

**REIGATE AND BANSTEAD DEVELOPMENT MANAGEMENT PLAN EXAMINATION**  
**Crawley Borough Council Examination Statement: October 2018**

**MATTER 10: POLICY HOR9 – HORLEY STRATEGIC BUSINESS PARK**  
**ISSUE: Whether the proposed allocation is justified, effective and consistent with national policy in the NPPF.**

***Question 1: What is the evidence of need for a Strategic Business Park? Is it robust and justified?***

Crawley/Gatwick is the leading economic driver in the Gatwick Diamond, identified by Coast to Capital Local Enterprise Partnership as forming the economic heart of the Coast to Capital area<sup>1</sup>, and recognised by the Gatwick Diamond Initiative as a main focus for future economic development<sup>2</sup>. Policy EC1 of the Crawley Borough Local Plan (CBLP) seeks to protect and enhance Crawley's role as the key economic driver for the Gatwick Diamond<sup>3</sup>. There is a strong demand from businesses wishing to locate in Crawley, though the scope to accommodate identified business needs is severely limited by the constrained land supply position in Crawley borough, which is significantly affected by the ongoing requirement to safeguard land in the north of the borough for a possible second runway at Gatwick Airport<sup>4</sup>.

The Crawley Borough Local Plan (CBLP) plans positively for sustainable economic growth within the context of the borough's constrained land supply, protecting and intensifying the use of existing main employment areas, and supporting minor extensions to Manor Royal, the principal business location in Crawley, to facilitate business-led economic growth. Despite this, the constrained land supply means there is an unmet need for business land in Crawley of 35 hectares over the Plan period.

As established by CBLP Policy EC1 and its supporting text, the preference for CBC is to explore options to accommodate Crawley's needs within the CBC borough boundary in the north of the borough, and an Area of Search is identified on the CBLP Key Diagram. However, this land is largely constrained by safeguarding for the possible development of a second runway at Gatwick Airport. Until such time as the continuing requirement for safeguarding of land around Gatwick is confirmed, or otherwise, by central government and there is an opportunity to re-appraise land supply in Crawley Borough on this basis, it is possible that some business needs will not be capable of being met in Crawley once existing available land supply is developed out. The EGA (2014) finds that in this situation, some business needs could be displaced, potentially outside the sub-region entirely.

In the event that identified business land needs cannot be accommodated in Crawley, the CBLP confirms the commitment of CBC to working with neighbouring authorities to address its unmet need in the most appropriate manner and locations. The CBLP establishes a hierarchy (CBLP paragraph 5.14), which is complementary to the approach promoted by the Coast to Capital Local Enterprise Partnership in its Strategic Economic Plan. This finds that if business-led strategic employment growth cannot be accommodated within Crawley, the second preference is to direct delivery to land at Crawley/Gatwick, in areas immediately adjoining the borough.

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1 Gatwick 360° The Coast to Capital Strategic Economic Plan 2018-2030, page 15  
<http://www.coast2capital.org.uk/strategy/>

2 Gatwick Diamond Local Strategic Statement (2012) paragraph 4.5  
<http://www.crawley.gov.uk/pw/web/pub171047>

3 Crawley Borough Local Plan 2015-2030 <http://www.crawley.gov.uk/pw/web/PUB271853>

4 Crawley Borough Local Plan 2015-2030, Policy GAT2 pages 123-124 (link as above)

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Crawley Borough Council is of the view that a new business park at Horley will help facilitate the retention and expansion of existing businesses, whilst also enabling inward investment to be secured within the Gatwick Diamond. It is accepted that the proposed location of the Policy HOR9 site close to Crawley will create employment opportunities for residents in Crawley and the wider Gatwick Diamond. Therefore, it is considered that the proposed Strategic Business Park at Horley has significant scope to help to accommodate unmet business needs of Crawley, whilst securing inward investment to the Gatwick Diamond.

### **Question 3: What benefits would the development bring?**

As identified by CBLP Policy EC1, Crawley has an unmet business land supply need of 35 hectares over the Plan period to 2030. The preference for CBC is to explore options to accommodate Crawley's needs within the CBC borough boundary, though with this land largely constrained by safeguarding for the possible development of a second runway at Gatwick Airport, the required business land provision cannot be delivered in Crawley borough at this time.

As discussed in the Northern West Sussex Economic Growth Assessment (2014), there remains risk that if businesses are unable to expand close to Gatwick Airport, they may opt to leave the Gatwick Diamond entirely<sup>5</sup>:

In relation to Crawley's unmet business need, Paragraph 9.57 of the NWS ELT explains:

*'Until such time as the continuing requirement for safeguarding of land around Gatwick is either confirmed or not, and there is an opportunity to reappraise the Borough's land supply on this basis, it is possible that some business needs will not be capable of being met in Crawley once existing available land supply is developed out. In this situation, some business needs could be displaced to Horsham and Mid Sussex or, indeed, outside the sub-region entirely'*<sup>6</sup>.

A new business park at the HOR9 site has significant potential to facilitate the retention and expansion of existing businesses within the Gatwick Diamond, for example, firms with insufficient space to expand at Manor Royal, whilst also enabling inward investment to be secured for the sub-region. Equally, it is accepted that the location of the HOR9 site close to Crawley will create employment opportunities for residents in Crawley and the wider Gatwick Diamond. Therefore, it is considered that the proposed Strategic Business Park at Horley has significant scope to help to accommodate unmet business needs of Crawley, whilst securing inward investment to the Gatwick Diamond.

