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& Partners

Planning. Design. Economics.



Advice on scope for a strategic employment site within Reigate & Banstead

Reigate & Banstead Borough Council

Final Report

December 2014

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Structure

1 Background and methodology

2 Baseline review

3 Review of demand drivers

4 Location factors and site parameters

5 Conclusions and implications

Appendix 1

1. Background and methodology

Nathaniel Lichfield & Partners (NLP) was appointed by Reigate & Banstead Borough Council to assess the potential scope for a strategic employment site in the Borough.

Introduction

Reigate & Banstead Borough Council ('the Council') commissioned Nathaniel Lichfield & Partners ('NLP') to prepare an assessment of the potential scope for a strategic employment site within the Borough.

Key requirements of the brief include:

1. to assess the scope and rationale for strategic employment growth within Reigate & Banstead;
2. establish the scale of demand which might exist for a strategic employment site;
3. identify the types of sectors and businesses likely to comprise the demand for such a site; and
4. assuming that scope and rationale is established, verify the optimum location for such a site from a commercial and business perspective.

The purpose of the assessment is to inform future work on the Council's Development Management Policies DPD and potentially a partial review of economic/employment policies or the production of an area action plan or supplementary planning guidance.

Although the study is specifically concerned with Reigate & Banstead, the analysis is also framed by the wider strategy objectives of the Coast to Capital Local Enterprise Partnership (LEP) and Gatwick Diamond Initiative (a subsidiary body) responsible for promoting sub-regional economic growth.

Policy Background

The Council's Local Plan: Core Strategy was adopted in July 2014. The employment strategy in this document aims to meet local employment needs by recycling redundant industrial land for other commercial employment needs, with office and retail expansion accommodated in existing town centres.

However, the Core Strategy recognises that over the course of the Plan period, unanticipated strategic proposals may come forward:

'This may include identification of strategic employment development through joint working with the Gatwick Diamond authorities and/or adjoining authorities. The Council will seek to manage any such proposals and may consider a partial review of economic/employment policies or the production of an Area Action Plan or supplementary planning document.'

The Council seeks to explore whether and what role the Borough could play in meeting aspirations for greater employment growth across the Gatwick Diamond.

The Gatwick Diamond Initiative supports the concept and promotion of strategic employment locations in the Gatwick Diamond, including a potential location in the Gatwick/Horley area. As part of this work, the Council also wishes to understand what potential might exist for such provision.

It is on this basis that this study has been commissioned.

1. Background and methodology: area of search

The brief defines an area of search located in the south of the Borough close to the urban area of Horley and in proximity to Gatwick Airport and road/rail connections.

The south of the Borough (defined as 'Area 3' in the Core Strategy) has been identified as the area likely to have the most potential for additional employment growth for the following reasons:

1. proximity to London Gatwick Airport.
2. good accessibility in terms of motorway, primary road and main railway connections.
3. contains land beyond the Green Belt and outside of Areas of Outstanding Natural Beauty.

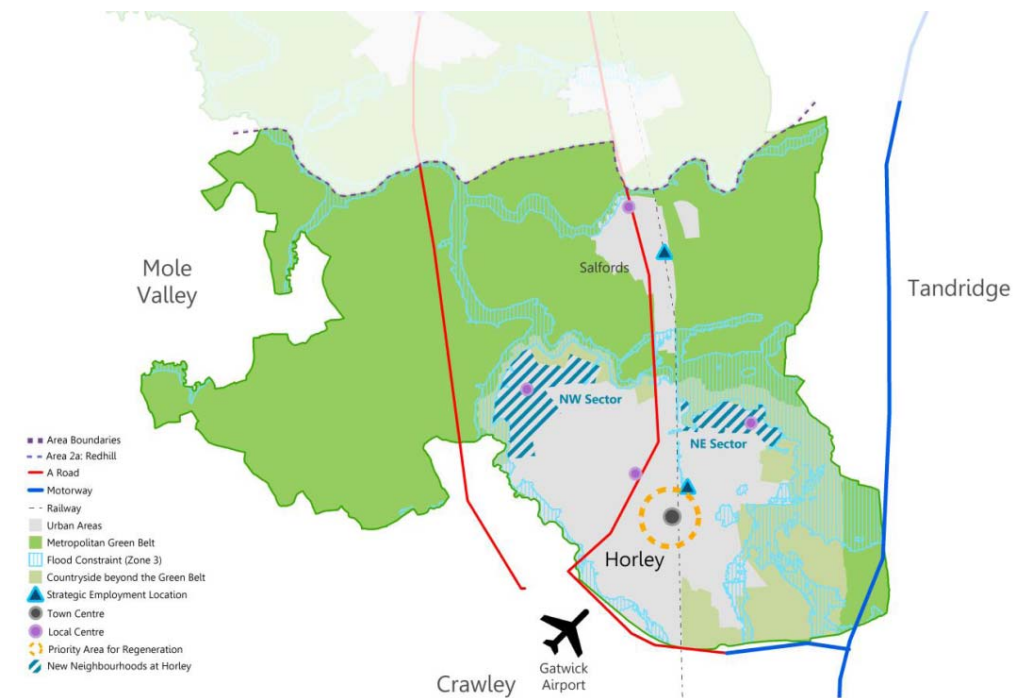
Horley is the dominant town in the area, located in the south, immediately adjacent to Gatwick Airport. The town is surrounded by countryside and is the main focus for moderate growth and improvements to the town centre as a result of the increase in population due to two planned new neighbourhoods. There are excellent communication links across the area along the M23/A23 (about 12km from the M25) and A217 corridors.

Horley has a station on the London-Brighton mainline with services to London Bridge and London Victoria taking between 30 and 60 minutes. Gatwick Airport station is also nearby with Express services to London Victoria. Rail services will be significantly improved in this area through the Thameslink upgrade programme scheduled for completion by 2018.

This area is the main location for industrial uses in the Borough with links to Gatwick Airport. There are two main employment locations within Area 3: the Salfords industrial area, which provides a range of mostly larger light industrial and warehousing space, and sites within the Horley urban area, which provide smaller units accommodating a range of uses.

Should the potential for a strategic employment site be identified, the characteristics and attributes of this location will be assessed against a range of critical success factors and against other potential strategic proposals to verify whether it does represent the optimum location for such a site.

Key Diagram for Area 3 (The Low Weald)

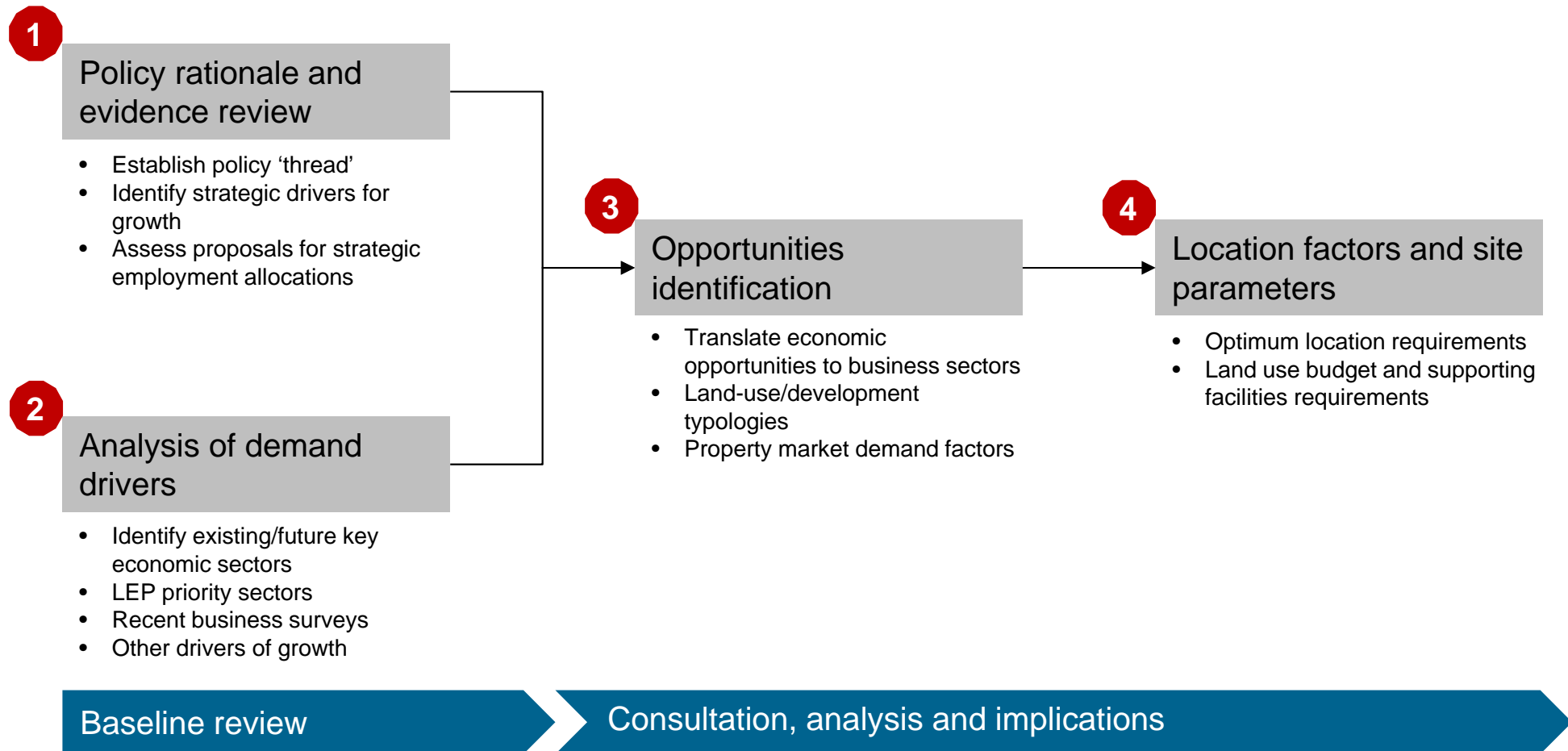


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Source: Reigate & Banstead Core Strategy 2014

1. Background and methodology

The study follows a four-stage approach to define the rationale, demand and supply side factors, and potential location requirements of a strategic site in the Borough.



Source: NLP

1. Background and methodology

The study draws upon a range of economic and property market data, and consultation with stakeholders.

Basis of Assessment

The assessment draws on a review of existing policy and related evidence base reports, a range of economic and property market data including:

- Office for National Statistics
- Valuation Office Agency
- Experian proprietary datasets
- Recent Gatwick Diamond business surveys

In addition, consultation has been undertaken with a range of organisations as follows:

- Coast to Capital LEP
- Gatwick Diamond Initiative
- Surrey Connects
- Gatwick Airport Limited
- Stiles Harold Williams (Crawley)
- Maxwell Brown (Reigate)
- Michael Rogers (Reigate)
- Savills (London)

Limitations

The purpose of this study is to provide a long-term strategic perspective on policy, economic growth and market demand factors that could support the basis for the identification of a strategic employment site in Reigate & Banstead, taking account of the wider potential of the Gatwick Diamond. The study is not intended to comprise a full or updated Employment Land Review.

The terms of reference for this study do not require specific consideration of the potential impacts arising from any additional runway capacity at Gatwick Airport but assumes that the Airport develops to its maximum capacity of 45 million passengers per annum within its existing runway capacity. Any future policy decisions regarding expansion of Gatwick Airport may necessitate updates to the analysis and conclusions contained in this study.

An important consideration for any work of this type is that it is inevitably a point-in-time assessment. The study has incorporated the latest data and other evidence available at the time of preparation. The accuracy of data derived from third party sources has not been checked or verified by NLP.

There are inherent limitations to the use of economic forecast data which is largely trend based and less able to take account of specific local factors or policies that might influence future growth. They are also constrained to local authority boundaries and are therefore unable to fully reflect sub Borough trends.

It should be noted that the findings of this assessment do not represent the formal position or policy of Reigate & Banstead Borough Council and are subject to due statutory process, including relevant planning and other factors. All references to site locations and development parameters are indicative.

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Appendix 1

2. Baseline review: introduction

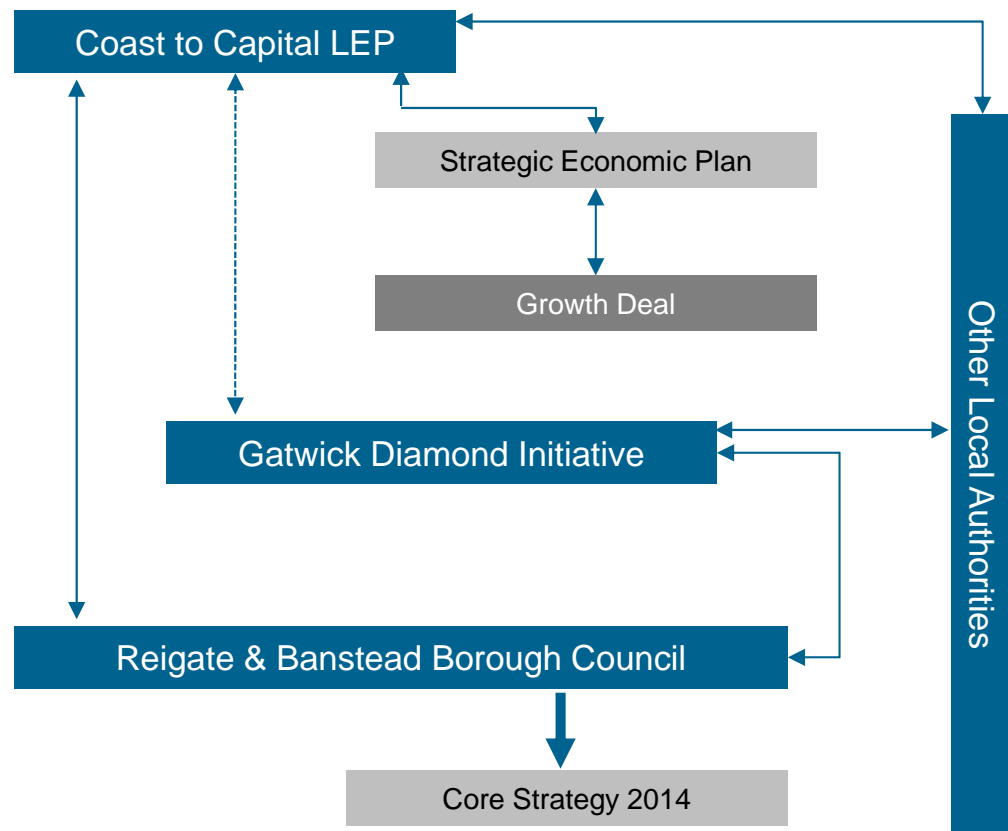
This section reviews the key planning and economic policy drivers that are expected to influence, support and stimulate strategic employment growth within the Gatwick Diamond and Reigate & Banstead.

