
| <b>INDUSTRIAL</b>                   |                           |                          |                                |                                |
| Requirement for Industrial Space    | 93,230                    | 44,890                   | 68,690                         | 40,160                         |
| Emerging Supply of Industrial Space | 53,650                    |                          |                                |                                |
| <b>Surplus / Shortage (sq.m)</b>    | <b>- 39,580</b>           | <b>+ 8,760</b>           | <b>- 15,040</b>                | <b>+ 13,490</b>                |

Source: NLP analysis

Figure 7.1 Forecast Surplus / Shortage of Office and Industrial Floorspace by Scenario up to 2033



Source: NLP analysis

7.19 In terms of industrial uses, there would also not be sufficient supply to support the demand arising from two of the four scenarios. The assessment identified a shortage of industrial space in Worthing over the plan period that ranged from 15,040sq.m for the labour supply (636 dw.p.a.) scenario to 39,580sq.m for the baseline labour demand scenario. The potential surplus of industrial space in the Borough ranged from 8,760sq.m from the past completions rate scenario to 13,490sq.m from the lower labour supply (300 dw.p.a.) scenario.

7.20 This demand and supply analysis for Worthing assumes that all outstanding planning permissions and vacant employment land at the two AOC sites come



forward in full during the plan period for B class employment development. Any deviation from this assumption could potentially have an effect on the balance of space within Worthing up to 2033 particularly in regards to compounding the shortfall of employment space under some of the growth scenarios.

- 7.21 In quantitative terms, the identified pipeline supply of employment space in the Borough as it stands would appear to provide an insufficient quantum of industrial and office floorspace to support the employment development needs for Worthing over the plan period under the majority of the growth scenarios.
- 7.22 In addition, the analysis implies that a significant reliance is placed on the two designated AOC in the Borough that have been identified in the Worthing Core Strategy as available and suitable for employment development uses over the plan period, with these sites supporting all 13.2ha of vacant and developable land in the Borough. This equates to about 83.2% of the total emerging supply of B class employment floorspace in the Borough, meaning the delivery of the two strategic employment sites in full would be critical to meeting the needs for additional employment space in the Borough during the plan period.
- 7.23 However as noted above, even with these two AOC sites delivered in full for employment use over the plan period, the emerging supply in Worthing would still be insufficient to meet the arising need estimated from most of the growth scenarios in this study, meaning additional provision of employment space from currently unidentified employment sites is likely to be required during the plan period to 2033 to support the growth requirements of Worthing.

## Qualitative Factors

- 7.24 Alongside the identified quantitative shortages of B class employment space in Worthing during the plan period, the Borough would also need additional space for more qualitative reasons. This includes for the following reasons:
- improve the choice of provision for occupiers;
  - meet gaps in the supply of particular types of premises;
  - enhance or modernise the quality of the existing provision, helping to attract more occupiers; and
  - provide a better spatial distribution of employment sites to meet the needs of different areas of the Borough.

## Office Market

- 7.25 Although the office market in Worthing is characterised by reasonable levels of demand, a notable lack of new office development has taken place within the Borough in recent years outside the speculative development at Yeoman Gate. The lack of office development in Worthing has been coupled with a gradually eroding office stock, as more space has been lost than gained. While this has mainly involved the loss of lower quality, functionally obsolete office space, this trend has constrained the stock of office floorspace within Worthing, whilst the recently introduced Permitted Development Rights (PDR) for changes of use

from office to residential use has already begun to accelerate this trend further within the local office market.

- 7.26 The level of office vacancy in Worthing is generally low within good quality, new accommodation which in part reflects minimal overall availability of Grade A office space in the Borough. At the same time, demand for older premises that no longer meet modern business needs is much lower within the Borough, with this lower quality space accounting for the majority of the vacancies across the local office market.
- 7.27 Market feedback indicates the lack of available and suitable office space in Worthing during recent periods has significantly constrained activity in the local office market. Opportunities do exist for the Borough to play a more important office role in the future, albeit recognising its position in the wider sub-regional office hierarchy, notably the dominance of the larger office centres of Brighton & Hove and Chichester. Although the local office market in Worthing is mostly focused on small to medium-sized occupiers, some demand does still exist for larger premises within the Borough, evidenced by a recent search by a local Worthing occupier for 20,000sq.ft (1,860sq.m) of suitable and readily available floorspace, although this particular occupier ultimately had to look outside the Borough to find suitable office accommodation.

## Industrial Market

- 7.28 Worthing is considered to be a relatively strong industrial location, attracting a good level of demand for industrial space. The exceedingly low rate of vacancy in the local industrial market reflects a very limited supply of accommodation, particularly in terms of good quality, modern space. The majority of the existing industrial sites do not have the capacity to accommodate further development and local commercial property agents report being unable to satisfy demand for all sizes of industrial premises in the Borough.
- 7.29 This lack of supply limits the potential for expansion and movement of existing businesses in Worthing, while it may also lead to potential economic prospects being diverted from the Borough, as firms cannot be accommodated within its boundaries. In order to ensure the local industrial market in Worthing is able to capture these opportunities during the plan period to 2033, as well as retain current industrial businesses as they grow and expand; market feedback point towards the need for new industrial development in Worthing over the next few years to increase the level of provision and choice in the local market.
- 7.30 The development of the two Areas of Change (AOC) sites in the Borough for employment uses in the plan period represents the clearest strategy to support future industrial developments in Worthing, particularly at Decoy Farm AOC 12 which is located adjacent to the East Worthing Industrial Estate & Broadwater Business Park; the largest cluster of industrial activity in the Borough. However even with the complete development of these AOC for employment uses over the plan period, the Borough is still likely to require an additional industrial area over the period to 2033 to support the growth needs of local industrial firms.

## Summary

- 7.31 Based on currently available employment space in Worthing from outstanding planning permissions that are yet to be implemented and Areas of Change (AOC) sites that provide vacant and developable land for employment uses, the demand and supply balance for the Borough indicates an insufficient emerging supply of employment space in quantitative terms to meet future needs for both office and industrial uses up to 2033 under most of the scenarios. The starting point for planning policy should therefore be that, to varying degrees, some further space will need to be identified if business needs are to be met within the Borough during the plan period.
- 7.32 From a purely quantitative perspective, the potential shortages of B class floorspace in the Borough range from 26,285sq.m under the labour supply (636 dw.p.a) scenario to 59,465sq.m under the baseline labour demand scenario. In regards to those scenarios that identified a surplus employment space over the plan period, these figures range from 6,275sq.m under the past completions rate scenario to 8,785sq.m under the lower labour supply (300 dw.p.a.) scenario.
- 7.33 From a more qualitative perspective the lack of new office development within Worthing during recent years, coupled with an ageing stock, has significantly constrained activity in the local office market in the Borough, while the recently introduced Permitted Development Rights (PDR) for change of use from office to residential has already started to accelerate the past trend of office losses. The opportunity therefore exists for Worthing to play a greater office role in the future, recognising that this would require a step-change in the way that the Borough plans for and encourages office based growth as well as a shift in the emphasis of new office provision towards more flexible, small-scale workspace that better meets the needs of the local SME business base.
- 7.34 While Worthing is currently perceived as a strong industrial market with exceedingly low levels of vacancy, new industrial has been relatively limited in recent years and the majority of existing industrial sites lack the capacity to accommodate expansion and growth, resulting in an increasingly constrained supply position. There is a risk that potential economic opportunities will be diverted from the Borough unless new industrial development can be accommodated in the future.

## 8.0 Conclusions and Policy Implications

8.1 This section draws together the overall conclusions of the study and considers potential policy approaches to delivering appropriate levels of employment space in Worthing for the emerging Local Plan, as well as other measures that may be required to support the economic growth objectives of the Borough.

### Overview of Worthing's Economy

8.2 The existing economic conditions and recent trends in Worthing indicate that the local economy has achieved a moderate performance when compared with other local authorities in the sub-region. The Worthing economy has recorded low levels of employment growth and average levels of worker productivity, low levels of business start-up but higher levels of self-employment, and relatively low levels of economic activity and wage earnings. The Borough has also seen growth in the working-age population outpace employment growth over recent periods, which is in contrast to most other local authorities in the sub-region, although this trend is forecast to reverse over the Local Plan period with growth in employment projected to increase at a higher rate than working-age population growth in Worthing.

8.3 The employment space supported in Worthing is dominated by industrial uses (i.e. factory and warehousing floorspace), although the commercial office stock is also relatively significant at 37.7% of total stock. Between 2000 and 2012, the stock of office and industrial space in the Borough has slowly been eroded in net overall terms, driven in part by increased pressure from other higher value uses (e.g. residential development). The distribution of industrial space in Worthing is mainly concentrated in large employment sites towards the east of the Borough, as well as some smaller clusters in the west, while the largest focus of office space is found in Worthing town centre.

8.4 Worthing has recorded moderate levels of new development over recent years, primarily relating to new industrial floorspace and driven by a small number of large developments. At the same time, the Borough has been losing some B class employment floorspace over recent periods; although limitations of past completions monitoring data means the quantum of lost B class floorspace in the Borough is likely to be underestimated. The recent introduction of Permitted Development Rights for change of use from office to residential uses has also begun to have an impact in Worthing, with 12 prior approval applications potentially resulting in 12,500sq.m of office floorspace being lost in the Borough equivalent to approximately 8% of the total office stock.

8.5 The location of Worthing in close proximity to several larger, more established commercial centres in the Coastal West Sussex sub-region has resulted in the commercial property market in Worthing being predominately localised and focused around the Borough's sizeable SME business base, as well as some individual large employers such as GSK. Although Worthing is not considered to be a strategic industrial location, the demand for industrial space remains

strong. The demand for office space in Worthing also tends to be local in nature, although much lower levels of demand characterise this market.

- 8.6 In this context, the future employment potential of Worthing will be influenced by a number of factors. In particular, there is currently an acute shortage of available employment land and floorspace in the Borough to meet the indigenous growth requirements of the industrial market, as well as enable the necessary level of churn and upgrading of existing sites required to sustain a functioning commercial property market. In addition, there are currently viability barriers to bringing forward new office space in Worthing, with market feedback indicating that the level of demand does not currently justify new speculative developments in the Borough. This has left an increasingly poor quality office stock in Worthing which is in need of renewal, albeit some older space has been lost through office to residential Permitted Development Rights.