### **Question 6: The DMP states the site comprises an area of 83 hectares. However, the Viability Report (SD42) is based on an area of 31 hectares. Is the Policy sufficiently clear with regard the overall extent of the site, the area proposed to be developed and areas to remain undeveloped? Should the policy provide further guidance on the minimum/maximum area for different use classes to reflect the assumptions made in the evidence base?**

The Proposed Modification Policy HOR9 identifies a 31ha hectare site at Land West of Balcombe Road, Horley, as a possible strategic employment location, capable of providing 200,000 sqm business floorspace and 10,500 sqm floorspace for supporting facilities. The supporting *HOR9 Strategic Employment Site: Economic Assessment Task 1 Report (SD23a)* sets out that 75% of

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5 Northern West Sussex Economic Growth Assessment (NLP, 2014) Paragraph 9.59  
<http://www.crawley.gov.uk/pw/web/NLPEMPLOYMENTGROWTHASSESSMENT2>

6 Northern West Sussex Economic Growth Assessment (NLP, 2014) Paragraph 9.59 (link as above)

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Crawley's unmet need (106,757sqm<sup>7</sup>) could be accommodated at the Policy HOR9 site. This 75% figure would represent 41,513sqm B1a/b, and 61,244sqm B1c/B2/B8. Crawley's unmet need is significant in both use classes B1a/b (total need of 60,684sqm) and B1c/B2/B8 (total need of 81,659sqm). As identified by the Northern West Sussex Economic Growth Assessment Update (2015), 64% of Crawley's total business land need is for industrial land and 36% is for office land.

It is noted that Proposed Modification MIN332 (RBBC-DMP-003) amends the policy wording to a '*Strategic Business Park of predominantly offices*'. This removes the previous reference in the Submission Development Management Policies to '*a mix of business space for strategic employment purposes and suitable for a range of occupiers within Class B1 uses*'.

RBBC has, through joint working, always been clear that the HOR9 allocation is intended to be office-led, but CBC is concerned that MIN332, in removing reference to 'a mix of business space', appears to limit the flexibility of the business park to '*better respond to market needs over time*', as recommended at Paragraph 4.89 of the Task 2 Report (SD23b<sup>8</sup>), and Recommendation R1 (SD23b p66) to allow flexibility and some level of adaptability for future applications to shape the more precise quantum of floorspace and detailed use mix.

As identified by CBLP Policy EC1, any strategic employment location should meet identified quantitative and qualitative needs for business development and should complement the established role of Manor Royal as a strong and competitive business district. Lichfield has recently prepared the Manor Royal Economic Impact Study<sup>9</sup> on behalf of CBC and the Manor Royal BID. The study recognises the constrained land supply position at Manor Royal and sets out recommendations to help ensure that Manor Royal is best-placed to retain its economic competitiveness. With specific reference to the HOR9 site, the study outlines: '*Over the longer term however, its proximity to Manor Royal means that it could legitimately compete with Manor Royal for occupiers and investment, depending upon the consented uses and the relative availability of development land and opportunities at Manor Royal*'.

A business park predominantly focused on office use would be far less able to contribute to accommodating Crawley's significant unmet industrial need. This would be a concern as several existing industrial operations in Manor Royal have outgrown their current premises and Crawley's current lack of available land supply has meant that these businesses are not currently able to upscale within the Crawley/Gatwick area. It is felt that Policy HOR9 as originally worded in the Submission Development Management Plan (CD1) would provide flexibility to enable expansion of these businesses through the provision of industrial floorspace to meet Crawley's unmet need. Potentially, the more restrictive wording of Proposed Modifications (MM332) would make this more difficult to achieve at the HOR9 site, meaning that risk will remain that these industrial businesses could be lost from the Gatwick Diamond entirely.

The HOR9 allocation, as worded in the Proposed Modifications document, appears to be providing for much of the 106,757sqm floorspace to meet Crawley's unmet need in the form of B1a floorspace. This figure would significantly exceed Crawley's unmet need for this particular type of floorspace. Therefore, CBC is concerned that the Proposed Modification wording, as amended to focus predominantly office provision as opposed to the previous '*mix of business*

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7 SD23a HOR9 Strategic Employment Site: Economic Assessment – Task 1 (Chilmark, 2017) Table 3.16, page 44

8 SD23b HOR9 Strategic Employment Site: Economic Assessment – Task 2 (Chilmark, 2017)

9 Manor Royal Economic Impact Study, para 5.42 (Lichfield, 2017)

<http://www.crawley.gov.uk/pw/web/PUB336166>

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*space for strategic employment purposes and suitable for a range of occupiers within Class B1 uses'* could undermine delivery of B1a floorspace in Crawley.

Overall, the CBC position remains one of cautious support for the principle of a Strategic Business Park at the HOR9 site. A Strategic Employment Location of this scale is much needed, and cannot currently be accommodated within Crawley's administrative area. The Horley Strategic Business Park therefore offers significant scope to accommodate a significant amount of Crawley's unmet business land need. However, the concern of CBC is that the Proposed Modification, by removing reference to '*a mix of business space for strategic employment purposes and suitable for a range of occupiers within Class B1 uses'*' could remove flexibility, meaning that HOR9 is less able to accommodate the industrial uses that make up a significant proportion of Crawley's unmet need.