Economic planning in Reigate & Banstead is influenced by strategies and plans at a number of levels, including the Coast-to-Capital Local Enterprise Partnership (LEP) and the Gatwick Diamond Initiative. These sit alongside Local Plan policies recently adopted by the Council through the Core Strategy. These relationships are summarised in the diagram to the right.

Importantly, some of these strategies are linked to specific funding processes and allocations (e.g. Growth Deal) that will support future development and infrastructure delivery that may be relevant to bringing forward a strategic employment site in this location.

This section reviews a range of background policy documents and evidence base studies to consider the existing stated policy rationale for potentially meeting strategic employment growth needs within Reigate & Banstead.

Strategic and Policy Inter-Relationships within the Gatwick Diamond



Source: NLP analysis

2. Baseline review: policy rationale

Supporting strategic economic development and a variety of business needs is a key principle in Local Enterprise Partnership and Gatwick Diamond strategies.

Coast to Capital Local Enterprise Partnership

The Coast to Capital Local Enterprise Partnership (LEP) submitted their Strategic Economic Plan (SEP) to the Government in 2014 to secure the investment needed to promote continued economic growth in the area.

A limited number of locations were identified within the SEP for strategic economic growth, including the 'Heart of the Gatwick Diamond' which was seen as having capacity for 5,000 new jobs, 3,300 new homes and 78,500m² of additional employment space. For the purposes of the SEP, the Heart of the Gatwick Diamond was defined as Manor Royal, Crawley and a major new development to the north of Horsham.

The SEP identifies Manor Royal as a key business location in the Coast to Capital LEP, although also outlines threats to the business function of the area from other non-employment pressures. The SEP also highlights the strategic employment opportunities at Burgess Hill, noting that their proposals are at a highly advanced stage and have the chance to impact positively on the wider sub-region. It also identifies the East Surrey M25 Strategic Corridor as a key location for significant national and international HQ firms.

Over a six year period, the SEP aims to address the following priorities through public (£26m), private (£284m) and Growth Deal (£84m) funds:

1. improve transport infrastructure to allow new development;
2. improve surface and rail access to Gatwick Airport;
3. protect prime employment locations and business premises; and
4. promote town centre renewal.

Gatwick Diamond Initiative

The Gatwick Diamond Initiative is a business-led partnership that aims to promote the region as a world-class business location, by attracting new inward investment and encouraging job growth within high value sectors.

A Local Strategic Statement (LSS) was jointly prepared for the Gatwick Diamond in 2011 by a group of local authorities, which supports strategic planning and development within the area.

The LSS sets out several considerations that relate to economic growth, including a shift in focus to higher skilled sectors and entrepreneurship, addressing perceived weaknesses in the economy (e.g. low skill base, shortage of quality premises and transport infrastructure) and promoting Crawley and Gatwick as a focus for future economic development.

During the preparation of the Coast to Capital SEP, the Gatwick Diamond Initiative submitted a number of key priorities for strategic development in the area, including the following:

1. support Gatwick Airport so that it can realise it's full potential;
2. redevelop and grow the existing network of employment areas;
3. regenerate a number of the key town centres;
4. promote strategic employment locations that create new jobs;
5. encourage skills development and training programs; and
6. provide the critical infrastructure required to support business needs (e.g. funding, incubator premises and transport).

2. Baseline review: evidence review

Although strategic economic development has been an ongoing consideration within sub-regional strategies, only limited evidence exists in recent background documents.

Evidence Supporting Strategic Economic Development

The rationale for promoting strategic employment developments within the Coast to Capital LEP and Gatwick Diamond has been evident within growth plans and evidence documents at the sub-regional level for nearly a decade.

In 2006, the **South East Regional Economic Strategy 2006 - 2016** proposed higher levels of economic growth within the region should be achieved by focusing 'smart growth' in a number of established economic centres (e.g. Redhill and Reigate), supporting wider concentrations of growth in key sub-regional business locations (e.g. the Gatwick Diamond), and promoting 'transformational actions' that act as strategically important developments for the region (e.g. science and innovation campuses, skills development programs and supporting higher growth sectors). In particular, strategic developments were considered to be essential for achieving the strategic objectives of the region, and in delivering a range of wider economic impacts to the regional economy.

The more recent **Gatwick Diamond Futures Plan (2008)** took into account the existing economic conditions and trends within the sub-regional economy, while also benchmarking the performance of the business location with a number of other successful international business areas, to set out a strategic plan for promoting the Gatwick Diamond as a world-class business destination.

From this evidence, the Futures Plan considered development within the Gatwick Diamond should be mainly achieved through a 'smart growth' approach (i.e. re-use and intensification of established employment sites). However in order to support a more competitive economy, the Futures Plan also considered the possibility of new developments within the area that both attracts new business activities to the economy and retains essential knowledge-based businesses.

The plan identifies a number of developments that would likely encourage higher value sector activities in the sub-region, including international innovation and business parks that exploit the unique location and connectivity of the area, higher education facilities that directly assist in up-skilling the local labour force, supporting the key sectors of healthcare, life sciences, aviation and pharmaceuticals, and developing new distribution centres or other airport related business activities that benefit from the connectivity offered by Gatwick Airport. The Futures Plan represents an important evidence document that begins to consider the key factors influencing what type of strategic development could contribute to sustained economic growth within the Gatwick Diamond.

In addition, the **FDI Sector Propositions - Local Concentrations Briefing (2012)** document was used to inform the key strategic economic growth sectors identified within the Coast to Capital SEP, which will be the focus for further inward investment and economic growth in the sub-regional economy. These five sectors are Creative Digital and IT, Advanced Engineering, Low Carbon & Environmental Goods and Services, Financial and Business Services, and Healthcare, Medical Technology and Life Sciences. These strategically important growth sectors in the LEP area are considered in further detail overleaf.

2. Baseline review: sectoral competitive advantages

A number of strategically important sectors with future growth potential have been identified by the LEP which will be supported by policy and infrastructure investment.

The Coast to Capital Strategic Economic Plan (2014) identifies five key sectors where the LEP area has a relative competitive advantage over other regions. These high growth sectors are proposed by the LEP to be the focus of their future support; with investment over a six year period to 2020/21 in these sectors including £97.0m from higher education institutes, local authorities and other public sources, £35.2m from the private sector, and £23.3m from EU funding. Over this period, the Growth Deal is anticipated to create 2,000 jobs, 160 homes and 15,000m² of employment floorspace.¹

Sector	Description	Key Locations and Supporting Infrastructure	Future Development Strategy
Creative Digital and IT	9,000 creative sector companies. Activities include games development, digital marketing, digital media, e-learning and other IT related activities.	Key Locations: <ul style="list-style-type: none">Brighton & Hove with Lewes (3,344 businesses), with Brighton amongst the top ten locations in the UKGatwick Diamond (2,855 businesses)Small concentrations along the Coastal Corridor Supporting Infrastructure: <ul style="list-style-type: none">University of Sussex, University of Brighton and University of Creative ArtsSussex Innovation CentreCroydon Tech CityDigital media networks	<ul style="list-style-type: none">Shifting the sector from a fragmented network of smaller firms, to a more mature network of middle sized firmsGrowth will be supported through suitable infrastructure provision, skills development and supporting growth in existing businessesSupport international exposure of the digital sectorSupport the new Creative Industries Hub at Epsom established by the University for Creative Arts with £2.5m invested by the public and private sector
Advanced Engineering	1,300 advanced manufacturing companies. Activities associated with engineering design within such sectors as marine aerospace, automotive, electronics and electrical.	Key Locations: <ul style="list-style-type: none">Gatwick Diamond with large concentrations in Crawley and Burgess HillLarge advanced manufacturing businesses are based in Worthing, Shoreham and Chichester Supporting Infrastructure: <ul style="list-style-type: none">Northbrook College	<ul style="list-style-type: none">Ensure the growing productivity levels in the sector keep up with international competitorsSupport skills development to compete internationally and respond to evolution in technologiesSupport the new advanced engineering centre being established by the University of Brighton and Ricardo with investment of £24.5m public sector and £21.1m private sector funding

Source: NLP analysis

¹ The six year investment package is committed to supporting a number of key developments and initiatives within the sub-region, including the Creative Business Quarter at Epsom, University of Brighton and Ricardo Advanced Engineering Centre, and the Bio-Innovation Centre at Falmer (i.e. amongst others).

2. Baseline review: sectoral competitive advantages

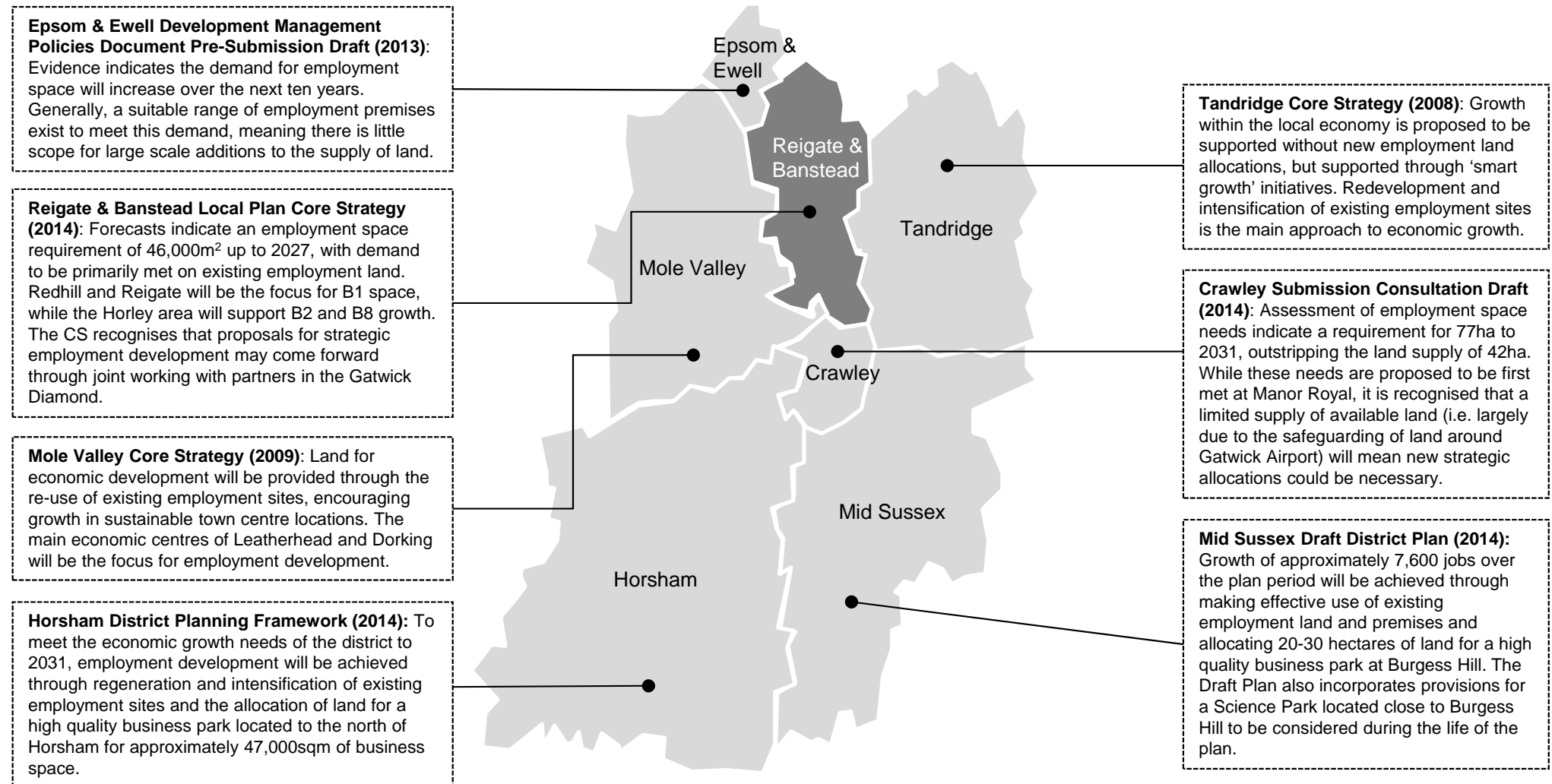
A number of strategically important sectors with future growth potential have been identified by the LEP which will be supported by policy and infrastructure investment.