## Functional Economic Market Area

- 8.7 The Functional Economic Market Area (FEMA) that Worthing is located within is characterised by a range of economic, property and labour market factors, and is driven by the geographic location of the Borough in the Coastal West Sussex sub-region, but also linkages to nearby Brighton & Hove, the main economic centre. These inter-relationships have been considered in greater detail in previous sections, but can be summarised in the following way.
- 8.8 The strong commuting flows in and out of the Borough represent a key factor influencing the FEMA for Worthing, with the nearby local authorities of Brighton & Hove, Arun and Adur representing the majority of the origin and destination commuting flows for the Borough based on 2011 Census data. Based upon the ONS approach to defining travel to work areas (TTWAs), the Worthing TTWA comprises Worthing and these three local authorities, which together comprise the workplace for 83% of all Worthing residents in employment and the residence for 90% of all workers employed in the Borough. The Borough has remained a net exporter of labour with the latest available Census data in 2011 indicating the self-containment rate in Worthing (i.e. the share of local residents that also work in the Borough) remained stable over the ten year period since the 2001 Census.
- 8.9 As noted above, the local commercial property market in Worthing is relatively localised and focused on the largely local business base and current occupier churn in the local market. The Borough is located in close proximity to a number of larger, more established commercial centres such as Brighton & Hove, Chichester and Horsham, while market feedback indicated the Borough also sits within a broad South Coast east-west property market area of search that extends from Brighton to Chichester. In this context the greatest occupier flows occur between the western parts of Worthing and Littlehampton, and the eastern parts of Worthing and Lancing and Shoreham.
- 8.10 In functional commercial property market terms, the Borough is therefore considered to currently share strong economic relationships with neighbouring

Arun to the west and Adur to the east. Although the economic and market linkages with Brighton & Hove are currently less significant for Worthing, there is considered to be strong potential for this to heighten with the increasing expansion of activities beyond the City's boundaries due to space constraints and cost pressures. This could present an opportunity for Worthing to diversify its local economy and attract higher value, high growth sectors if these trends can be capitalised on, including supporting the space requirements of such high growth sectors in the City as finance, digital and media.

## Meeting Future Needs

- 8.11 The scenarios considered in the previous sections indicate the broad scale and type of growth arising from different approaches to modelling the Borough's future employment space needs. To varying degrees, they reflect both indigenous needs arising in Worthing as well as a degree of footloose demand which operates across the Borough's boundaries from the wider sub-region. In the context of the NPPF and PPG, the Council's policy approach should aim to plan positively to meet Worthing's employment space needs so the Borough's economy is not constrained, but recognising the Borough has constraints in terms of land supply and competing pressures on the limited number of development sites that are available.
- 8.12 However to ensure a flexible and responsive policy framework, it will be necessary not just to focus on meeting forecast quantitative requirements (i.e. that will fluctuate over time), but to think about the opportunities and risks that flow from particular policy approaches. This might concern how delivery can be prioritised in some locations or for some types of employment uses, or how scope can be created for meeting as yet undefined inward investment opportunities, but also not protecting legacy employment sites for which there is no longer a productive employment use. Planning for employment will need to be balanced against pressures from other land uses, as well as other Local Plan objectives such as planned housing, retail and leisure growth. B class employment space also competes with non B class uses, some of which may also generate local economic benefits or have identified needs that the NPPF indicates should be supported.
- 8.13 This requires choices in the Local Plan about which sites to protect or allocate for employment development, or which to consider for mixed use development (either in whole or part). That judgement must ultimately take account of:
- a the local benefits of B class sectors and the need to maintain a diversified and resilient economy that is open to growth and new economic opportunities as they arise (as envisaged by the NPPF);
  - b the economic and other outcomes (e.g. labour market) if some sectors become displaced or are otherwise constrained from expanding within the Borough;
  - c the need to encourage growth of high quality jobs within the Borough to address the disparity between resident employee earnings (higher) and workplace earnings (lower);

- d the trade-off between seeking more intensive use of sites and thereby yielding higher net job creation over time, and identified business needs (as specified in the NPPF) which may for some activities or sectors imply a less efficient use of land in order to function effectively; and
- e setting targets for delivery of new employment space on sites to provide clarity and certainty for investors and making a practical assessment of what the market can deliver at any point in time (i.e. maintaining a delivery trajectory for employment space with short, medium and longer-term opportunities over the life of the Plan).

8.14 The emerging Local Plan should, as far as possible, seek to plan for a choice of sites and locations to meet the needs of particular sectors and occupier needs. Some further commentary on the approach and potential options for providing for the different B class uses are considered below.

### Office Uses

8.15 The office market in Worthing is perceived to be relatively weak in comparison to a number of larger, established office locations in the sub-region that have recorded stronger levels of growth in recent periods (e.g. Brighton & Hove and Chichester). In particular, the Borough lacks the critical mass that is evident in these nearby centres to attract and sustain larger office occupiers, which has resulted in the office market in Worthing remaining localised. The demand for office space within the Borough are largely related to smaller occupiers that operate across a range of business sectors, and require good quality and modern premises of suitable size.

8.16 Although the Borough was historically successful at attracting a number of larger office occupiers to the market, with a range of notable, single occupier sites found across the Borough, many of these sizeable office floorplates have become redundant as corporate occupiers have downsized and consolidated. Many of these premises were constructed during the 1970/80s to meet the needs of single occupiers but have now become dated and difficult to reoccupy given their scale and overall quality, which are not sufficient to attract modern occupiers. In this context, a number of these premises have been redeveloped in recent years, or are currently in the process of being redeveloped, including the Lloyds TSB Building, MGM House and the former Aviva site.

8.17 The level of new office development in Worthing has been limited over recent years resulting in the majority of the existing office space in the Borough being of older vintage. The demand for this office floorspace is now relatively limited which has suppressed market interest and viability for bringing forward new office space. Feedback from local commercial property agents also suggests this trend is unlikely to abate in the short to medium term, meaning the market will continue to struggle to compete with other locations in the region to attract and accommodate larger office occupiers.

8.18 For this reason, it is recommended that the Council focus the policy approach in the emerging Local Plan on supporting the growth requirements of local

businesses demanding small-scale, high quality office space. This approach is supported by feedback from local commercial property agents that identified a growing demand from businesses seeking small office units up to 1,000sq.ft (95sq.m). In addition, the notable exception to the lack of speculative development in the Borough in recent years is Yeoman Gate, which supported the speculative development of smaller, purpose built office units in 2007/08. This is regarded as a highly successful office development in the Borough that provides modern small-scale accommodation in an accessible location and which has since maintained high levels of occupancy.

- 8.19 The demand for office floorspace in Worthing is also expected to grow in the plan period, with forecasts indicating a reversal in the loss of office-based jobs within the Borough historically to reasonable levels of growth over the period to 2033. The main office based sector forecast to record strong growth during the plan period in Worthing is professional services. However in quantitative terms, it would appear the Borough does not currently have enough emerging office space to meet the future needs of the estimated business growth under all four scenarios with the potential shortage ranging from 2,495sq.m to 19,885sq.m of floorspace during the plan period.
- 8.20 The identified emerging supply of office space in Worthing to meet the future needs of local businesses in the Borough comprises approximately 9,825sq.m of floorspace. This comprises an estimated 12,000sq.m that could come forward on vacant plots at Land Adjacent to Martlets Way (AOC 8), set against a loss of 2,175sq.m from extant planning permissions yet to be implemented elsewhere in the Borough. It is therefore clear that the Borough is highly reliant on an assumption that office space comes forward on the vacant land at Martlets Way (AOC 8) to help meet at least some of the future quantitative requirements for office space in the plan period. However, the current AOC 8 policy in the Core Strategy provides for a flexible mixed-use development and therefore there is no certainty with regard to the quantum of office floorspace that could be delivered on this site..
- 8.21 The emerging supply of office space in Worthing could therefore in practice be much lower than that identified in this assessment, and consequently the quantitative shortfall of office space could therefore be much greater. This suggests that Worthing requires additional choice of potential future office locations to meet identified needs and to minimise the risks of non-delivery on any individual site.
- 8.22 As noted above the need for office space in Worthing in the future is primarily related to better quality, modern space that caters for start-up and SME firms. The provision of higher quality office accommodation could help to develop the Borough's base of higher value occupiers and employers; this could contribute to the 'claw back' of some of the highly skilled residents that currently travel outside Worthing for their employment. In doing so, this could have important implications for the types of jobs that are available to local residents within the future, and generate a range of positive economic impacts to the Borough more generally (e.g. growth in productivity and enterprise levels), particularly if



measures are put in place to support local residents to start-up and grow businesses.

- 8.23 The emerging supply of office space in the Borough also runs counter to the policy objective set out in the adopted Worthing Core Strategy which places a strong preference for new office development to be focused in Worthing town centre. Although the town centre area does currently accommodate around 43% of the total office stock in the Borough, there has been little development in the area in recent years and only 2,915sq.m of floorspace is emerging from extant planning permissions. With office premises in the town centre primarily characterised as older, outdated spaces, the main challenge for the Council is to seek to manage a shift to providing new space in the town centre that meets a range of modern business needs. This growth objective should be combined with the wider regeneration and investment strategy for the town centre which involves the redevelopment of several underused sites for higher value uses.
- 8.24 In addition, opportunities should also be considered to bring forward new office developments in other parts of the Borough that complements the office stock in Worthing town centre. As noted above, the speculative development of Yeoman Gate represents a highly popular scheme in the Borough and a good example of a successful out-of-centre office development. Given the significant gap in supply and demand for office space in Worthing during the plan period, it is likely the Council will need to consider supporting a similar office location in the future to provide additional spaces in the Borough, which could support the needs of both small and large occupiers that have shown demand for modern premises in Worthing. However no suitable site was identified in this study that could accommodate such a business park.

### Permitted Development Rights

- 8.25 The recent introduction of Permitted Development Rights (PDR) for change of use from office to residential uses is also starting to have an effect on the office market in Worthing. As at September 2015, approximately 12,500sq.m of office space in the Borough has gained prior approval for PDR, which is equivalent to around 8.1% of the overall office stock within the Borough. The majority of this space relates to a few large office conversions (i.e. the Lloyds TSB Building, MGM House and Durston House), although in total twelve office premises have gained prior approval for PDR so far.
- 8.26 Although this loss of office space is a significant concern in quantitative terms, the feedback from commercial property agents indicates the majority of the lost space so far has involved dated stock of lower quality that is largely redundant in the local market. Nevertheless, it is important the Council carefully monitors any future loss of office space through PDR to consider whether any measures should be put in place to protect this space, or plan for additional provisions, particularly if better quality office premises in the Borough becomes at risk to higher value conversions at some stage during the plan period.
- 8.27 In particular, the Council could decide to apply for an Article 4 Direction under the General Permitted Development Order to withdraw the specified permitted

development rights to convert offices to residential uses within a defined area of the Borough. The most obvious area that could justify such a measure during the plan period is likely to be the key office sites in Worthing town centre. The effect of this would be to give the Council greater control to assess change of use applications on their individual merits, particularly in the context of a generally tight supply of local office space.