Sector	Description	Key Locations and Supporting Infrastructure	Future Development Strategy
Low Carbon & Environmental Goods and Services	23,900 employed in the sector across 1,300 firms. Activities include the design and development of energy and environmental technology.	Key Locations: <ul style="list-style-type: none"> Brighton & Hove (6,500 employed across 358 companies) Supporting Infrastructure: <ul style="list-style-type: none"> Biomass Facility in Newhaven Specialist land-based industries colleges (Brinsbury and Plumpton) National Academy Hubs for Renewable Energy (Central Sussex and Northbrook College) Sussex Energy Saving Programme and Rampion Windfarm 	<ul style="list-style-type: none"> Exploit the two major investments of the Sussex Energy Saving Programme and Rampion Windfarm to provide new opportunities in the local supply chain, spur new development and innovation, and increase trade in wider international markets Develop a new approach to wood fuel with partners
Financial and Business Services	39,300 employed in the financial and insurance sector, and 147,700 in other business services. Activities include banking, insurance, legal services, management consultancy and accountancy.	Key Locations: <ul style="list-style-type: none"> Croydon (2,800 employed in insurance and pension funding) Large financial and business service occupiers are based in Haywards Heath, Brighton & Hove, Horsham and Redhill. Rural West Sussex (1,900 employed in labour recruitment and 4,500 employed in management consultancy) Supporting Infrastructure: <ul style="list-style-type: none"> Gatwick Airport Several high education establishments and management centres 	<ul style="list-style-type: none"> Continue to promote the area as an attractive place for financial and business service companies to locate their operations
Healthcare, Medical Technology and Life Sciences	112,700 employed in the health sector. Activities include medical technology development and pharmaceuticals.	Key Locations: <ul style="list-style-type: none"> Crawley (1,600 employed in the five largest companies) West Sussex (supports half of all the pharmaceutical companies) Supporting Infrastructure: <ul style="list-style-type: none"> Sussex and Brighton University Hospital medical school University of Sussex's life science facilities University of Brighton's pharmaceuticals Royal Sussex County Hospital's redeveloped trauma centre 	<ul style="list-style-type: none"> Targeted approach of investment in research and development to offset strained healthcare budgets Support the delivery of healthcare products and services more cost-effectively within an increasingly competitive global market Establish a network of innovation within Kent Surrey and Sussex Academic Health Science Network Support the new bio-innovation centre at Falmer created by the University of Sussex with £60m funding

Source: NLP analysis

2. Baseline review: local planning policy

Local planning policy documents set out how the respective local authorities forming the Gatwick Diamond propose to meet their future economic growth needs.



Source: NLP analysis of adopted and emerging Local Plans

2. Baseline review: summary

There is strong and long-standing policy support to promote economic growth in the Gatwick Diamond, which could be delivered through the provision of a strategic site.

Support for Strategic Employment Developments

Based on the preceding review of the key policy and strategy documents, and the evidence that underpins them, the key points can be summarised as follows:

1. Strategic employment developments are a relatively long-established policy approach in the Gatwick Diamond area and have been recognised more recently by the Coast to Capital LEP;
2. The Coast to Capital LEP identifies the 'Heart of the Gatwick Diamond' as one of a few strategic locations within the sub-region that should be the focus for future inward investment and growth, recognising the key strategic advantages of Manor Royal and Gatwick Airport that are positioned in the area;
3. Over a six year period, the Coast to Capital LEP proposes to invest £26m of public sector funds, £284m of private sector funds and £84m of Growth Deal funds to unlock and promote greater levels of economic development within the Heart of the Gatwick Diamond;
4. The Gatwick Diamond Initiative indicates that greater levels of economic development in the sub-region could be supported through a structural shift towards higher skilled sectors and entrepreneurship, addressing several key structural weaknesses (e.g. lower skill base and transport infrastructure), and promoting the Crawley and Gatwick Airport area as an important location for future economic growth within the sub-region;
5. The Coast to Capital SEP identifies five sectors where the sub-region has a relative competitive advantage over other regions: Creative Digital & IT; Advanced Engineering; Low Carbon & Environmental Goods and Services; Financial and Business Services; and Healthcare, Medical Technology and Life Sciences. The Heart of the Gatwick Diamond is acknowledged as being a focus for a number of these key sectors; and
6. Only a few of the local authority areas forming the Gatwick Diamond are currently considering strategic employment land allocations to meet their growth requirements, notably Horsham and Mid Sussex. A shortage of available land currently constrains the ability to bring forward significant new strategic employment in Crawley whilst land is safeguarded for a second runway.

Reigate & Banstead sits at the centre of the Gatwick Diamond. There is policy support for the exploration of opportunities for strategic employment development within the sub-region. In principle, therefore, it is appropriate to explore the opportunities for such development within Reigate & Banstead.

Structure

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Appendix 1

3. Review of demand drivers: introduction

This section reviews the key drivers of demand that could affect the type and scale of demand for a new strategic employment site within Reigate & Banstead, including economic growth potential, property market dynamics and business needs.

Economic Growth Potential

As noted in section 2.0, there is significant emphasis in sub-regional and local strategies on capitalising upon the growth potential of the Gatwick Diamond.

The first part of this section considers the long term performance of the Reigate & Banstead and Gatwick Diamond economies in terms of historic performance (1997 - 2014) and future potential (2014 - 2031) using latest Experian projections from June 2014.

These are used to identify:

1. overall past and future levels of job growth;
2. the changing structure of the local economy in terms of sectors;
3. those sectors of the economy that are likely to drive future growth;
4. key sectors with local comparative advantage; and
5. which sectors of the economy are forecast to generate higher levels of economic output (i.e. measured in terms of Gross Value Added).

This allows an assessment of the types of economic sectors and businesses that could provide demand for a strategic employment site in this location, and to also benchmark the current performance of Reigate & Banstead against the wider Gatwick Diamond.

Property Market and Business Needs

The second part of this section reviews the current drivers of the commercial property market (i.e. offices, industrial and warehousing) in this location, based on a review of published market information and consultation with a range of agents active in the Gatwick Diamond area.

This analysis is used to consider:

1. What do current market signals indicate about the type and scale of demand for employment space?
2. What are the key sectors driving market demand, and what are the locational and site requirements of these sectors?
3. How do existing strategic employment locations in the Gatwick Diamond perform, and could potential new sites change this?
4. How could the provision of a strategic employment site in the southern part of Reigate & Banstead impact on the market?
5. What do business growth/investment plans and relocation decisions indicate about the demand for accommodation?

This approach is consistent with the national Planning Practice Guidance (PPG), which requires local planning authorities to draw upon market intelligence when formulating plans and proposals, but also provides a useful input to an assessment of the deliverability of any strategic employment site policies that may be adopted in the future.

3. Review of demand drivers: economic growth potential

The Gatwick Diamond is a high growth region which outperforms the national average, and has the potential to create 69,000 jobs by 2031.

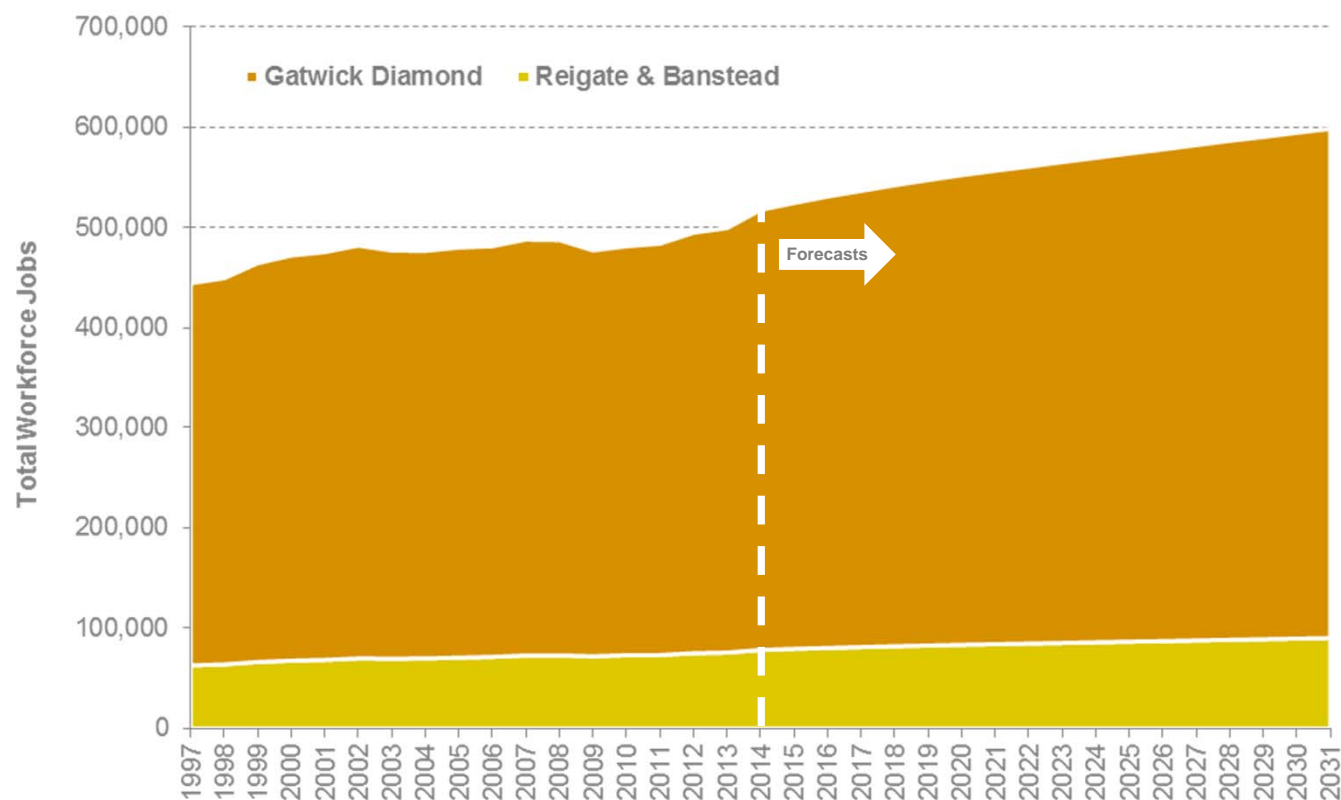
Employment Growth Trends

Historic employment trends indicate Reigate & Banstead has had a much higher rate of job growth than the Gatwick Diamond over recent years. Between 1997 and 2014, workforce jobs in Reigate & Banstead grew by 24.4%, while in the Gatwick Diamond jobs rose by 15.1%.

Growth in Reigate & Banstead was also higher than within the region (18.1%) and UK (15.6%).

This highlights the increasing role that Reigate & Banstead has performed within the Gatwick Diamond, with the share of Gatwick Diamond jobs based in the Borough rising from 16.5% in 1997 to 17.9% in 2014.

Forecasts to 2031 indicate job growth within the Gatwick Diamond is set to increase to 15.7%, whilst the growth rate within Reigate & Banstead is projected to slow to 15.1%. However, growth in the sub-region is forecast to continue to outstrip national employment growth (13.1%) over the same period. In total the Gatwick Diamond could support 69,000 additional jobs by 2031 with growth of 11,800 jobs within Reigate & Banstead. This comprises employment in all sectors, including both B and non-B use classes.



Source: Experian / NLP analysis

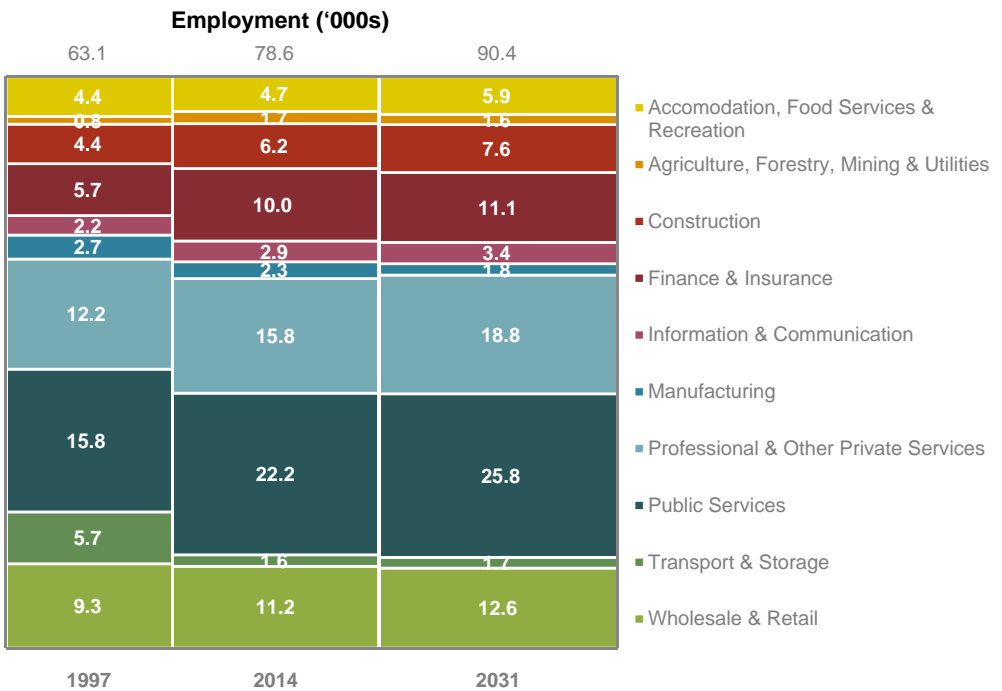
Note: Experian forecasts of job growth by sector reflect recent trends, and are derived from forecasts at the regional level including local representation of sectors relative to national and regional macroeconomic trends.

3. Review of demand drivers: evolving employment structure

Changes to the employment structure in Reigate & Banstead reflect an increasing trend of economic and employment activity being driven by advanced service sectors.