## Industrial Uses

- 8.28 The industrial market in Worthing is not characterised as being particularly sizeable or strategic in nature when compared with other local authorities in the sub-region, but does display strong levels of demand and low levels of vacancy that mostly reflects the limited supply of industrial space in the Borough (i.e. particularly in terms of good quality, modern space). The demand for industrial space in Worthing is largely localised in nature, with demand generally ranging from 2,000sq.ft to 10,000sq.ft (185sq.m to 930sq.m), whilst enquiries have also been received periodically in the market for larger industrial premises that range from 10,000sq.ft to 50,000sq.ft (930sq.m to 4,645sq.m).
- 8.29 In this context, the development of new industrial space in Worthing has been relatively limited in recent periods, with much of the current stock characterised as older, dated premises that are in need of refurbishment and modernisation. The strong demand for industrial space coupled with a severe shortage of units in the Borough means existing local businesses struggle to find suitable space to accommodate their expansion or relocation plans in the local market, while enquiries from businesses outside the Borough can rarely be met. This trend is not uncommon within the South Coast property market that extends from Brighton to Chichester, suggesting a tight supply of industrial space exists across the sub-region. The limited supply of industrial floorspace in Worthing is constraining industrial activity and has likely resulted in potential economic opportunities being diverted from the Borough as businesses are unable to find suitable industrial space within its boundaries.
- 8.30 Despite much of the industrial stock in Worthing being characterised as dated the Borough does accommodate a wide range of sizeable industrial locations that appear to be performing well and serving a key purpose within the market. In particular, the East Worthing Industrial Estate & Broadwater Business Park in the east of the Borough represents the largest cluster within the Borough, supporting 45% of all existing industrial space in Worthing. This industrial area also accommodates the key occupier of GlaxoSmithKline, which has attracted a small cluster of pharmaceutical companies to the area. Other key industrial estates within Worthing comprise Faraday Close and Goring Business Park in the west of the Borough, and Meadow Road in the east.
- 8.31 While the local industrial market in Worthing is relatively localised, it does also sit within a wider South Coast east-west property market area of search that extends from Brighton to Chichester. The feedback from commercial property agents indicates the most significant occupier flows within this property market area that includes Worthing are between the western parts of Worthing and

Littlehampton, and the eastern parts of Worthing and Lancing and Shoreham. In functional economic market area terms, the Borough shares the strongest relationships with the neighbouring local authority areas of Arun and Adur, and to a much lesser extent Brighton & Hove in the east. In this context, the supply of available industrial space in Adur mirrors Worthing in terms of limited space, while more space is available in Arun.

- 8.32 In so far as quantitative requirements the analysis indicated a positive need for industrial space under all four growth scenarios, with the two scenarios based on the most up-to-date demographic and macroeconomic assumption resulting in the highest gross industrial space requirements. This includes 93,230sq.m under the baseline labour demand scenario based upon Experian employment forecasts and 68,690sq.m under the labour supply (636 dw.p.a.) scenario based on the OAN figure from the Worthing Housing Study.
- 8.33 It is recommended that the Council should plan to accommodate at least the industrial requirement of the labour supply (636 dw.p.a.) scenario to ensure the indigenous growth potential arising from the resident workforce in the Borough is not constrained by a lack of spatial capacity over the plan period to 2033. However this position will also need to be considered in the context of a potential lower level of housing delivery (330 dw.p.a.) scenario if this becomes the adopted basis for the Local Plan. At the same time, the Council should have regard to the higher growth trajectory implied by the Experian forecasts under the baseline labour demand scenario, which generates higher industrial space requirements during the plan period. The estimates from this scenario appears to best reflect local market signals in Worthing, and points towards the relative demand for space in the local industrial market, as well as the tightening of existing stock.
- 8.34 A comparison with the emerging supply of industrial space in Worthing shows that in quantitative terms the Borough has insufficient industrial space to meet the needs arising up to 2033 under two of the four growth scenarios. The shortages of industrial space in the plan period are estimated at 39,580sq.m for the baseline labour demand scenario and 15,040sq.m for the labour supply (636 dw.pa.) scenario. By contrast, the potential surpluses of industrial space range from 8,760sq.m for the past completions rate scenario and 13,490sq.m for the lower labour supply (300 dw.p.a) scenario.
- 8.35 The identified emerging supply of industrial space within Worthing to meet the needs of local businesses in the Borough over the plan period comprises about 53,650sq.m of floorspace, including an estimated 40,800sq.m at the two AOC sites and 12,850sq.m from extant planning permissions yet to be implemented. On this basis, the delivery of the AOC for employment development uses over the plan period should be a key objective for the Council given the shortages of emerging space in the Borough and the significant proportion of the emerging space that does exist in Worthing that is supported at the two AOC sites.
- 8.36 In particular, the Decoy Farm (AOC 12) site could accommodate the largest share of the future requirement for industrial space in Worthing over the plan period, with approximately 28,800sq.m of industrial space expected to be

delivered at the site if built-out for industrial uses in full. Decoy Farm is located adjacent to the East Worthing industrial Estate & Broadwater Business Park (i.e. the largest cluster of industrial activity in the Borough) in the eastern parts of the Borough making it an obvious location to support industrial development in the future. However local road and contamination issues were recognised in the Worthing Core Strategy as the key reasons why the currently vacant land has remained undeveloped within the Borough, and will need to be addressed prior to bring the site forward for development.

8.37 Given that the emerging supply of industrial space in Worthing is not currently sufficient to meet the demand arising from the majority of the growth scenarios for the Borough, even after taking account the AOC sites, additional industrial provision in other locations is expected to be necessary during the plan period. This view is supported by feedback from local commercial property agents that indicated at least one new industrial site would be required in the local market to provide a release valve and enable churn, intensification and upgrading of older existing sites.

8.38 Although no other potential industrial sites were identified within the Borough outside the AOC that could support significant levels of development, any new allocation would need to be located in close proximity to the A27 and ideally in close proximity to other well performing industrial sites. This would provide the opportunity to consolidate existing industrial activity onto more suitable sites in close proximity to the strategic road networks, although few poorly performing industrial sites were identified across the Borough. If any estates were to be consolidated during the plan period, this is most likely to include those located within residential areas (e.g. Canterbury Road, Ivy Arch Road and Station Road), although even these sites support excellent activity levels.

## Accommodating a Positive Requirement

8.39 Within the context of accommodating a positive floorspace requirement for both office and industrial uses in Worthing through the plan period, a number of options are available for consideration by the Council (although not mutually exclusive), potentially as part of future employment land allocations to meet the economic development needs of the Borough during the period to 2033. These options are presented together due to the issues being broadly similar across all B class uses, in that a shortfall exists between the demand for and supply of employment space over the plan period, even after taking into account the Areas of Change (AOC) designations.

### 1) Resist Loss of Employment Space in the Future

8.40 Although the past completions monitoring data for Worthing does not provide complete information on the past losses of employment space in the Borough, the latest available VOA data indicates that between 2000 and 2012 the local economy recorded a relatively significant decrease in the stock of both offices and industrial space. Based on this data, the total stock of employment space in Worthing has therefore been decreasing during recent periods.

- 8.41 As noted in earlier sections, the past completions monitoring data for Worthing provided by West Sussex County Council only registers losses of employment space to other commercial uses, meaning the loss of B class space only relates to a change of use and does not register the loss of space to other non-commercial uses (e.g. residential uses). For this reason, it is likely that the past completions monitoring data will underestimate the actual amount of B class space that is being lost in the Borough.
- 8.42 In any case, the past completions monitoring data indicates that the Borough recorded an annual average loss of B class employment floorspace of around 2,490sq.m, with this loss of employment space evenly balanced across warehousing (36.2%), office (35.8%) and industrial (28.0%) uses. However the majority of this lost B class space was to other B class uses, with around 80% of the lost floorspace in the Borough related to changes of use from one B class use to another. It can therefore be assumed the amount of employment floorspace that has actually been lost might be lower than that identified in this analysis, although again this figure does not take into account the loss of B class spaces to non-commercial uses.
- 8.43 In the context of the NPPF requirement that *“planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose”* [paragraph 22], the site assessment process conducted as part of this study indicates the Borough has a portfolio of employment sites that are generally performing well and appear to be occupied and meeting business needs at some level. The study has not identified any specific evidence to suggest that the existing employment sites assessed in Worthing have no reasonable prospect of continuing to be used for employment uses over the Local Plan period, although this should be reviewed on a regular basis to take into account any changing factors over the plan period.
- 8.44 There would also appear to be a reasonable basis for maintaining an employment land protection policy for key sites and locations in the emerging Worthing Local Plan in line with the provisions already set out in Policy 4 of the 2011 adopted Core Strategy. As a minimum, this policy should be applied to the Borough’s key industrial and office sites to ensure that Worthing can retain its business base and sector strengths, particularly in view of the overall constraints to bringing forward additional employment land (albeit this may change over the plan period if new sites can be delivered).
- 8.45 The guidance and support set out within the Sustainable Economy SPD (2012) prepared by the Council for Policy 4 and Policy 5 of the Core Strategy also continues to provide appropriate guidance on protecting employment sites in the Borough, particularly in terms of criteria that should be met when assessing planning applications involving the loss of B class employment floorspace. This SPD is considered to provide important guidance and support for employment sites in the Borough, and should remain as a core consideration of the decision making process for employment sites in Worthing as the new Local Plan progresses.

- 8.46 It is also important to note that the recently introduced Permitted Development Rights could result in a loss of 12,500sq.m of office floorspace in Worthing if all twelve granted prior approval applications were to be implemented in full in the Borough. There could therefore be scope for the Council to consider applying for an Article 4 Direction to increase their ability to protect key office sites in the Borough, with the strong office market in Worthing town centre as the likely main candidate for a future Article 4 Direction application.
- 8.47 It is worth noting that the positive requirement for office and industrial space in the Borough incorporates some allowance for replacement of ongoing losses of B class spaces to other uses, whilst recognising the difficulty of continuing to replace losses due to the Borough's physical constraints and lack of available land for development. Theoretically, a reduction in the requirements for space could be achieved by removing or reducing the allowance for replacing windfall losses of employment space. However such an approach would run counter to the established principle in employment land assessments. Moreover, such an accounting exercise would risk a diminution in the amount of industrial space available and lead to a further tightening in the market for space, potentially harming the Borough's economic vitality.

## 2) Allocate New Employment Sites

- 8.48 The option of allocating additional sites for office and industrial development would increase the current choice of sites and enable the Borough to capture key economic opportunities, such as expansion of firms both from within and outside of the Borough. Such an approach may also allow an opportunity for decanting of existing occupiers, and in turn, provide an opportunity for other sites within Worthing to be rationalised or intensified in order to remain attractive and competitive to the market.
- 8.49 As a tightly constrained Borough, new development sites are limited in the local economy. Any new site or allocation should therefore seek to benefit from the strategic road access provided by the A24 and A27 in the northern parts of Worthing for industrial uses, and the various railway stations in the Borough for office uses. It would also be important for new site allocations to be located in close proximity to established employment areas, where possible, to capitalise on critical mass and cluster effects as well as existing amenities and facilities.
- 8.50 Based upon the site assessments undertaken as part of this study, the Areas of Change (AOC) sites identified in the Core Strategy as being suitable for new employment uses (i.e. Land Adjacent to Martlets Way AOC 8 and Inland Revenue Site, and Decoy Farm AOC 12) represent good sites for supporting a variety of B class uses during the Local Plan period. Although the site appraisals identified weaknesses for both sites that reduced their overall score, they offer the most readily available land in Worthing to support B class development and should be promoted fully for employment uses given the shortage of available land in the Borough to meet the forecast needs over the period to 2033.

- 8.51 Given that a shortage of available supply has been identified in this study to meet the forecast requirements in Worthing for both office and industrial uses during the period to 2033, even with AOC sites included in the equation, the Council should therefore revisit the potential to allocate other new sites for employment uses to support the employment needs of the Borough over the plan period.

### 3) Intensification of Existing Sites

- 8.52 The upgrading and refurbishment of existing employment areas, and where possible, redevelopment so that they can be used more efficiently provides a further option for accommodating future requirements. Better utilisation of the existing office and industrial stock could be achieved through gradual redevelopment of individual plots, for example replacing a larger old unit with the development of modern smaller units for which there is good demand.
- 8.53 In this context, the provision of additional employment land supply (under the option described above) would facilitate movement of firms from existing sites and premises and thereby release redevelopment prospects. To complement this, it may be appropriate to explore opportunities to de-risk planning issues for certain types of development, in a way that is suitable to the site context and managing the range of B class uses to be accommodated. This could include, for example, supplementary planning documents such as a design guide that sets out guidance to outline what the Council considers to be good design in a particular employment area, or a development framework that seeks to guide the nature of development and manage conflict between different use classes which may be present on a site.
- 8.54 However, barriers to redevelopment of (particularly industrial) premises in the Borough include generally high occupancy levels and low vacancy (making redevelopment opportunities rare). From the site assessments, it appears that the poorest performing industrial sites are at Station Road and Canterbury Road (including Garcia Trading Estate), which tend to have a lower quality of industrial stock but still display excellent levels of occupancy and activity. This suggests that any redevelopment or intensification of employment sites in the Borough will need to have credence to the existing businesses operating at these sites.
- 8.55 The growing pressure from higher value non B class uses on some of the key employment areas in the Borough could also mean that the Council should consider defining a core business area within such employment areas where only B class uses will be permitted, taking account of the current pattern of development, key frontages and where scope for improvements (e.g. public realm, linkages) have been identified. A more flexible approach could remain for other parts of the site where a wider range of uses are permitted subject to criteria, so the overall employment functioning of the area is not undermined. The Council will need to consider the implications this may have on meeting other development needs within the Borough.

#### 4) Assume Needs to be Met Elsewhere

- 8.56 A final option is to not specifically identify additional capacity for employment space, and by implication, assume that these needs are met on non-allocated sites or are displaced to adjoining local authority areas that fall within the Borough's functional economic market area. Such an approach would need to be carefully investigated through duty to cooperate arrangements to ensure consistency with the Development Plans of adjoining authorities.
- 8.57 Beyond this, it would not appear to be an option that was compatible with sustainable development objectives, and would unduly risk harming economic activities that form an important part of any functioning economy. An approach that relies upon employment sites outside the Borough to support the majority of the Borough's future employment needs could also run the risk of failing to meet demand from local businesses in Worthing.

### Other Policy Issues

#### Delivery Trajectory for Employment Sites

- 8.58 As stated above, the emerging pipeline supply of employment space within the Borough appears to be insufficient to support demand over the plan period for both office and industrial uses, even with the two AOC sites within the Borough fully developed for employment uses. In addition the delivery of larger strategic sites such as the AOC often face more significant initial barriers to delivery (e.g. infrastructure and servicing costs) and longer lead-in times, so there is a need to also assess whether there is a supply of other readily available sites to meet more immediate business expansion needs in Worthing, including over the first few years of the plan period.
- 8.59 Accordingly it is recommended the Council should evidence how its portfolio of allocations and other development opportunities would support the delivery of new office and industrial space over the short, medium and longer term. This is in accordance with the approach set out within the former SEEPB guidance on employment land assessments, which encourages local authorities to identify a five-year rolling supply of employment land. Where any gaps are identified, the Council will want to consider options for how this can be addressed. It would therefore be helpful for sites to be assessed on a consistent basis to determine at broadly what point in the Local Plan period they may become available, and how important any individual site is for supporting either office or industrial needs within any rolling five-year period.
- 8.60 In determining the likely timing and availability of land, this delivery trajectory should have regard to the following:
- a the planning status of sites, including any extant planning permissions, allocations and development briefs;
  - b development constraints and costs, and any known requirements for infrastructure;



- c current developer or landowner aspirations; and
- d market delivery and viability factors.

- 8.61 Such an assessment offers the opportunity to identify and map out the Local Plan's 'when', 'whom' and 'how' employment space delivery actions for sites in the Borough. It would also provide a basis to continually assess the potential role of a site in meeting employment land and other Local Plan objectives (and, inter alia, the policy benefits that would accrue if earlier delivery of the site was encouraged). The trajectory should be linked to the annual monitoring process and periodically updated to ensure that the rolling supply of employment land during the plan period to 2033.
- 8.62 It is also possible this process uncovers evidence to suggest both, or either, of the AOC sites are most likely to be available to meet business needs over the longer term plan period, which would place additional pressure on the existing employment sites in the Borough to accommodate demand over the short to medium term. As noted earlier, the emerging supply of employment spaces in the Borough is insufficient to meet the requirement associated with the growth scenarios for Worthing, although excluding the AOC sites from the emerging supply would result in almost no emerging employment space within the Borough (i.e. other than the limited space from extant planning permissions). The potential demand and supply mismatch resulting from the removal of the two AOC sites underlines the importance of undertaking a comprehensive review of the land delivery trajectory in the Borough.

## Monitoring

- 8.63 Reflecting guidance set out in the PPG, it will be important to monitor future change in the demand and supply of employment spaces to identify changing patterns in the Borough and inform any policy responses that will be required. This is particularly significant given the scale of B class floorspace losses in Worthing in recent years, and the further losses that could relate to Permitted Development Rights (PDR) in the market converting office uses to residential.
- 8.64 Although West Sussex County Council monitors planning permissions granted for B class employment uses in the Borough on an on-going basis, it does not monitor or record losses of B class floorspace to other non B class uses, such as residential uses, which makes it difficult to fully determine and monitor the scale of floorspace losses in Worthing. In addition to this, the monitoring data does not provide a detailed definition of changes of use of existing employment space, only identifying the main uses prior and after the applications have occurred at the premises, which means it is not possible to disaggregate the changes of use of larger premises that support a range of B class uses (e.g. warehousing and offices). Together these inherent limitations of the monitoring data make it difficult to accurately assess the scale and nature of the employment development that is occurring within the Borough.
- 8.65 Some specific items that could be useful to monitor in the future are identified below:

- a levels of future demand for office and 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 commitments are likely to come forward and whether any new sites emerge;
- c the extent and type of any losses of existing employment land to non B uses, particularly residential (part of the on-going monitoring of PNOs under PD rights) and in a more detailed format than existing monitoring arrangements (i.e. recording the quantum of office floorspace lost); and
- d any on-going deficiencies in provision for specific types of employment premises (e.g. small, low cost, business or industrial units).

## Appendix 1 List of Consultees

Chris Spratt, Spratt & Son

Steve Berrett, Michael Jones

David Martin, Stiles Harold Williams

Emma Hards, Stiles Harold Williams

Bill Shipley, Cluttons LLP

Anne Feldberg, Worthing and Adur Enterprise Hub Partnership

Andrew Swayne, Adur and Worthing Business Partnership



## Appendix 2 Experian Sector Definitions

# Appendix B...Sector definitions

## Sector definitions

| Experian 38-sector                                      | SIC-2007 division  | Falls within Experian 12-sector |
|---|--|---------------------------------|
| Agriculture, Forestry & Fishing                         | 01 Crop and animal production, hunting and related service activities  | Agriculture, Forestry & Fishing |
|   | 02 Forestry and logging  |                                 |
|   | 03 Fishing and aquaculture   |                                 |
| Extraction & Mining                                     | 06 Extraction of crude petroleum and natural gas   | Extraction & Mining             |
|   | 05 Mining of coal and lignite  |                                 |
|   | 07 Mining of metal ores  |                                 |
|   | 08 Other mining and quarrying  |                                 |
|   | 09 Mining support service activities   |                                 |
| Food, Drink & Tobacco                                   | 10 Manufacture of food products  | Manufacturing                   |
|   | 11 Manufacture of beverages  |                                 |
|   | 12 Manufacture of tobacco products   |                                 |
| Textiles & Clothing                                     | 13 Manufacture of textiles   |                                 |
|   | 14 Manufacture of wearing apparel  |                                 |
|   | 15 Manufacture of leather and related products   |                                 |
| Wood & Paper  | 16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials |                                 |
|   | 17 Manufacture of paper and paper products   |                                 |
| Printing and Reproduction of Recorded Media             | 18 Printing and reproduction of recorded media   |                                 |
| Fuel Refining   | 19 Manufacture of coke and refined petroleum products  |                                 |
| Chemicals   | 20 Manufacture of chemicals and chemical products  |                                 |
| Pharmaceuticals   | 21 Manufacture of basic pharmaceutical products and pharmaceutical preparations  |                                 |
| Rubber, Plastic and Other Non-Metallic Mineral Products | 22 Manufacture of rubber and plastic products  |                                 |
|   | 23 Manufacture of other non-metallic mineral products  |                                 |
| Metal Products  | 24 Manufacture of basic metals   |                                 |
|   | 25 Manufacture of fabricated metal products, except machinery and equipment  |                                 |
| Computer & Electronic Products                          | 26 Manufacture of computer, electronic and optical products  |                                 |

|                                     |   |   |
|-------------------------------------|---|---|
|                                     | 27 Manufacture of electrical equipment  |   |
| Machinery & Equipment               | 28 Manufacture of machinery and equipment n.e.c.  |   |
| Machinery & Equipment               | 29 Manufacture of motor vehicles, trailers and semi-trailers  |   |
|                                     | 30 Manufacture of other transport equipment   |   |
| Other Manufacturing                 | 31 Manufacture of furniture   |   |
|                                     | 32 Other manufacturing  |   |
|                                     | 33 Repair and installation of machinery and equipment   |   |
| Utilities                           | 35 Electricity, gas, steam and air conditioning supply  | Utilities                                 |
|                                     | 36 Water collection, treatment and supply   |   |
|                                     | 37 Sewerage   |   |
|                                     | 38 Waste collection, treatment and disposal activities; materials recovery  |   |
|                                     | 39 Remediation activities and other waste management services. This division includes the provision of remediation services, i.e. the cleanup of contaminated buildings and sites, soil, surface or ground water. |   |
| Construction of Buildings           | 41 Construction of buildings  | Construction                              |
| Civil Engineering                   | 42 Civil engineering  |   |
| Specialised Construction Activities | 43 Specialised construction activities  |   |
| Wholesale                           | 45 Wholesale and retail trade and repair of motor vehicles and motorcycles  | Wholesale & Retail                        |
|                                     | 46 Wholesale trade, except of motor vehicles and motorcycles  |   |
| Retail                              | 47 Retail trade, except of motor vehicles and motorcycles   |   |
| Land Transport, Storage & Post      | 49 Land transport and transport via pipelines   | Transport & Storage                       |
|                                     | 52 Warehousing and support activities for transportation  |   |
|                                     | 53 Postal and courier activities  |   |
| Air & Water Transport               | 50 Water transport  |   |
|                                     | 51 Air transport  |   |
| Accommodation & Food Services       | 55 Accommodation  | Accommodation, Food Services & Recreation |
|                                     | 56 Food and beverage service activities   |   |
| Recreation                          | 90 Creative, arts and entertainment activities  |   |
|                                     | 91 Libraries, archives, museums and other cultural activities   |   |
|                                     | 92 Gambling and betting activities  |   |
|                                     | 93 Sports activities and amusement and  |   |