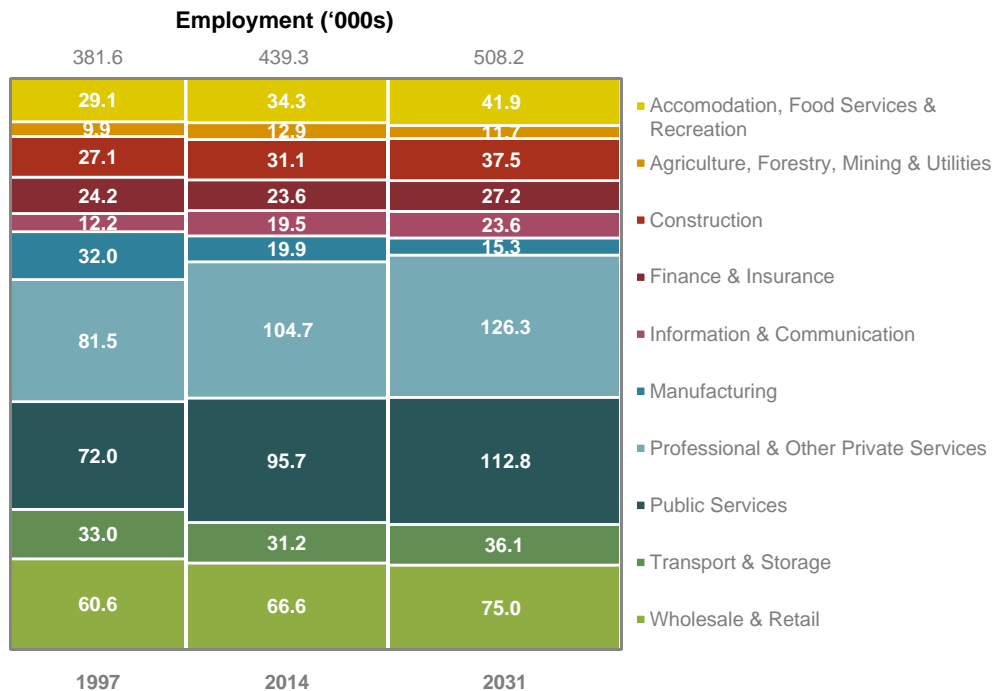
Reigate & Banstead

The employment structure within Reigate & Banstead has increasingly been dominated by a limited number of large sectors focused around advanced services. These key sectors include professional services and finance & insurance, whilst the public services sector has also become increasingly prominent. These three sectors accounted for around 53.4% of jobs in 1997 and 61.1% in 2014, and are projected to represent the same share to 2031.



Gatwick Diamond

The prominent sectors within Reigate & Banstead (i.e. professional services, finance & insurance and public services) also make-up a large part of the employment base in the Gatwick Diamond, albeit at a lower level (i.e. in 2014 accounting for 51.0% of all jobs). This is largely due to the financial sector being less represented within the sub-region. Overall, the Gatwick Diamond employment structure is much broader than within Reigate & Banstead.



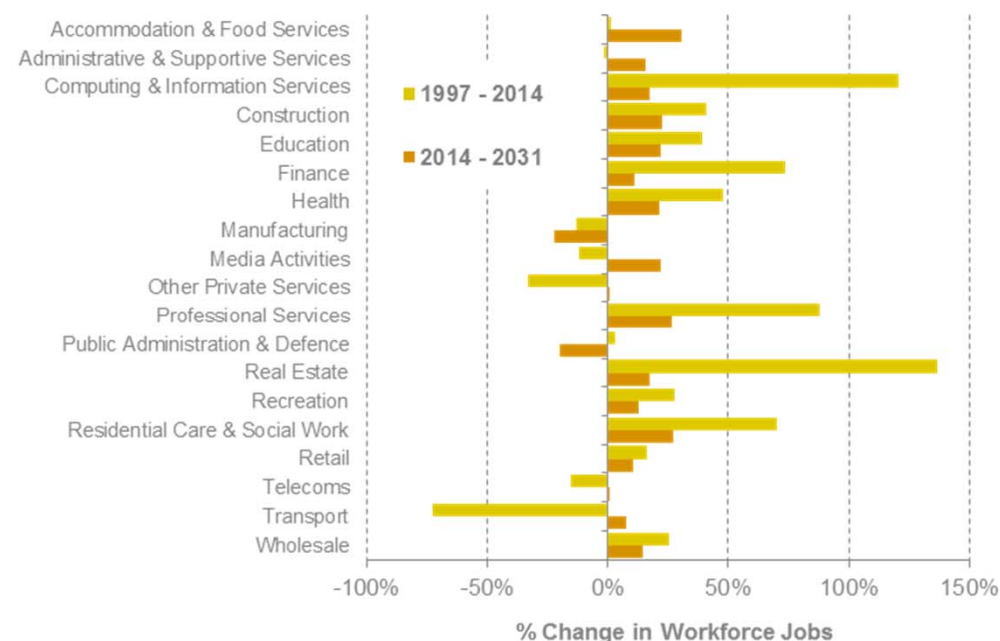
Source: Experian / NLP analysis

3. Review of demand drivers: future growth sectors

Future employment growth in Reigate & Banstead and the Gatwick Diamond will largely be driven by advanced service sector industries.

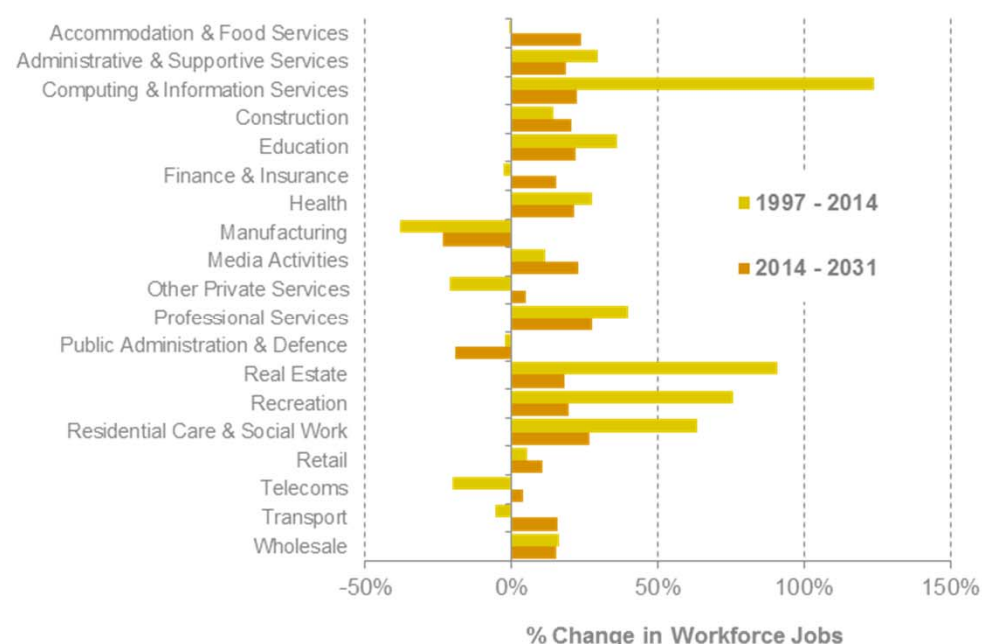
Reigate & Banstead

Future employment growth within Reigate & Banstead is forecast to be driven by both continued growth in private service sectors (e.g. finance, professional services and real estate), albeit at a slower growth rate than that recorded between 1997 and 2014, and new growth within sectors that have historically recorded low growth rates or decline (e.g. media activities, administrative and supportive services, hospitality and transport).



Gatwick Diamond

Sectors projected to have relatively high employment growth in the Gatwick Diamond up to 2031 tend to reflect the sectors identified by the LEP as being a competitive advantage for the sub-region (e.g. media activities, professional services, healthcare and computing & IT services). As in Reigate & Banstead, new employment growth is also projected within industries that had previously experienced employment losses (e.g. finance & insurance and transport).



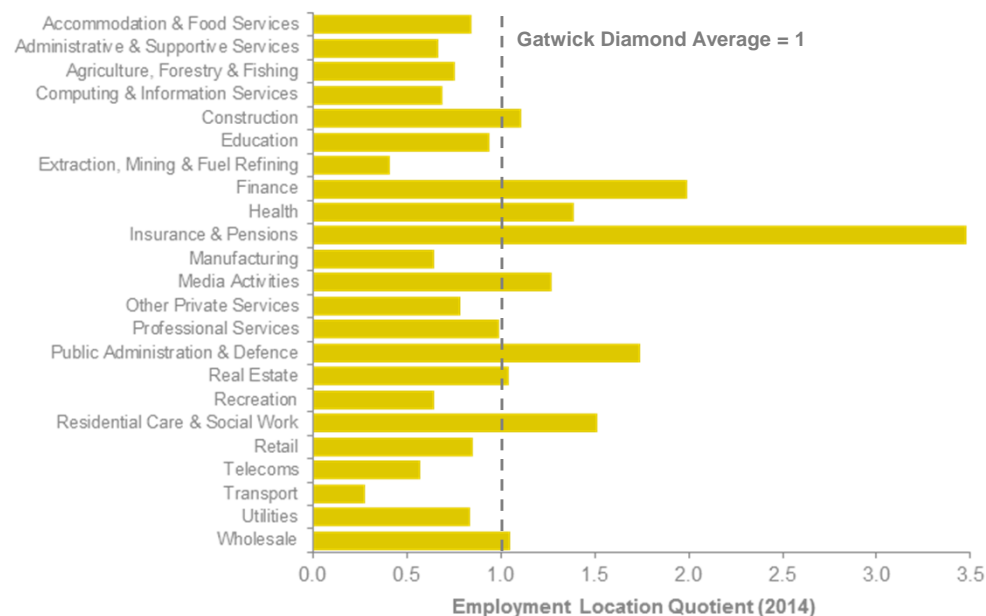
Source: Experian / NLP analysis

3. Review of demand drivers: sector specialisations

Reigate & Banstead supports key concentrations of employment activities within high value sectors such as financial services, media and healthcare.

Reigate & Banstead

In relative terms, the economy in Reigate & Banstead supports a significant concentration of employment in finance and insurance, healthcare and media when compared with the Gatwick Diamond. The most notable sectors is the relative presence of insurance & pension employment in the local economy, which accounts for around 3.5 times the share in the sub-regional economy. Notable sectoral deficiencies within Reigate & Banstead when compared with the Gatwick Diamond are in transport and telecommunication sectors.



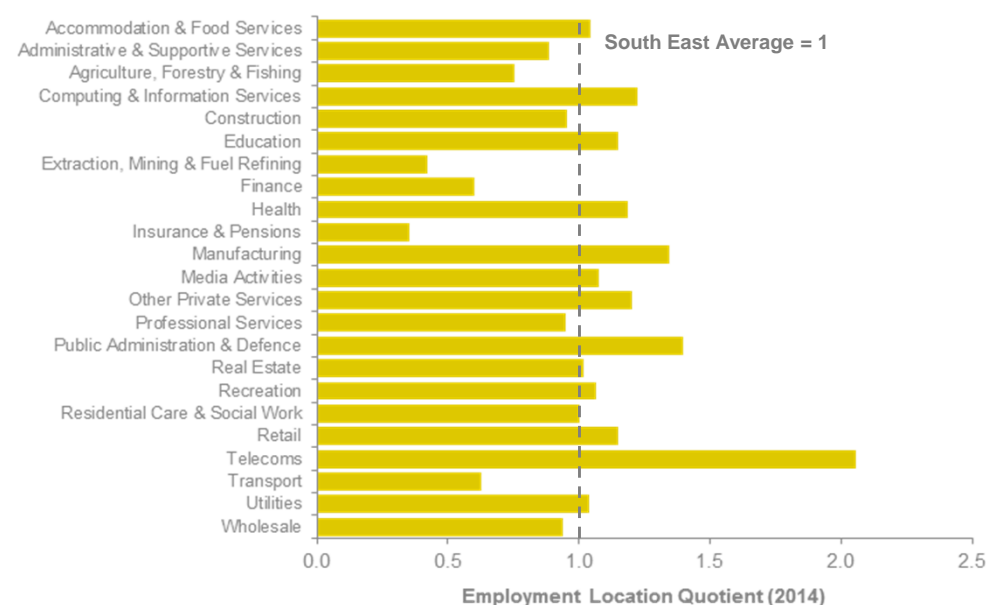
Source: Experian / NLP analysis

² Employment activities related to Gatwick Airport are represented within a number of sectors, including administrative & supportive services, accommodation & food services, and transport.

Note: It should be noted that the above LQ analysis may be influenced by the presence of a small number of large employers within particular sectors.

Gatwick Diamond

Significant concentrations of employment activities in the Gatwick Diamond compared with the South East includes telecoms, manufacturing, media activities, computing & IT services, and healthcare. These sectors are noted by the LEP as being key strategic advantages for the sub-region, and are the focus for further investment and development. It should also be noted that the Gatwick Diamond specialises in a greater number of sectors than is apparent in Reigate & Banstead, reflecting the sub-region's wider employment base.²

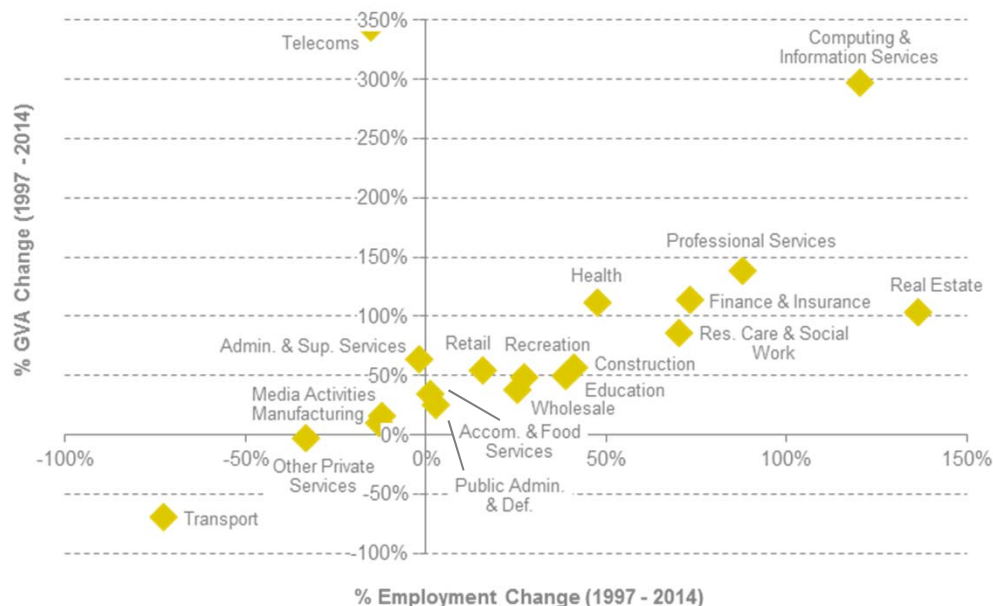


3. Review of demand drivers: sectoral output growth

High levels of output growth within high value sectors like computing & IT, professional services, healthcare and telecoms has characterised recent economic growth.