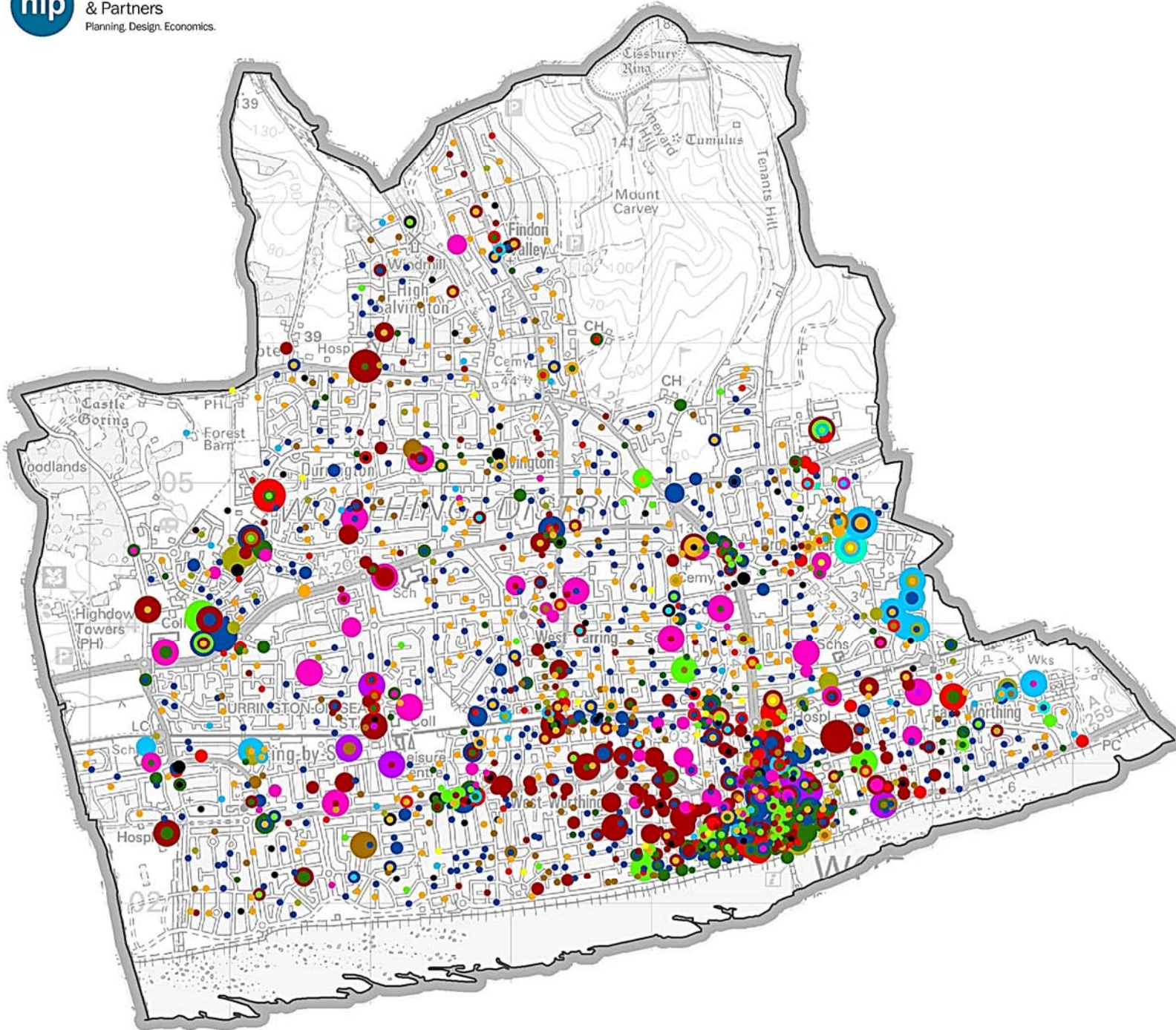
|  |   |                                       |
|--|---|---------------------------------------|
|  | recreation activities   |                                       |
| Media Activities                               | 58 Publishing activities  | Information & communication           |
|  | 59 Motion picture, video and television programme production, sound recording and music publishing activities |                                       |
|  | 60 Programming and broadcasting activities  |                                       |
| Telecoms                                       | 61 Telecommunications   |                                       |
| Computing & Information Services               | 62 Computer programming, consultancy and related activities   |                                       |
|  | 63 Information service activities   |                                       |
| Finance  | 64 Financial service activities, except insurance and pension funding   | Finance & Insurance                   |
|  | 66 Activities auxiliary to financial services and insurance activities  |                                       |
| Insurance & Pensions                           | 65 Insurance, reinsurance and pension funding, except compulsory social security                              |                                       |
| Real Estate                                    | 68 Real estate activities   | Professional & Other Private Services |
| Professional Services                          | 69 Legal and accounting activities  |                                       |
|  | 70 Activities of head offices; management consultancy activities  |                                       |
|  | 71 Architectural and engineering activities; technical testing and analysis                                   |                                       |
|  | 72 Scientific research and development  |                                       |
|  | 73 Advertising and market research  |                                       |
|  | 74 Other professional, scientific and technical activities  |                                       |
|  | 75 Veterinary activities  |                                       |
| Administrative & Supportive Service Activities | 77 Rental and leasing activities  |                                       |
|  | 78 Employment activities  |                                       |
|  | 79 Travel agency, tour operator and other reservation service and related activities                          |                                       |
|  | 80 Security and investigation activities  |                                       |
|  | 81 Services to buildings and landscape activities   |                                       |
|  | 82 Office administrative, office support and other business support activities                                |                                       |
| Other Private Services                         | 94 Activities of membership organisations   |                                       |
|  | 95 Repair of computers and personal and household goods   |                                       |
|  | 96 Other personal service activities  |                                       |
|  | 97 Activities of households as employers of domestic personnel  |                                       |
|  | 98 Undifferentiated goods- and services-producing activities of private households for                        |                                       |



| own use                         |  |                 |
|---------------------------------|--|-----------------|
| Public Administration & Defence | 84 Public administration and defence; compulsory social security | Public Services |
|                                 | 99 Activities of extraterritorial organisations and bodies       |                 |
| Education                       | 85 Education   |                 |
| Health                          | 86 Human health activities                                       |                 |
| Residential Care & Social Work  | 87 Residential care activities                                   |                 |
|                                 | 88 Social work activities without accommodation                  |                 |



## Appendix 3 Enlarged Borough Maps



**Sector:**



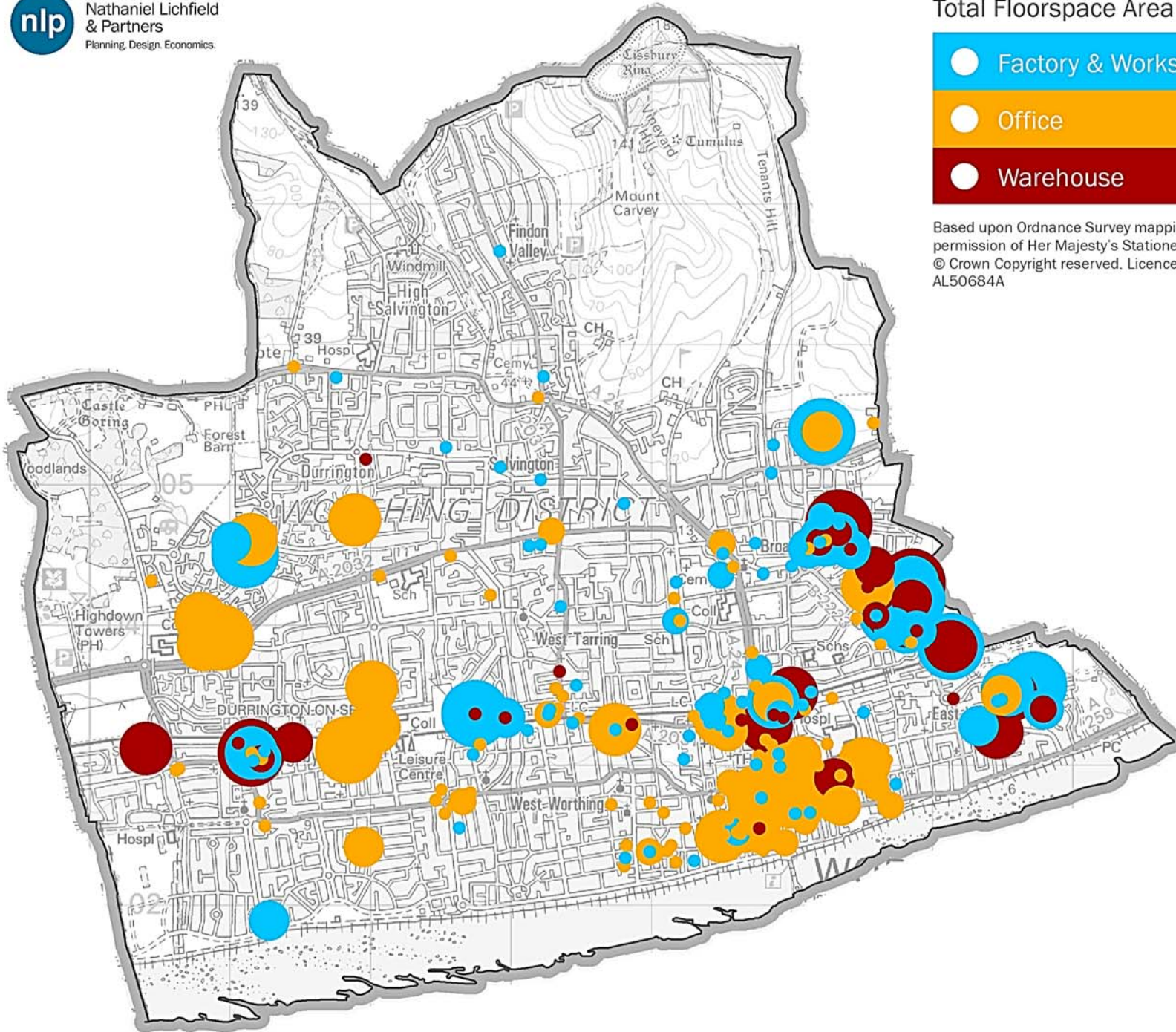
**Total Employment:**



Total Floorspace Area (sq.m) by Postcode:

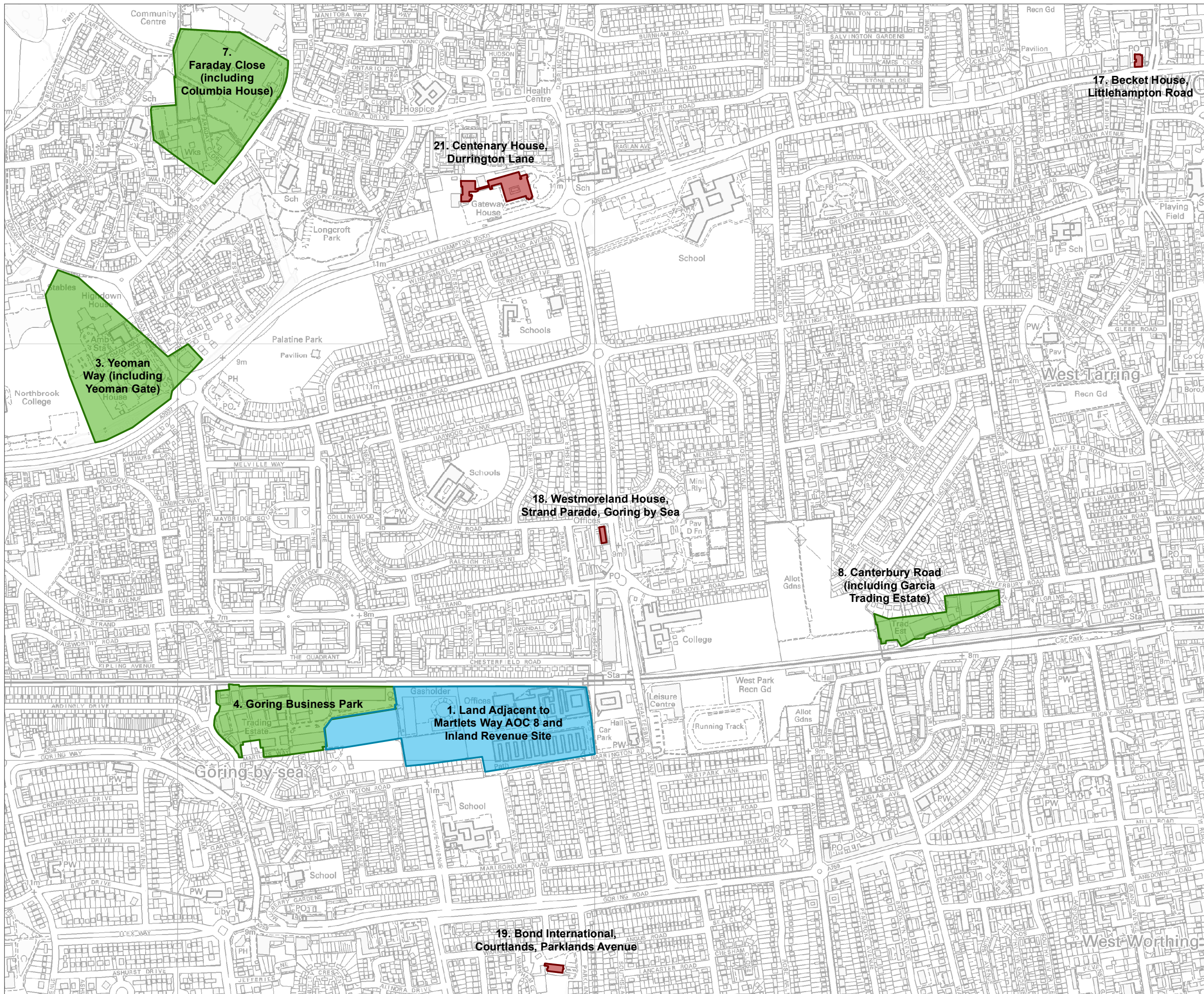


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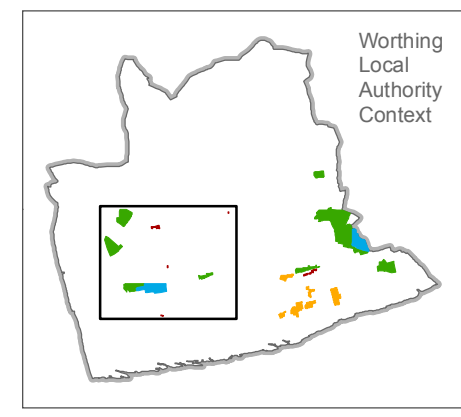


## Appendix 4 Site Plans



**Key**

- Employment Land Review Sites
- Key Industrial Sites
- Key Office Sites
- Other Employment Sites



**nlp** Nathaniel Lichfield & Partners  
 Planning, Design, Economics.

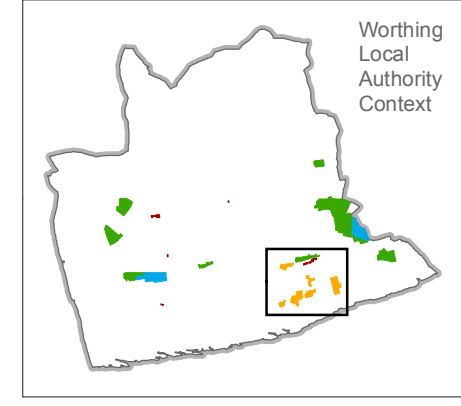
|          |                                 |
|----------|---------------------------------|
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| Title    | Employment Sites                |
| Client   | Worthing Borough Council        |
| Date     | 24.03.2016                      |
| Scale    | -                               |
| Drawn by | MAR                             |
| Drg. No  | GIS\14676\01-01                 |

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 GIS Reference: S:\CL\14676 - Worthing ELR\CL\14676 - Worthing ELR - Employment Sites (01) - 01.10.2015.mxd





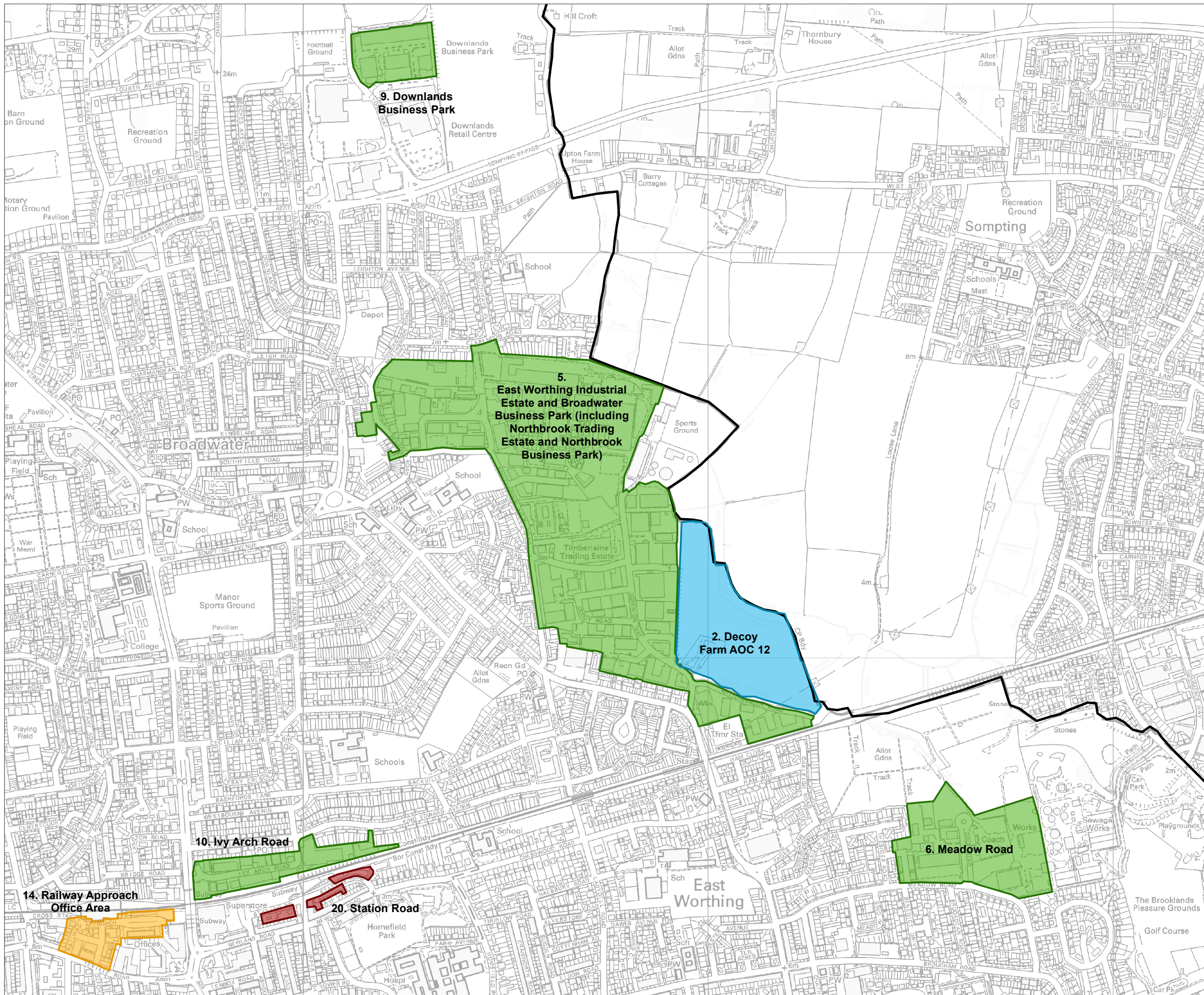
- Key**
- Employment Land Review Sites
  - Key Industrial Sites
  - Key Office Sites
  - Other Employment Sites



**nlp** Nathaniel Lichfield & Partners  
 Planning, Design, Economics.

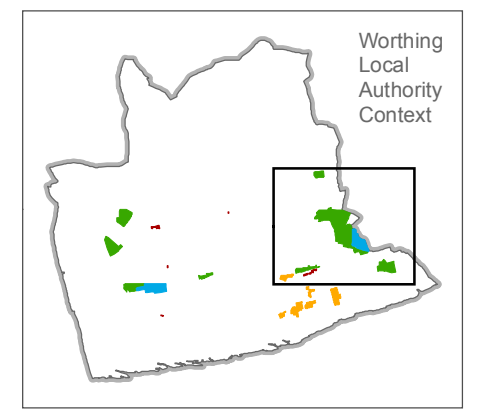
|          |                                 |
|----------|---------------------------------|
| Project  | Worthing Employment Land Review |
| Title    | Employment Sites                |
| Client   | Worthing Borough Council        |
| Date     | 24.03.2016                      |
| Scale    | -                               |
| Drawn by | MAR                             |
| Drg. No  | GIS\14676\01-02                 |

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 GIS Reference: S:\CL14676 - Worthing ELR\CL14676 - Worthing ELR - Employment Sites (02) - 01.10.2015.mxd



**Key**

- Employment Land Review Sites
- Key Industrial Sites
- Key Office Sites
- Other Employment Sites



**nlp** Nathaniel Lichfield & Partners  
 Planning, Design, Economics.

|          |                                 |
|----------|---------------------------------|
| Project  | Worthing Employment Land Review |
| Title    | Employment Sites                |
| Client   | Worthing Borough Council        |
| Date     | 24.03.2016                      |
| Scale    | -                               |
| Drawn by | MAR                             |
| Drg. No  | GIS\14676\01-03                 |

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 GIS Reference: S:\CL\14676 - Worthing ELR\CL\14676 - Worthing ELR - Employment Sites (03) - 01.10.2015.mxd

## Appendix 5 Site Assessment Criteria

The proposed criteria for assessing the quality and condition of the allocated employment sites within Worthing that reflects the particular circumstances of the Borough are set out below. These criteria primarily relate to the inherent value of a site rather than its current conditions, although such characteristics would also be noted.