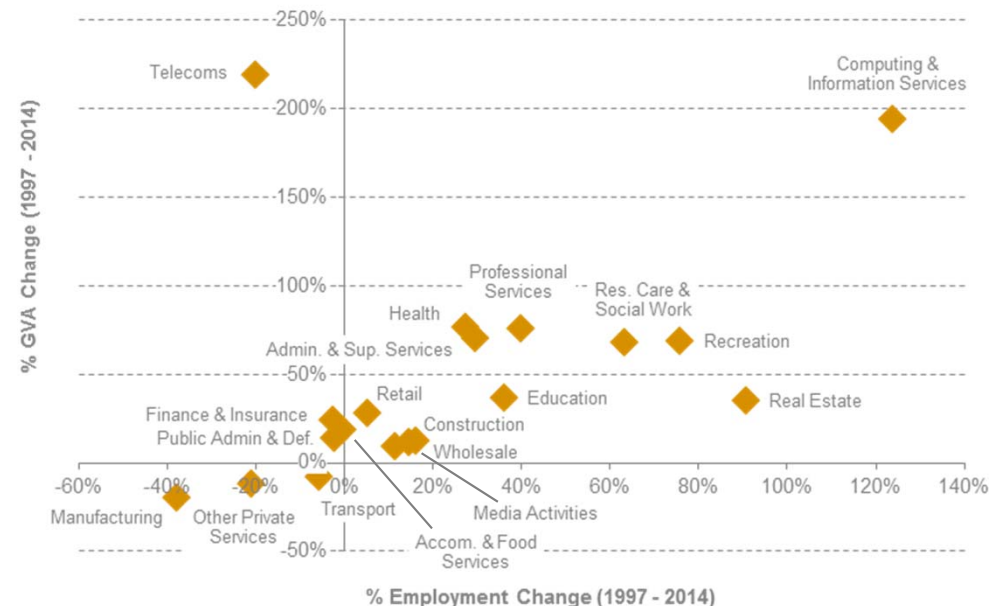
Reigate & Banstead

Between 1997 and 2014, the highest growing sectors in terms of Gross Value Added (GVA) in Reigate & Banstead included telecoms (+343.2%) and computing & IT services (+296.5%), while professional and financial services, real estate and health also registered large growth. The largest decrease in GVA over this period occurred in transport. In 2014, the estimated GVA per job in Reigate & Banstead equated to around £57,140, which was equivalent to an increase of around 29.1% from its 1997 level.



Gatwick Diamond

Reflecting the economy in Reigate & Banstead, the highest growing sectors in the Gatwick Diamond between 1997 and 2014 included telecoms (+219.4%) and computing services (+193.7%) (i.e. albeit at a lower level than in Reigate & Banstead). While the sub-region also had high growth within professional services, real estate and health, growth in finance & insurance was lower than that in the local economy. In 2014, GVA per job in the Gatwick Diamond was £44,470, which signalled a lower growth (16.0%) than in Reigate & Banstead.



Source: Experian / NLP analysis

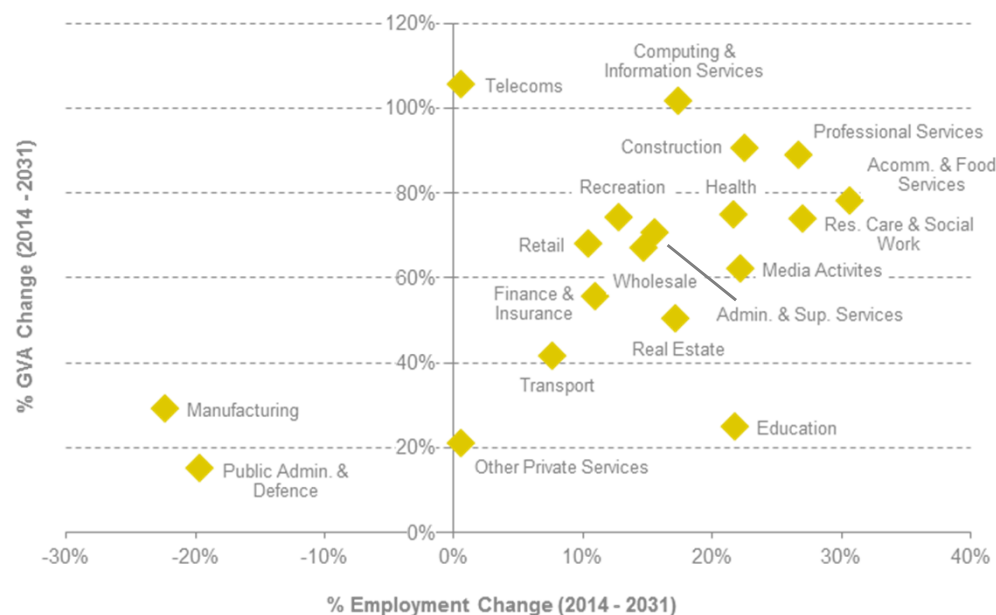
Advice on scope for a strategic employment site within Reigate & Banstead

3. Review of demand drivers: sectoral output growth

Output growth in Reigate & Banstead and the Gatwick Diamond is projected to be increasingly driven by high growth in technology-based and advanced services.

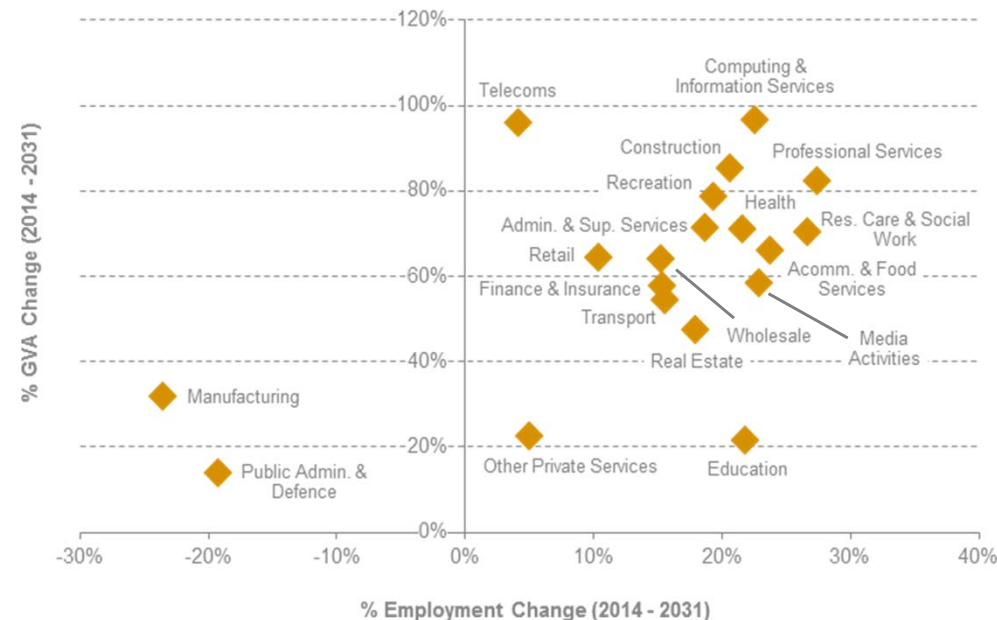
Reigate & Banstead

Following similar patterns to historic output growth within Reigate & Banstead, forecasts indicate that the highest growing sectors to 2031 will be telecoms, computing & IT services, professional services and healthcare (amongst others). For the most part, this reflects higher employment growth projected in these industries. Over the period 2014 to 2031, GVA per job within Reigate & Banstead is expected to increase by around 38.0% to £78,870.



Gatwick Diamond

The pattern of sectoral output growth forecast within the Gatwick Diamond is expected to be the same as that forecast within Reigate & Banstead, with high growth in telecoms, computing and professional services. While growth in GVA per job in the Gatwick Diamond has previously been much lower than in the local economy, it is projected to match growth in Reigate & Banstead to 2031 (37.2%). By 2031, it is forecast that GVA per job will amount to £60,890.



Source: Experian / NLP analysis

Advice on scope for a strategic employment site within Reigate & Banstead

3. Review of demand drivers: summary of economic growth potential

Growth trends point towards Reigate & Banstead being a strategically important area within the Gatwick Diamond that could support higher levels of strategic growth.

Strategic Growth Potential of Reigate & Banstead

An assessment of the growth trends in both Reigate & Banstead and the Gatwick Diamond highlights the economic potential of the area, taking into consideration both historic and projected growth trends within these economic areas. The following points summarise the main reasons why Reigate & Banstead has the potential to attract strategic economic growth in the future (i.e. summarising the previous analysis):

1. Historic employment trends indicate that Reigate & Banstead has recorded much higher employment growth than the Gatwick Diamond, signalling the increasing role the local economy has performed within the sub-regional economy. While employment growth in Reigate & Banstead is forecast to return to the growth rates achieved in the Gatwick Diamond, the Borough will continue to play a leading role in a sub-region that is forecast to outpace national growth trends with potential to create 69,000 jobs by 2031;
2. The employment structure within both Reigate & Banstead and the Gatwick Diamond are increasingly being dominated by high value advanced service sectors that are attracted to the thriving business location, and supported by a number of local and sub-regional economic development strategies. These rising sectors in Reigate & Banstead include professional and financial services, while public sector services are also a growing sector within the area;
3. Strong employment growth sectors in Reigate & Banstead have historically been focused around professional and financial services, real estate, health, and computing services, which fall within sectors identified by the Coast to Capital LEP as providing a competitive advantage to the sub-regional economy. Forecasts suggest that employment growth in the Borough will continue to be driven by these sectors, alongside new growth in other sectors that had previously recorded low growth or employment losses (e.g. media activities and transport);
4. While Reigate & Banstead supports a large concentration of employment in the financial and insurance sectors, and to a lesser extent, in healthcare and media, the employment base in the local economy is much more specialised in a few key sectors when compared with the Gatwick Diamond; and
5. Output growth and productivity levels within Reigate & Banstead have historically been higher than in the Gatwick Diamond, and have been largely driven by technology based and advanced service sectors. It is forecast that output growth in the local economy will continue to be high within these key sectors.

In summary, the economy in Reigate & Banstead has experienced strong levels of employment growth over recent periods that has been driven by the key sectors of professional and financial services, real estate, health and computing services. This growth has increasingly placed the Borough as a strategically important economy in the Gatwick Diamond. Future growth in Reigate & Banstead could continue to promote the sector specialisation developed in the local economy or promote new growth in sectors currently under-represented, or some combination of both. Overall, evidence suggests that Reigate & Banstead is and will continue to be characterised by a high growth and high value economy that is well placed to support future strategic growth within the Gatwick Diamond.

3. Review of demand drivers: overview of commercial stock

Over a quarter of the Gatwick Diamond's commercial stock is located in Crawley, mainly at Manor Royal close to Gatwick Airport. Reigate & Banstead has the largest commercial stock of the Surrey districts in the Gatwick Diamond.

Latest data from the Valuation Office Agency (VOA) indicates a total stock of 3.8 million sq.m of commercial space in the Gatwick Diamond. Just under a third (38%) comprises office space, with the remaining two thirds (62%) relating to industrial (manufacturing and warehousing) space.

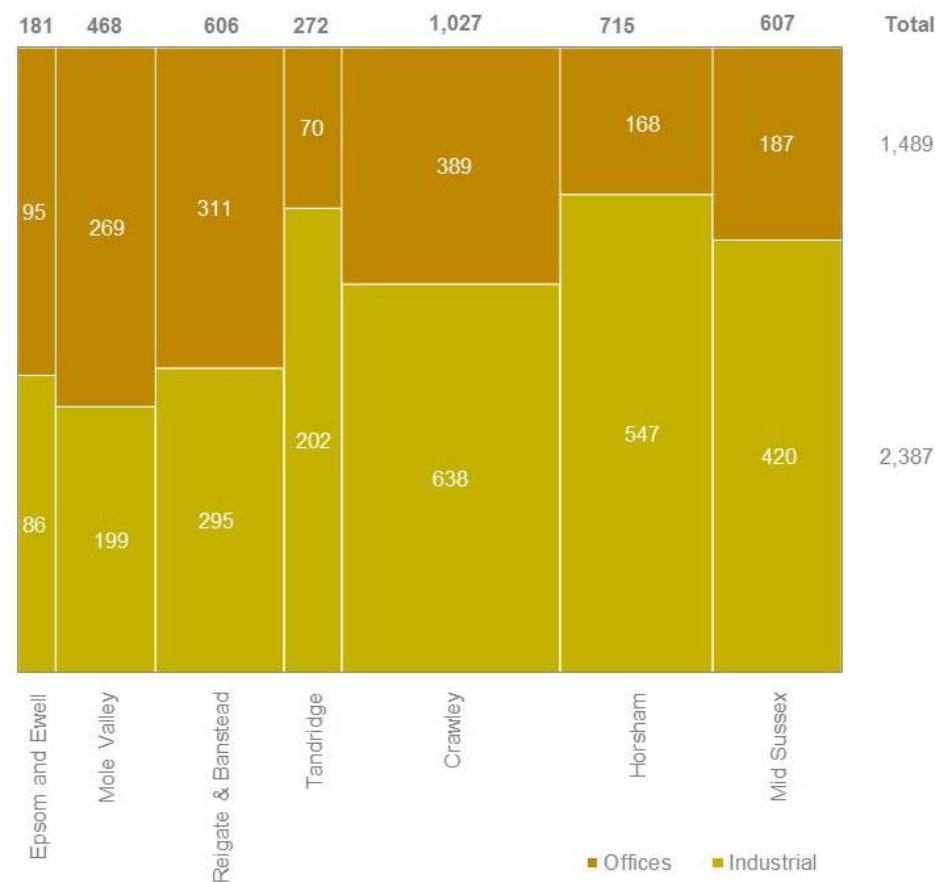
Reigate & Banstead has a total commercial stock of 606,000sq.m or 16% of the Gatwick Diamond total. This share is smaller than Crawley (26%), Horsham (18%) and Mid Sussex (16%), but represents the largest of all Surrey districts in the Gatwick Diamond.