Each site is given a score between 1 and 5 against each assessment criteria, with 1 representing a poor score and 5 a very good score. No individual weight is attached to different criteria. Scorings can reflect a combination of different factors applying to the same criteria, which means a balanced judgement need to be made on an appropriate overall score.

### Strategic Road Access

**5 = Very Good:** within 2km of a strategic road junction or access through good unconstrained roads.

**1 = Poor:** more than 5km from a strategic road junction or access, and/or through constrained roads, and/or through town centre or residential areas.

*NB: A strategic road is typically defined as a motorway or 'A class' trunk road.*

### Local Accessibility

**5 = Very Good:** via free moving good roads avoiding residential areas and difficult junctions; unconstrained vehicle access to the site with good visibility and lack of queuing; close to a range of town centre public transport routes.

**1 = Poor:** via difficult and narrow road access; through residential roads; difficult site access junction with congested local roads; low level and/or limited range and/or 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 that provide a local labour supply.

**1 = Poor:** remote and isolated site with no local services and/or residential areas nearby.

### Site Characteristics and Development Constraints

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

**1 = Poor:** sloping and/or uneven site under 0.5ha in size with an irregular and/or narrow shape; high flood risk (Zone 3); conservation and/or landscape constraints on scale of new development; adverse ground conditions or other abnormal development costs.

### Proximity to Incompatible Uses

**5 = Very Good:** within a large employment area with no incompatible land uses in the surrounding area.

**3/4 = Average:** B1 uses adjoining residential or other sensitive uses.

**1 = Poor:** B2 or B8 uses adjoining residential or other sensitive uses.

### Market Attractiveness

**5 = Very Good:** high profile and/or high quality appearance; managed site with good environment and quality of occupiers; under 10% vacancy; viewed as an attractive location by agents and occupiers; recent investment or development activity with strong demand and units rarely available.

**1 = Poor:** run-down and unattractive appearance and/or location; attracts low end occupiers; more than 25% vacancy; vacant units not marketed and remain vacant for lengthy period of time; no recent investment or development activity.

### Sequential Status

Only applies to existing office locations in the Borough. This assessment identifies whether a site is located in a town centre, edge-of-centre, or out-of-centre location in NPPF terms.

### Barriers to Delivery

This assessment identifies any factors that would constrain development of the site for future B class employment uses, such as a fully occupied site and need for enabling infrastructure.

### Planning Factors

This assessment identifies any planning designations or policy constraints that could affect development of the site for future B class employment uses.

## Appendix 6 Site Assessments

| Site Ref | Site Name   | Area (ha) | Floorspace (sq.m) | Site Status         | Assessment Criteria |              |                                |                                 |   |                       |                         | Future Potential   |   |  |                |
|----------|---|-----------|-------------------|---------------------|---------------------|--------------|--------------------------------|---------------------------------|---|-----------------------|-------------------------|--|---|--|----------------|
|          |   |           |                   |                     | Strategic Access    | Local Access | Proximity to Labour & Services | Compatibility of Adjoining Uses | Development & Environmental Constraints | Market Attractiveness | TOTAL SCORE (out of 30) | Planning Factors   | Key Barriers to Delivery  | Timescale for Delivery   | Potential Uses |
| 1        | Land Adjacent to Martlets Way AOC 8 & Inland Revenue Site   | 9.7       | 23,970            | Area of Change      | 3                   | 3            | 3                              | 3                               | 2                                       | 3                     | 17                      | Core Strategy Policy 2: Areas of Change (Land Adjacent to Martlets Way Area of Change 8).<br>Adjoins a Key Industrial Estate and Business Park (Goring Business Park).   | Bordered by a railway line.<br>Contamination issues related to the former sewage treatment works and gas holders at the site.<br>Land currently in multiple ownership.  | Short to medium term (vacant land with contamination and land assembly issues) | B1, B2, B8     |
| 2        | Decoy Farm AOC 12   | 8.5       | 0                 | Area of Change      | 3                   | 2            | 3                              | 5                               | 2                                       | 3                     | 18                      | Core Strategy Policy 2: Areas of Change (Decoy Farm Area of Change 12).<br>Adjoins a Key Industrial Estate and Business Park (East Worthing Industrial Estate).  | Bordered by the administrative boundary with the Borough of Adur.<br>Bordered by Teville Stream.<br>Part of the site falls within a Flood Zone 3 (Teville Stream).<br>Contamination issues related to the former landfill operations at the site. | Short to medium term (vacant land with contamination and flood risk issues)    | B2, B8         |
| 3        | Yeoman Way (including Yeoman Gate)  | 4.7       | 13,220            | Key Industrial Site | 4                   | 5            | 3                              | 4                               | 5                                       | 5                     | 26                      | Core Strategy Policy 4: Protecting Employment Opportunities (Key Industrial Estates and Business Parks).<br>Adjoins an Area of Change (Northbrook College, Durrington and Broadwater Sites Area of Change 11). | Part of the site falls within a Flood Zone 3 (Ferring Rife).  | Medium to long term  | B1a            |
| 4        | Goring Business Park  | 5.1       | 22,350            | Key Industrial Site | 3                   | 3            | 3                              | 2                               | 4                                       | 4                     | 19                      | Core Strategy Policy 4: Protecting Employment Opportunities (Key Industrial Estates and Business Parks).<br>Adjoins an Area of Change (Land Adjacent to Martlets Way Area of Change 8).                        | Bordered by a railway line.   | Medium term (opportunities related to the adjoining Area of Change)            | B1, B2, B8     |
| 5        | East Worthing Industrial Estate and Broadwater Business Park (including Northbrook Trading Estate and Northbrook Business Park) | 36.3      | 116,690           | Key Industrial Site | 3                   | 2            | 3                              | 3                               | 3                                       | 5                     | 19                      | Core Strategy Policy 4: Protecting Employment Opportunities (Key Industrial Estates and Business Parks).<br>Adjoins an Area of Change (Decoy Farm Area of Change 12).  | Bordered by the administrative boundary with the Borough of Adur.<br>Bordered by a railway line.<br>Bordered by Teville Stream.<br>Part of the site falls within a Flood Zone 3 (Teville Stream).   | Medium term (opportunities related to the adjoining Area of Change)            | B1, B2, B8     |
| 6        | Meadow Road   | 3.1       | 25,230            | Key                 | 2                   | 3            | 3                              | 3                               | 3                                       | 4                     | 18                      | Core Strategy Policy 4: Protecting   | Bordered by the Brooklands  | Medium to long term  | B1, B2, B8     |

| Site Ref | Site Name   | Area (ha) | Floorspace (sq.m) | Site Status         | Assessment Criteria |              |                                |                                 |   |                       |                         | Future Potential   |  |   |                |
|----------|---|-----------|-------------------|---------------------|---------------------|--------------|--------------------------------|---------------------------------|---|-----------------------|-------------------------|--|--|---|----------------|
|          |   |           |                   |                     | Strategic Access    | Local Access | Proximity to Labour & Services | Compatibility of Adjoining Uses | Development & Environmental Constraints | Market Attractiveness | TOTAL SCORE (out of 30) | Planning Factors   | Key Barriers to Delivery   | Timescale for Delivery  | Potential Uses |
|          |   |           |                   | Industrial Site     |                     |              |                                |                                 |   |                       |                         | Employment Opportunities (Key Industrial Estates and Business Parks).  | Recreational Area, the Chesswood Farm allotments, and the Worthing Wastewater Treatment Works. Bordered by Teville Stream. |   |                |
| 7        | Faraday Close (including Columbia House)          | 7.7       | 38,420            | Key Industrial Site | 4                   | 5            | 3                              | 4                               | 5                                       | 5                     | 26                      | Core Strategy Policy 4: Protecting Employment Opportunities (Key Industrial Estates and Business Parks). Adjoining a District and Neighbourhood Shopping Centre.   | Part of the site falls within a Flood Zone 3 (Ferring Rife).   | Medium to long term   | B1, B2, B8     |
| 8        | Canterbury Road (including Garcia Trading Estate) | 1.6       | 7,740             | Key Industrial Site | 3                   | 2            | 3                              | 2                               | 2                                       | 2                     | 14                      | Core Strategy Policy 4: Protecting Employment Opportunities (Key Industrial Estates and Business Parks).   | Bordered by the West Tarring allotments. Bordered by a railway line.   | Medium to long term   | B1, B2, B8     |
| 9        | Downlands Business Park                           | 2.6       | 18,880            | Key Industrial Site | 5                   | 3            | 2                              | 4                               | 3                                       | 4                     | 21                      | Core Strategy Policy 4: Protecting Employment Opportunities (Key Industrial Estates and Business Parks).   | Bordered by the South Downs National Park.   | Medium to long term   | B1, B2, B8     |
| 10       | Ivy Arch Road                                     | 3.1       | 11,090            | Key Industrial Site | 3                   | 3            | 4                              | 2                               | 3                                       | 3                     | 18                      | Core Strategy Policy 4: Protecting Employment Opportunities (Key Industrial Estates and Business Parks). Adjoins an Area of Change (Newland Street Superstore Site Area of Change 6).  | Bordered by a railway line.  | Medium to long term   | B1, B2, B8     |
| 11       | Station Road                                      | 0.6       | 1,300             | Other Employ. Site  | 3                   | 1            | 4                              | 2                               | 1                                       | 2                     | 13                      | Adjoins an Area of Change (Newland Street Superstore Site Area of Change 6).   | Fully developed site within a high density residential neighbourhood.  | Long term   | B1             |
| 12       | Chatsworth Road Office Area                       | 2.1       | 8,960             | Key Office Sites    | 3                   | 3            | 5                              | 5                               | 3                                       | 4                     | 23                      | Core Strategy Policy 4: Protecting Employment Opportunities (Key Office Locations). Saved Local Plan Policies S8: Zone B of Primary Area of Central Shopping Area. Adjoins Central Shopping Area (Secondary Zone), Conservation Areas, and an Area of Change (Union Place South Area of Change 4). | No major barriers to development identified for the site.  | Medium term (opportunities related to the adjoining Area of Change) | B1a            |