Crawley comprises the largest office centre by some margin, followed by Reigate & Banstead which has the largest office stock of the Surrey districts within the Gatwick Diamond. The Borough also recorded the highest level of office space growth between 2000 and 2012 of all Gatwick Diamond districts (at 19%).

The statistics for Crawley are dominated by the Manor Royal employment area located immediately to the south of Gatwick Airport. This represents one of the largest employment sites in the south east, and accounts for 40% of Crawley's office stock and over 80% of the Borough's industrial supply. Horsham and Mid Sussex also accommodate a sizeable stock of industrial floorspace.

Commercial stock is concentrated on a number of other key sites and employment locations across the Gatwick Diamond as presented overleaf.

Gatwick Diamond Commercial Space by Type and Location ('000s Sq.m), 2012



Source: VOA/NLP analysis

3. Review of demand drivers: overview of existing employment sites

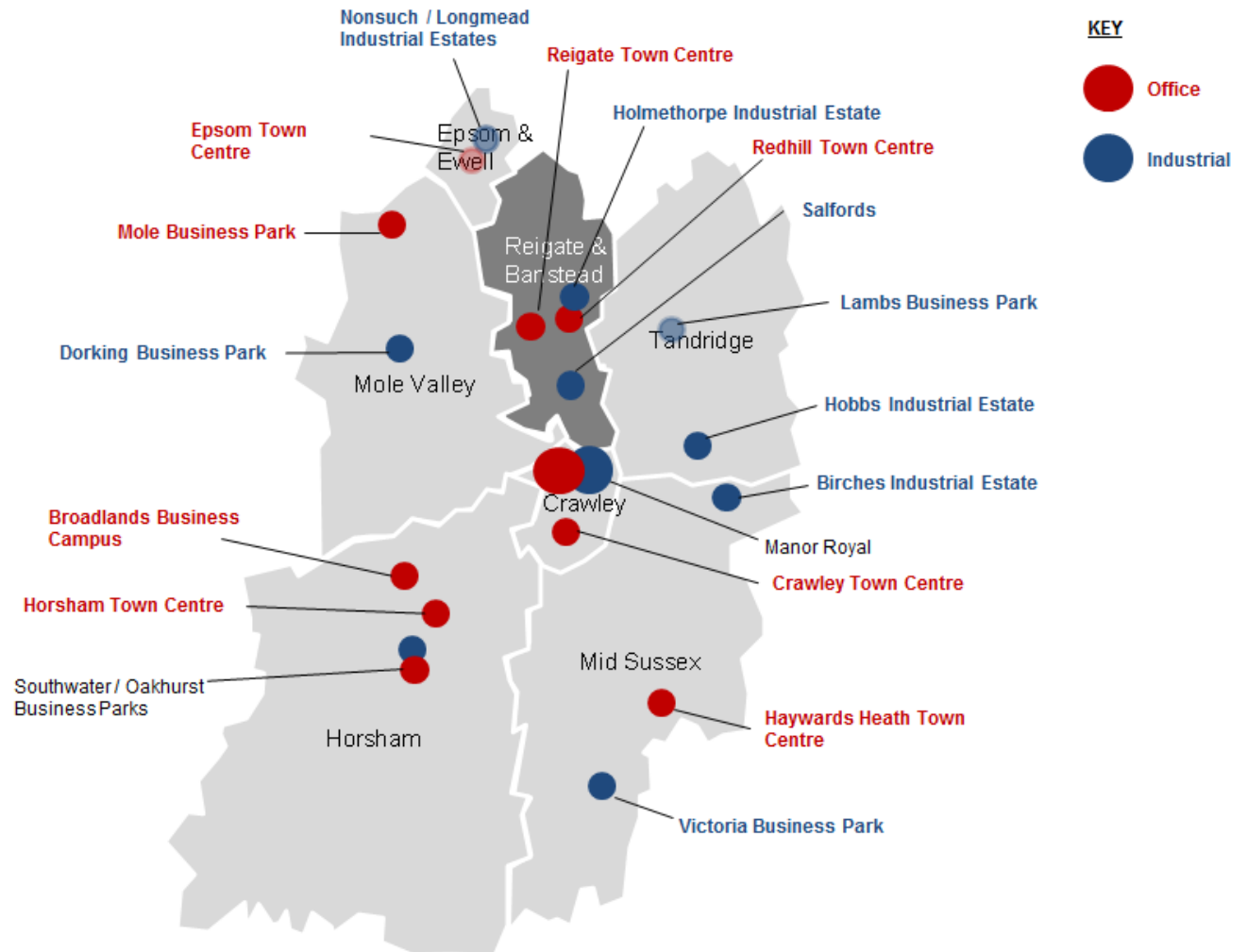
The Gatwick Diamond is home to a number of existing employment sites; with the exception of Manor Royal, these sites generally serve local business needs.

The majority of sites are of a modest scale and serve the needs of local businesses. The key exception is Manor Royal, a business district covering an area of 240ha between Crawley and Gatwick Airport and accommodating a range of local, national and international firms including Virgin Atlantic, Siemens, Elekta and Grant Thornton.

Manor Royal represents the largest employment site within the Gatwick Diamond area and in reality the only one with the critical mass and profile to cater for 'extra-local' business needs.

The North and South of Reigate & Banstead Borough are generally characterised as having different economic roles. Within Reigate & Banstead, office space tends to be concentrated within Redhill and Reigate town centres, particularly for the financial and business services sector.

Holmethorpe and Salfords represent the main industrial areas in Reigate & Banstead, characterised by larger industrial and warehouse units, whilst Horley accommodates a range of smaller office and industrial premises. Transport, storage and communications related businesses are clustered around south of the Borough, benefiting from proximity to Gatwick Airport and strategic road infrastructure.



Source: NLP analysis

3. Review of demand drivers: property market dynamics

Feedback from commercial property agents highlights the strengths of the Gatwick Diamond as a business location but also a lack of space for expansion and relocation.

Demand	Aviation Influence	Vacancy and Rents
<p>Agent feedback on demand for commercial space in the Gatwick Diamond suggests that:</p> <ul style="list-style-type: none">• The Gatwick Diamond has a relatively buoyant commercial property market, driven by its central location within the wider South East, excellent transport links and connectivity, quality of life factors and skilled workforce.• Demand for commercial space in the Gatwick Diamond weakened during the recession but has picked up in recent months, particularly for industrial space. By contrast, demand for office space has lagged behind due to occupier uncertainty alongside more general changes in working practices which influence demand for premises.• Earlier this year (February 2014) regional agents Stiles Harold Williams reported to have registered demand from 439 applicants seeking over 400,000 sq.m of business space across the Gatwick Diamond. A sample of enquiries is included at Appendix 1.• There is also reported to be rising demand from firms exploring the concept of 'strategic dispersal' whereby occupiers paying high rents for office space in central London locations are looking to move their back office staff outside of the Capital.• The Gatwick Diamond is already home to a number of knowledge based, high growth firms and some property market agents believe the area has the economic and connectivity credentials to compete with market corridors such as the M25, M3 and M4 for high value firms and investment. <p>Source: Consultations with local, sub-regional and national commercial market agents. JLL/Property Week November 2014.</p>	<p>Agent feedback on the influence of aviation on the Gatwick Diamond commercial property market suggests that:</p> <ul style="list-style-type: none">• Whilst there are some examples of aviation and related occupiers in the Gatwick Diamond (such as the Virgin Atlantic HQ in Manor Royal) this type of activity no longer represents a key driver of demand for commercial space in the sub-region.• Proximity to Gatwick Airport appeals to businesses due to its excellent connectivity and ready access to global markets, rather than necessarily the opportunity to service the airport and its supply chains. <p>Source: Consultations with local and sub-regional commercial market agents.</p>	<p>Agent feedback on vacancy and rents in the Gatwick Diamond suggests that:</p> <ul style="list-style-type: none">• Vacancy is generally low within good quality, modern premises, but higher within secondary/tertiary stock that is typically ageing, of a poorer quality and not configured to meet modern business requirements.• Crawley/Gatwick commands a slight premium in terms of commercial rents over the rest of the Gatwick Diamond and wider Kent Surrey Sussex market. It does however offer a significant cost advantage over other M25 corridor locations such as Heathrow, Guildford, Maidenhead and Staines. <p>Source: Stiles Harold Williams Crawley / Gatwick & Mid-Sussex Office/Industrial & Logistics Focus Q3 2014; Colliers International Office and Industrial Rents Map 2014.</p>

3. Review of demand drivers: property market dynamics

Market data shows that high levels of take-up combined with limited levels of new development are leading to a shortage of good quality accommodation.

Take-Up and Supply

Although take-up across the wider M25 commercial market is reported to have slowed in the last year, the South West M25 quadrant (covering the Gatwick and Surrey hinterland) has driven the majority of activity, outperforming both the M3 and M4 property markets.

For example, JLL report that levels of office take-up in 2013 in the Crawley area (at 290,000sqft) were more than double the average annual take up over the past 15 years (equivalent to around 120,000sqft p.a. on average).

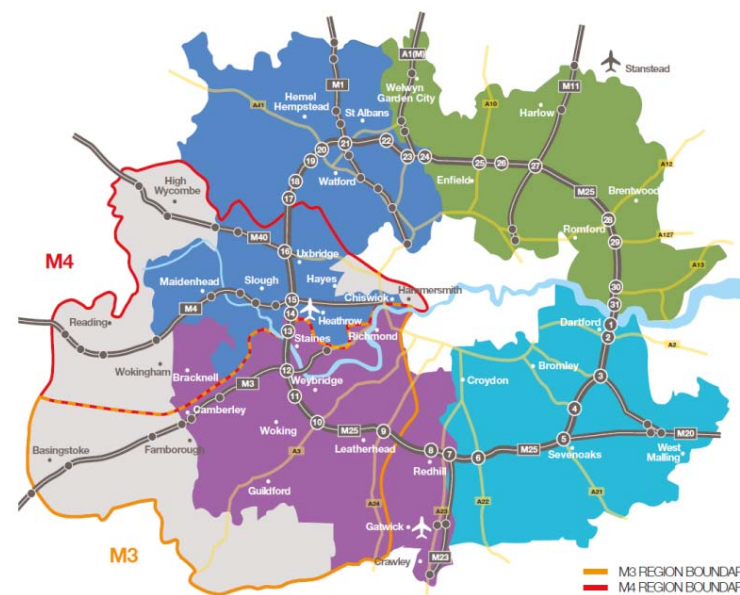
Limited levels of new development in recent years has led to restricted supply in the Gatwick Diamond and a lack of space for expansions and relocations. This echoes trends across the wider M25 commercial property market – where vacancy has fallen to a 12 year low in 2014 – although available stock in the South West quadrant is particularly low.

Source: Knight Frank M25 Offices Report Q2 2014.

Unless this can be addressed, there is a risk that activity is displaced from the sub region as space becomes increasingly constrained in future.

The shortage of good quality, modern office space is starting to trigger speculative development in and around Gatwick. A key example includes the Leonardo Building in Crawley Business Quarter, Manor Royal which is anticipated to become available in late 2015 providing 110,000sqft of Grade A flexible office accommodation. The scheme is reported to have so far attracted a reasonable level of occupier demand and enquiries, principally from existing local firms wanting to expand/upgrade, but also from occupiers in further afield locations including South M25, Croydon and Central London.

Source: Consultations with local, sub-regional and national commercial market agents.
JLL/Property Week November 2014.



Q2 2014	M25 Quadrant						
	M25	NW	SW	NE	SE	M3	M4
Take-Up (sqft)	404,483	107,624	256,834	0	40,025	225,865	161,612
Availability (sqft)	8,434,068	4,058,220	2,690,783	346,363	1,338,702	2,891,061	5,653,905
Under Construction (sqft net)	1,097,414	726,627	334,972	0	35,815	474,682	1,525,299

Source: M25 Offices Report, Knight Frank LLP, 2014

3. Review of demand drivers: property market relationships

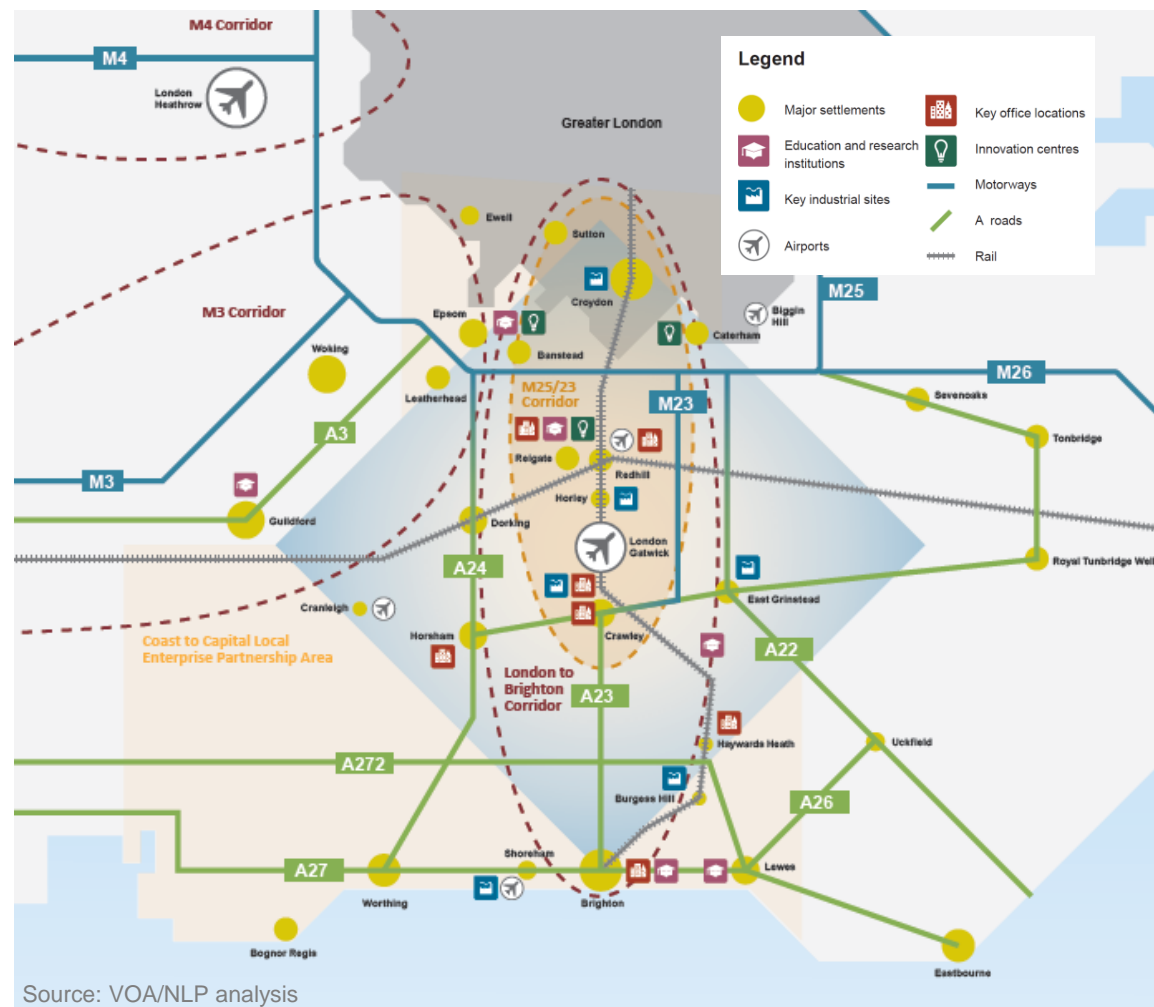
The economic geography of the Gatwick Diamond is framed by two key property market areas, namely the London to Brighton and A23/M23 Corridors, both of which pass through Reigate & Banstead.

At present, the commercial property market in the Gatwick Diamond is relatively insular and self-contained, with the majority of enquiries originating from within the sub-region itself.

Occupier requirements generally follow the key north-south corridors of the A23/M23 and London to Brighton mainline. Conversely, east to west business migration across the Gatwick Diamond is very limited and the sub-region doesn't tend to compete with the wider M25, M3, A3 or M4 corridors for occupiers and investment.

The Borough of Reigate and Banstead can be characterised by a north-south divide in terms of market profile and orientation, with Redhill, Reigate and Banstead facing towards the north of the Gatwick Diamond (M25/Croydon) and Salfords and Horley towards the South (Gatwick/Crawley).

Despite being relatively self contained, there is some evidence to suggest that the wider market provides an attractive location for inward investment; according to UKTI, the Coast to Capital region attracted 28 inward investment projects by overseas companies during 2013/14, creating 387 new jobs and safeguarding a further 1,040 positions. Data from the Gatwick Diamond indicates that this investment has been largely driven by foreign owned companies operating in the life sciences, healthcare, chemicals, ICT, electronics, software and creative media sectors. Brighton & Hove and Crawley represent the key locations within the sub-region to have successfully captured these opportunities, significantly outperforming Surrey locations such as Reigate & Banstead.



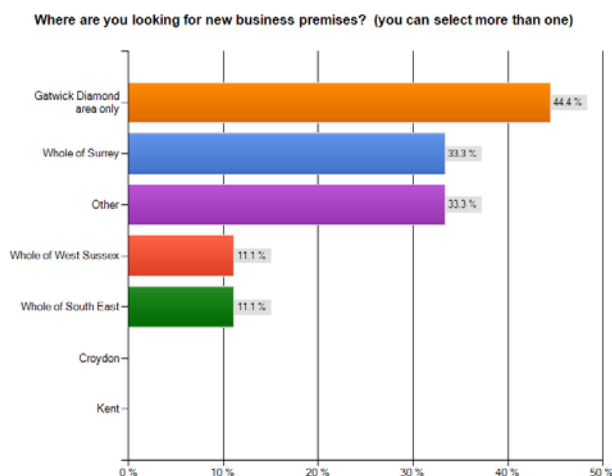
3. Review of demand drivers: business growth and expansion needs

A review of recent Gatwick Diamond business surveys points to increased confidence amongst the business community and emerging requirements for expansion.

Gatwick Diamond: Business Barometer Survey Findings (Spring 2014)

Businesses are looking for new premises seeking a range of premises types including business parks, industrial estates and town centre space.

There is evidence of continued business expansion within the Gatwick Diamond, with 53% of businesses expecting to take on new staff over the next six months, with a number of businesses indicating that they require more space to accommodate this growth. The proportion of businesses reporting expected expansion has steadily increased over the past four years, indicating that pressure on the commercial market could also be expected to increase.



The area of search for businesses looking to relocate within the Gatwick Diamond does not generally extend beyond the Gatwick Diamond and surrounding Surrey/Sussex hinterland.

The vast majority of businesses contemplating relocation are seeking conventional office accommodation, particularly within a town centre or business park location.

Surrey County Council & Surrey Connects Business Survey (January 2014)

77% of firms polled are optimistic about their prospects for expanding in the next two years, with more than three in ten already reporting annual increases in turnover or budget.

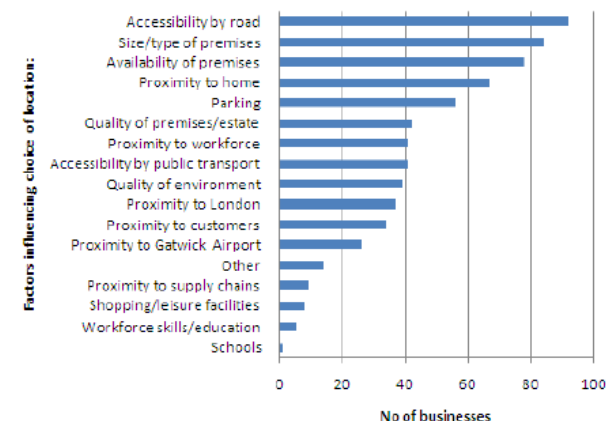
Reigate & Banstead Business Survey (Autumn 2010)

Businesses are generally positive about the future, predicting increased turnover, productivity and staffing levels, and an expanded product range.

Accessibility by road is the factor that most influences business location in the Borough, followed by size, type and availability of premises.





A number of businesses in the Borough are considering relocation, with the need for larger and more modern premises being the predominant reasons. Two thirds of businesses that are considering relocating in the next five years would like to stay in the local area.

Sixty percent of businesses that have previously been located elsewhere moved within the Borough, and two thirds of those thinking about relocating want to remain in the local area. Other locations include Croydon, Crawley, Dorking, Epsom and Guildford.



3. Review of demand drivers: comparable airports supporting employment

A review of other major UK airports indicates these locations can support large employment areas, particularly when close to large urban areas.

Birmingham	Stansted	Manchester	Heathrow
			
Passengers: 9.1 million p.a. Major Employment Areas: 130 hectares	Passengers: 20.8 million p.a. Major Employment Areas: 15 hectares	Passengers: 20.8 million p.a. Major Employment Areas: 105 hectares	Passengers: 72.4 million p.a. Major Employment Areas: 170 hectares
<p>Surrounding the airport is a range of employment sites that provide the necessary space to meet a diversity of business requirements.</p> <p>This includes significant employment areas positioned to the east of the airport, which support both modern office parks and industrial estates. In addition, a large well-established employment area is located north of the airport, while Land Rover occupy a significant site to the south-west.</p> <p><i>Overall, a strong concentration of diverse and significant employment sites are found around the airport.</i></p>	<p>Although the proximate towns to the airport contain a few small business estates, no significant employment area is positioned around the airport.</p> <p>The largest commercial area outside these towns is to the south-west of the airport, where a collection of new industrial and warehousing units are located. There are also a few new office developments within relatively close proximity to the airport, but are mostly of a relatively small scale.</p> <p><i>Overall, minimal commercial uses are positioned around the airport, with no strategic employment area.</i></p>	<p>Due to the airport's location to the south of Manchester, a strong concentration of employment sites can be found in close proximity.</p> <p>The most significant collections of employment uses are located to the north and east of the airport. These employment areas include a range of established industrial estates and business parks that provide a variety of industrial, warehousing and office premises within prominent locations.</p> <p><i>Overall, several major employment areas are located around the airport, supporting a range of sectors/uses.</i></p>	<p>Immediately surrounding the airport is a range of significant employment areas that benefit from the airport's strategic connections.</p> <p>These employment sites completely surround the airport, offering space for a range of business types from headquarter offices to warehousing premises. The largest employment areas are positioned to the west and south-west of the airport.</p> <p><i>Overall, a large number of strategic employment areas are positioned in proximity to the airport benefiting from its strategic links and connections.</i></p>

Source: NLP analysis Note: passenger numbers based on 2013 Civil Aviation Authority data; employment areas based on analysis of aerial imagery.

3. Review of demand drivers: comparable airport business parks

A review of employment sites at other airport locations indicates that they vary in terms of the extent to which they meet aviation-related or general needs.

Biggin Hill



LoCATE@Biggin Hill is a cluster of mostly aviation-related businesses positioned in and around the airport.

In 2011, about half of all jobs in the business area were either directly or indirectly linked with aviation, which highlights the importance of the airport to the business estate. The most common industries in the area (i.e. both aviation and non-aviation related) are manufacturing, transport, storage, and recreation.

Overall, a large portion of demand at the site is driven by direct access to the airport or close proximity to it.

Bournemouth

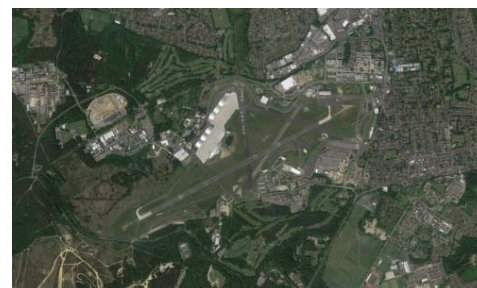


Aviation Park is located alongside the airport, and supports a range of aviation and non-aviation activities.

To capitalise on the location of the business area next to the airport, a part of the park is designated for sectors requiring direct access to it. However the site also offers space for non-aviation related office and industrial uses. The closeness to the airport is viewed as providing some profile advantages to the estate.

Overall, demand for space derives from a wide range of both aviation and non-aviation employment uses.

Farnborough



Farnborough Business Park lies adjacent to the airport, supporting a range of office, R&D, and high-tech spaces, as well as a limited number of business aviation facilities.

While there is no direct access to the airport, some occupiers do make occasional use of the airport for charter flights. However the majority of tenants do not count the proximity to the airport as a key factor.

Overall, demand at the site is driven by the good quality space provided, although the location alongside the airport does enhance the site profile.

London City



Royals Business Park is situated adjacent to the airport, supporting a range of IT firms, and financial and business services.

With the activities supported at the site not fundamentally needing an airport location, the closeness to the airport is not viewed as a key factor in firm's locational decision making. The niche role of the airport for the business area is to provide flights to a range of destinations.

Overall, demand at the site is driven by other factors and is not affected by the close proximity to the airport.

More Aviation Related

Less Aviation Related

Source: NLP analysis

3. Review of demand drivers: overall conclusions

An analysis of economic growth and property market demand drivers identifies a clear rationale for additional strategic employment space in the Gatwick Diamond.

The economic credentials of the Gatwick Diamond are strong and the sub-region is home to a range of growth sectors which are expected to deliver significant levels of new employment and economic output over the coming years. The commercial property market has remained resilient and relatively buoyant but faces a key challenge to accommodate business expansion and relocation. This presents a clear opportunity for local authorities to maximise the growth potential of the Gatwick Diamond by working to ensure that this growth can be suitably accommodated. The preceding analysis can be summarised as follows:

Economic Growth Potential

Reigate & Banstead has outperformed the Gatwick Diamond in historic job growth terms, although the rate of growth is expected to slow in future. Overall the Gatwick Diamond is a high growth location which out-performs the national average and has representation in leading service and specialist manufacturing and technology sectors.

High value office-based sectors – most notably professional and financial services and real estate – continue to dominate the employment structure of both Reigate & Banstead and the Gatwick Diamond. The Borough accommodates a significant proportion of LEP growth sectors such as computing & IT services, professional services and healthcare, leaving it well placed to compete for business and investment in future.

These growth sectors are also anticipated to drive economic output in Reigate & Banstead over the plan period and beyond. In this respect, the Borough is expected to have an important role to play in supporting the core competitive advantages within the Gatwick Diamond sub-regional economy.

Property Market and Business Needs

The Gatwick Diamond represents a thriving business location and accommodates 3.8 million sq.m of commercial space split fairly evenly between office, manufacturing and warehousing space. Reigate & Banstead's share is equivalent to around 16% of this and the largest of all Surrey districts in the Gatwick Diamond. The Borough recorded the highest level of office space growth in the last 12 years of all Gatwick Diamond districts.

The commercial property market in the Gatwick Diamond is relatively insular and self-contained and framed around the key London to Brighton and A23/M23 market corridors. The majority of existing employment sites are of a modest scale and serve the needs of local businesses, with the exception of Manor Royal in Crawley. Industrial occupiers represent the key driver of demand for commercial space in the Gatwick Diamond. However, limited new development in recent years has restricted supply and resulted in a lack of space for expansions and relocations and a risk that occupiers become displaced as space becomes increasingly constrained in future. Feedback suggests the Diamond is reaching a critical tipping point.

Recent business surveys indicate that local firms are actively seeking expansion opportunities, and many want to remain in the Gatwick Diamond. Proximity to Gatwick Airport is an important (but not critical) factor for many, and this reflects the fact that employment sites at airport locations tend to vary in terms of being specifically aviation-related or meeting general business needs.

Structure

1 Background and methodology

2 Baseline review

3 Review of demand drivers

4 Location factors and site parameters

5 Conclusions and implications

Appendix 1

4. Location factors and site parameters: introduction

This section draws together the earlier analysis to translate the assessment of economic and market potential into potential employment site requirements. In doing so, it considers two overarching questions:

What type of strategic employment site is required?

The preceding sections have identified the policy basis and rationale for supporting strategic employment growth in the Gatwick Diamond and more specifically within Reigate & Banstead. The economic growth potential and property market has also been analysed to assess the type and scale of demand that might exist, and the particular sectors that are forecast to drive future growth.