| Site Ref | Site Name   | Area (ha) | Floorspace (sq.m) | Site Status      | Assessment Criteria |              |                                |                                 |   |                       |                         | Future Potential   |   |  |                |
|----------|---|-----------|-------------------|------------------|---------------------|--------------|--------------------------------|---------------------------------|---|-----------------------|-------------------------|--|---|--|----------------|
|          |   |           |                   |                  | Strategic Access    | Local Access | Proximity to Labour & Services | Compatibility of Adjoining Uses | Development & Environmental Constraints | Market Attractiveness | TOTAL SCORE (out of 30) | Planning Factors   | Key Barriers to Delivery                                  | Timescale for Delivery   | Potential Uses |
| 13       | Crescent Road (Northern End) Office Area          | 0.9       | 2,980             | Key Office Sites | 2                   | 3            | 4                              | 3                               | 3                                       | 3                     | 18                      | Core Strategy Policy 4: Protecting Employment Opportunities (Key Office Locations).<br>Adjoins Central Shopping Area (Secondary Zone) and Conservation Areas.  | No major barriers to development identified for the site. | Medium term (opportunities related to the surrounding Areas of Change) | B1a            |
| 14       | Liverpool Terrace / Liverpool Gardens Office Area | 4.3       | 13,130            | Key Office Sites | 3                   | 3            | 5                              | 5                               | 3                                       | 5                     | 24                      | Core Strategy Policy 4: Protecting Employment Opportunities (Key Office Locations).<br>Saved Local Plan Policies S10: Secondary Area of Central Shopping Area.<br>Located within a Conservation Area.<br>Adjoins a Central Shopping Area (Primary Zone A). | No major barriers to development identified for the site. | Medium term (opportunities related to the surrounding Areas of Change) | B1a            |
| 15       | Railway Approach Office Area                      | 2.2       | 5,160             | Key Office Sites | 3                   | 5            | 4                              | 5                               | 3                                       | 3                     | 23                      | Core Strategy Policy 4: Protecting Employment Opportunities (Key Office Locations).<br>Adjoins a District and Neighbourhood Shopping Centre Area, a railway station, and an Area of Change (Teville Gate Area of Change 5).                                | Bordered by a railway line.                               | Medium term (opportunities related to the adjoining Area of Change)    | B1a            |
| 16       | Farncombe Road Office Area                        | 4.8       | 4,150             | Key Office Sites | 3                   | 3            | 4                              | 3                               | 3                                       | 4                     | 20                      | Core Strategy Policy 4: Protecting Employment Opportunities (Key Office Locations).<br>Located within a Conservation Area.<br>Adjoins an Area of Change (Aquarena Area of Change 1).   | No major barriers to development identified for the site. | Medium term (opportunities related to the adjoining Area of Change)    | B1a            |
| 17       | North Street / High Street Office Area            | 1.4       | 2,310             | Key Office Sites | 3                   | 4            | 5                              | 5                               | 3                                       | 4                     | 24                      | Core Strategy Policy 4: Protecting Employment Opportunities (Key Office Locations).<br>Located within a Conservation Area.<br>Adjoins an Area of Change (Union Place South Area of Change 4).  | No major barriers to development identified for the site. | Medium term (opportunities related to the adjoining Area of Change)    | B1a            |
| 18       | Bond  | 0.1       | Unknown           | Other            | 2                   | 3            | 3                              | 3                               | 2                                       | 2                     | 15                      | Located within an Environmental Area of  | Grade II listed heritage building and                     | Long term  | B1a            |



| Site Ref | Site Name  | Area (ha) | Floorspace (sq.m) | Site Status        | Assessment Criteria |              |                                |                                 |   |                       |                         | Future Potential  |   |                        |                |
|----------|--|-----------|-------------------|--------------------|---------------------|--------------|--------------------------------|---------------------------------|---|-----------------------|-------------------------|---|---|------------------------|----------------|
|          |  |           |                   |                    | Strategic Access    | Local Access | Proximity to Labour & Services | Compatibility of Adjoining Uses | Development & Environmental Constraints | Market Attractiveness | TOTAL SCORE (out of 30) | Planning Factors  | Key Barriers to Delivery  | Timescale for Delivery | Potential Uses |
|          | International, Courtlands, Parklands Avenue      |           |                   | Employ. Site       |                     |              |                                |                                 |   |                       |                         | Special Character.  | gardens accommodated at the site.                                       |                        |                |
| 19       | Westmoreland House, Strand Parade, Goring-by-Sea | 0.1       | 2,740             | Other Employ. Site | 3                   | 4            | 3                              | 3                               | 2                                       | 2                     | 17                      | Adjoins a District and Neighbourhood Shopping Centre Area.        | Fully developed site supporting a single, multi-storey office building. | Long term              | B1a            |
| 20       | Centenary House, Durrington Lane                 | 0.6       | Unknown           | Other Employ. Site | 4                   | 5            | 3                              | 3                               | 3                                       | 3                     | 21                      | No relevant planning factors identified for the site.             | No major barriers to development identified for the site.               | Medium to long term    | B1a            |
| 21       | Becket House, Littlehampton Road                 | 0.1       | 640               | Other Employ. Site | 4                   | 3            | 3                              | 4                               | 2                                       | 2                     | 18                      | Located within a District and Neighbourhood Shopping Centre Area. | Fully developed site within a parade of local shops and services.       | Long term              | B1a            |



## Appendix 7 Definition of B Class Sectors

The method for apportioning employment forecasts by sector into B class uses is summarised below, which has drawn upon 2013 BRES data.

| Sector                               | Share of Workforce Jobs by Use Class |               |                |
|--------------------------------------|--------------------------------------|---------------|----------------|
|                                      | B1 Offices                           | B2 Industrial | B8 Warehousing |
| Agriculture, Forestry & Fishing      | Non B Class                          |               |                |
| Extraction & Mining                  | Non B Class                          |               |                |
| Food, Drink & Tobacco                | 0%                                   | 100%          | 0%             |
| Textiles & Clothing                  | 0%                                   | 100%          | 0%             |
| Wood & Paper                         | 0%                                   | 100%          | 0%             |
| Printing & Recorded Media            | 0%                                   | 100%          | 0%             |
| Fuel Refining                        | 0%                                   | 100%          | 0%             |
| Chemicals                            | 0%                                   | 100%          | 0%             |
| Pharmaceuticals                      | 0%                                   | 100%          | 0%             |
| Non-Metallic Products                | 0%                                   | 100%          | 0%             |
| Metal Products                       | 0%                                   | 100%          | 0%             |
| Computer & Electronic Products       | 0%                                   | 100%          | 0%             |
| Machinery & Equipment                | 0%                                   | 100%          | 0%             |
| Transport Equipment                  | 0%                                   | 100%          | 0%             |
| Other Manufacturing                  | 0%                                   | 100%          | 0%             |
| Utilities                            | 0%                                   | 38%           | 0%             |
| Construction of Buildings            | Non B Class                          |               |                |
| Civil Engineering                    | Non B Class                          |               |                |
| Specialised Construction Activities  | 0%                                   | 53%           | 0%             |
| Wholesale                            | 0%                                   | 33%           | 67%            |
| Retail                               | Non B Class                          |               |                |
| Land Transport, Storage & Post       | 0%                                   | 0%            | 68%            |
| Air & Water Transport                | Non B Class                          |               |                |
| Accommodation & Food Services        | Non B Class                          |               |                |
| Recreation                           | Non B Class                          |               |                |
| Media Activities                     | 100%                                 | 0%            | 0%             |
| Telecoms                             | 100%                                 | 0%            | 0%             |
| Computing & Information Services     | 100%                                 | 0%            | 0%             |
| Finance                              | 100%                                 | 0%            | 0%             |
| Insurance & Pensions                 | 100%                                 | 0%            | 0%             |
| Real Estate                          | 100%                                 | 0%            | 0%             |
| Professional Services                | 100%                                 | 0%            | 0%             |
| Administrative & Supportive Services | 6%                                   | 0%            | 0%             |
| Other Private Services               | Non B Class                          |               |                |
| Public Administration & Defence      | 10%                                  | 0%            | 0%             |
| Education                            | Non B Class                          |               |                |
| Health                               | Non B Class                          |               |                |
| Residential Care & Social Work       | Non B Class                          |               |                |



## Appendix 8 Baseline Employment Forecasts

Workforce job growth by industry associated with the baseline labour demand scenario is summarised below, which uses economic projections produced by the Experian Regional Planning Service (June 2015).

| Sector                               | Workforce Jobs in Worthing |               |                      |
|--------------------------------------|----------------------------|---------------|----------------------|
|                                      | 2013                       | 2033          | Change (2013 - 2033) |
| Accommodation & Food Services        | 2,470                      | 3,370         | 900                  |
| Administrative & Supportive Services | 2,640                      | 2,050         | - 590                |
| Agriculture, Forestry & Fishing      | 70                         | 140           | 70                   |
| Air & Water Transport                | 0                          | 0             | 0                    |
| Chemicals                            | 40                         | 40            | 0                    |
| Civil Engineering                    | 60                         | 60            | 0                    |
| Computer & Electronic Products       | 690                        | 450           | - 240                |
| Computing & Information Services     | 1,110                      | 1,680         | 570                  |
| Construction of Buildings            | 420                        | 540           | 120                  |
| Education                            | 3,890                      | 4,510         | 620                  |
| Extraction & Mining                  | 10                         | 0             | - 10                 |
| Finance                              | 2,340                      | 990           | -1 ,350              |
| Food, Drink & Tobacco                | 50                         | 50            | 0                    |
| Fuel Refining                        | 50                         | 60            | 10                   |
| Health                               | 8,270                      | 11,960        | 3,690                |
| Insurance & Pensions                 | 170                        | 50            | - 120                |
| Land Transport, Storage & Post       | 1,240                      | 1,940         | 700                  |
| Machinery & Equipment                | 100                        | 60            | - 40                 |
| Media Activities                     | 490                        | 850           | 360                  |
| Metal Products                       | 290                        | 310           | 20                   |
| Non-Metallic Products                | 110                        | 110           | 0                    |
| Other Manufacturing                  | 200                        | 200           | 0                    |
| Other Private Services               | 1,230                      | 1,540         | 310                  |
| Pharmaceuticals                      | 1,070                      | 1,810         | 740                  |
| Printing & Recorded Media            | 170                        | 150           | - 20                 |
| Professional Services                | 4,240                      | 5,960         | 1,720                |
| Public Administration & Defence      | 3,950                      | 3,320         | - 630                |
| Real Estate                          | 840                        | 1,340         | 500                  |
| Recreation                           | 880                        | 1,100         | 220                  |
| Residential Care & Social Work       | 5,380                      | 8,560         | 3,180                |
| Retail                               | 5,990                      | 6,560         | 570                  |
| Specialised Construction Activities  | 1,390                      | 1,750         | 360                  |
| Telecoms                             | 220                        | 330           | 110                  |
| Textiles & Clothing                  | 240                        | 110           | - 130                |
| Transport Equipment                  | 0                          | 0             | 0                    |
| Utilities                            | 740                        | 370           | - 370                |
| Wholesale                            | 1,950                      | 2,350         | 400                  |
| Wood & Paper                         | 20                         | 10            | - 10                 |
| <b>Total (rounded)</b>               | <b>53,000</b>              | <b>64,000</b> | <b>11,000</b>        |







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