This section builds on this analysis to consider:

1. what is the purpose of designating a strategic employment site from a planning policy perspective?
2. what does market feedback suggest for the role of a potential strategic site within Reigate & Banstead?
3. how would the growth sectors in Reigate & Banstead and the Gatwick Diamond translate into location/site requirements?
4. what type of strategic employment site has the greatest prospect of being delivered based on current evidence?

What attributes might a site require to be successful?

Assuming the requirements for a strategic employment site have been established, it is useful to draw upon a series of critical success factors associated with successful and attractive strategic employment sites elsewhere. This can be used to verify an optimum location for strategic employment growth in the Gatwick Diamond, and appraise the South of the Borough location with other emerging and potentially competing schemes across the sub-region.

In particular, this analysis considers:

1. What are the critical success factors and essential characteristics associated with attractive and successful strategic employment locations?
2. What type and scale of supporting infrastructure and facilities would be required to bring forward a successful strategic employment site?
3. How well would a strategic employment site within the preferred area of search score against these criteria and characteristics?
4. To what extent would it complement and/or compete with other strategic employment allocations and proposals emerging elsewhere in the Gatwick Diamond?

4. Location factors and site parameters: defining strategic sites

There is no fixed planning definition of what constitutes a “strategic site”, but a number of common purposes can be identified.

In advance of considering the specific opportunities for a strategic employment site in Reigate & Banstead, it is instructive to consider the purpose of sites of this type in planning policy terms.

The National Planning Policy Framework (NPPF) requires that the planning system should do “*everything it can to support sustainable economic growth*” (para 19). Para 21 of the NPPF details a specific requirements, including a number relevant to identification of strategic employment sites:

- *Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth.*
- **Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period.**
- *...[I]dentify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances.*
- *Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries.*

NLP has reviewed a number of other strategic site and economic development studies relating to the greater South East and identified six key policy purposes (not mutually exclusive) for designating a strategic employment site. These provide a framework for assessing the role of such an allocation in Reigate & Banstead later in this section.

1. Meeting Extra-local Objectives

A general starting point for many strategic sites is that they are available to meet needs that are more than purely local. Traditionally these might have been framed in regional terms, but are now likely to be defined in terms of Local Enterprise Partnership (LEP) or other sub-regional and functional economic market geographies. Whichever definition applies, in most contexts there is an expectation that a strategic site will serve wider business and investment (including national and international) needs than the indigenous needs arising within a specific local area. This is consistent with the NPPF definition.

2. Capacity to Meet Future Needs

One practical purpose of identifying a strategic site should be to provide future capacity for development, either through new development or potentially redevelopment/expansion, but one that is capable of being delivered (perhaps through phasing) through reasonably planning time horizons. In this way, the identification of a strategic site can serve as a statement of intent in terms of attracting private sector investment or making the case for public sector investment. This is distinct from existing established employment areas which are identified as strategic to distinguish their importance to a local economy and/or as the basis for development management.

4. Location factors and site parameters: defining strategic sites

There is no fixed planning definition of what constitutes a “strategic site”, but a number of common purposes can be identified.

3. Scale and Influence

Strategic sites can be designated in order to raise the economic profile of an area, and thereby increase economic growth and productivity. This is likely to mean a focus on high-growth business sectors and high-skilled jobs that draw from a wider labour catchment area, and potentially be characterised by leading national or international businesses. Activities are likely to be orientated towards international or national headquarter functions, or specialised activities such as R&D or high-technology manufacturing. Some planning authorities place user restrictions to control the type of activities accommodated.

4. Economic Opportunities

As referred to in the NPPF, one purpose of strategic sites can be to respond to particular economic or sector growth opportunities emerging in a particular location. These might be in response to a particular stimulus (e.g. airport, university) or industry cluster (e.g. pharmaceuticals, motorsport). This means strategic sites can support the expansion or diversification of the economic base of a location, but also provide the capacity and flexibility to respond rapidly to particular development needs such as an inward investment opportunity or expansion / consolidation of an existing business or industry.

5. Vision and Branding

Strategic site designations may be underpinned by a clear vision and other place marketing measures (e.g. branding) in order to signify a status as a ‘flagship’ investment opportunity in a particular location. The intention is often to help a site compete in the national / international marketplace, particularly if the site is not currently an established location. This can also provide a basis for a long-term development framework for the site, which sets out parameters such as a design code, range of appropriate uses and management of the site.

6. Targeting Investment

Strategic sites can act as the basis for shaping public sector interventions that align with planning policy and economic development objectives, particularly if being prioritised for delivery. This can include transport and infrastructure objectives and potential sources of funding which may be required in order to help address delivery barriers or constraints. Strategic site status may also be relevant for promoting a location to a wider audience such as the Local Enterprise Partnership, and for example when making the business case for funding bids to central government (e.g. Growth Deals).

4. Location factors and site parameters: market position

Market feedback points to the potential for a new strategic employment site in the sub-region to maintain a high quality business offer and improve the choice for occupiers.

As highlighted in section 3.0, there is a view that a gap in the market exists for new employment development in the Gatwick Diamond of the scale and influence of a strategic employment site. In identifying potential locations, specifications and market offer, there are a number of factors to consider, set out below. These factors have been identified based on discussions with commercial property agents active in the wider Gatwick Diamond area.

Location	Sector Mix / Profile	Catchment Area
<p>A strategic employment site would require a high profile location and should benefit from the Gatwick Diamond's existing transport and connectivity strengths.</p> <p>Gatwick/Crawley therefore offers a strong area of search, with the southern part of Reigate & Banstead Borough (in and around Horley) representing one of very few potential areas in the Gatwick Diamond that is not constrained by airport safeguarding and other policy restrictions such as Green Belt and AONB.</p> <p>New employment development in Horley of the scale, nature and profile of a strategic employment site is not anticipated to have a negative impact on the wider Reigate & Banstead commercial property market, but could potentially attract some Manor Royal firms (at least in the short term) through the offer of land for expansion and good quality, modern business space.</p>	<p>This should principally support the sub-region's existing strengths in industrial, distribution and knowledge-based industries. To be viable and attractive to occupiers, a strategic employment site should provide a range of flexible, mixed B class uses including:</p> <ul style="list-style-type: none">• Light/high tech industrial units• Storage and warehousing• Small scale office/business park• Plots for bespoke design and build• Ancillary provision (such as a hotel, leisure retail and health & fitness) <p>Demand is likely to be driven by occupiers seeking a highly accessible location rather than aviation and related activities. In order to support the economic objectives of the Gatwick Diamond there could be scope for a more targeted site proposition, such as a science and technology park. This would need to be supported by developing sustainable linkages with a university or science/technology research institution within reasonable proximity.</p>	<p>As a starting point, a strategic employment site should be capable of accommodating wider business needs arising from across the sub-region for which there is already latent economic and property market demand.</p> <p>Depending upon the scale and configuration, it could also provide an opportunity to capture inward investment from outside the Gatwick Diamond in a way that cannot currently be accommodated due to a restricted supply of land for new development.</p> <p>This meets the NPPF requirement to identify strategic sites for local and inward investment as well as LEP and Gatwick Diamond economic objectives to secure the investment needed to promote continued economic growth in the sub-region.</p>

4. Location factors and site parameters: potential site typologies

A number of different site typologies can be identified to reflect the potential range of growth sectors that exist within the Gatwick Diamond.

Section 3.0 identified a number of sectors in which the Gatwick Diamond, and Reigate & Banstead specifically, have potential to grow and build upon existing competitive advantage over other regions. These include advanced engineering, creative and digital media, financial and business services and some types of environmental and low carbon industries.

Alongside this, property market feedback points to an opportunity for a new strategic employment site in and around Gatwick Airport and the heart of the Gatwick Diamond to accommodate the latent demand and un-met needs for well located, good quality business space.

In order to bridge this gap between demand and supply, it is critical that the right type of site and business accommodation is made available to the market. The table to the right summarises how the growth sectors (identified by the LEP and from market feedback) might translate into specific types of employment site requirements.

The types of premises required by these sectors can vary greatly with the range of different activities within each sector. However, there are certain types of sites and property products with a specific scale, form and environment, which can accommodate many of the needs of these sectors, and locations which provide the space to maximise the potential to attract mobile investment in those sectors. These include an office/business park, industrial/advanced manufacturing park, science/R&D park, airport business park, strategic logistics hub and mixed employment area.

Source: NLP analysis

Growth Potential Sector	Sector Requirements	Indicative Space Requirements	Site Typology
Creative, Digital and IT	Skilled workers Fast links to London/airport Fast broadband access Quality of life/image of location	Wide range of premises – high quality offices to small-scale studios, industrial and incubator units	<ul style="list-style-type: none"> Office/business park Mixed employment area
Advanced Engineering	Workshops for research and design Testing facilities (e.g. wind tunnels)	Wide range of premises – from small industrial flexible units to high specification B1/B2 units with high office content	<ul style="list-style-type: none"> Science/R&D park Industrial/advanced manufacturing park Mixed employment area Aviation business park
Low Carbon & Environmental Goods and Services	Reasonable links to R&D centres/ institutions Availability of skilled engineering labour Proximity to suppliers	Range of premises - from offices to B2/B8 units with large sites and ancillary office accommodation	<ul style="list-style-type: none"> Industrial/advanced manufacturing park Mixed employment area
Financial and Business Services	Access to clients/markets Availability of skilled labour High quality transport links and telecommunications Good quality of life	High quality office space at range of unit / floorspace sizes, requiring large footplates	<ul style="list-style-type: none"> Office/business park Mixed employment area
Healthcare, Medical Technology and Life Sciences	Availability of skilled labour Reasonable links to R&D centres and healthcare Institutions	Range of premises – from large laboratories and workshops to small B1/B2 units for start-ups; Larger high specification units to provide move on space	<ul style="list-style-type: none"> Science/R&D park Office/business park Mixed employment area
Logistics	Access to strategic transport routes Access to technology / e-commerce connectivity Available workforce	Large-scale high-tech B8 units on large sites for parking / storage	<ul style="list-style-type: none"> Strategic logistics hub Mixed employment area Aviation business park

4. Location factors and site parameters: assessment of site typologies

The range of site typologies have been assessed in terms of their potential to meet strategic employment needs within Reigate & Banstead and the Gatwick Diamond.

The six employment site typologies have been analysed below in terms of their key characteristics and an overall assessment of their potential to accommodate strategic employment growth in the Borough based on the current profile and market demand. This indicates that a mixed employment area is likely to have greatest potential to meet currently identified needs, followed by an office/business park and industrial/advanced manufacturing park. A science/R&D park, logistics hub and aviation business park are assessed as having lower potential and greater risk based on current market profile. This does not preclude a situation in which the Council proactively seeks a step change in the local economy or from elements of these typologies being included within a mixed employment area, but it should be noted that current evidence is less supportive of entire sites of these types being brought forward.

	Science / R&D Park	Office / Business Park	Industrial / advanced manufacturing park	Strategic logistics hub	Mixed employment area / hybrid uses	Aviation Business Park
Indicative size (ha)	20-30	20-30	20-30	60-80	40-50	50-60
Use Classes	B1a/B1b/B1c	B1a	B1c/B2	B8	B1/B2/B8	B1/B2/B8
Example sectors	Biotechnology, health, pharmaceuticals, chemical engineering	Finance and business services, information technology and media	Advanced engineering and manufacturing; aerospace, motorsport	Distribution and storage; customer fulfilment centres and e-commerce	Various	Business services, IT, advanced engineering and manufacturing; aerospace, distribution and storage
Design specification	High-quality landscaped setting; scope for separation of 'clean' uses and relevant regulatory design standards	High-quality landscaped setting; provision of car parking	Serviced plots for design and build opportunities; flexibility to accommodate supply chains	Large plots with potential for open storage and yards	Separation of uses; design code to maintain quality standards	Flexibility for airside/apron access; serviced plots for design and build opportunities
Infrastructure requirements	Proximity to university/higher education provider or research institute and/or major corporate tenant	Access to road, rail and air connections; broadband connectivity; on site amenities	Access to strategic road	Access to strategic road network; scope for 24 hour operations; broadband connectivity	On site amenities (i.e. small scale retail and leisure provision)	Proximity/direct access to airport; scope for 24 hour operations
Existing scale of market demand	Low	Medium	Medium	Medium	High	Low
Strategic policy fit	High	High	High	Low	Medium	Low
Overall assessment of potential	Low	Medium	Medium	Low	High	Low
Risk assessment against current market	High	Medium	Medium	High	Low	High

Source: NLP analysis

4. Location factors and site parameters: strategic employment site requirements

A mixed employment area is likely to have the greatest potential to meet business needs in the Gatwick Diamond, in a high profile, well connected location and targeted at those sectors in which the sub-region has existing strengths.

What type of strategic employment site might be required?

In planning policy terms, strategic employment sites can be designated for a number of purposes including providing future capacity for development, to raise the economic profile of a region, to respond to particular economic or sector growth opportunities and to provide the basis for shaping public sector interventions that align with planning policy and economic development objectives. In most cases, such sites are intended to serve business and investment needs that are generated beyond a purely local area, whereby allowing a given area to compete in the national / international marketplace.

Market feedback points to the need for a new strategic employment site in the sub-region to maintain a high quality business offer and improve the choice for current and potential future occupiers. It should benefit from a high profile location and the Gatwick Diamond's existing transport and connectivity strengths.

Demand is likely to be driven by occupiers seeking a highly accessible location rather than aviation and related activities and from those sectors in which the sub-region has existing strengths including industrial, distribution and knowledge-based industries. A strategic employment site should be capable of accommodating wider business needs arising from across the sub-region and potentially of capturing inward investment from outside the Gatwick Diamond in a way that cannot currently be accommodated.
















A number of different site typologies can be identified to reflect the potential range of growth sectors that exist within the Gatwick Diamond including advanced engineering, creative and digital media, financial and business services and some types of environmental and low carbon industries. There are certain types of sites and property products with a specific scale, form and environment, which can accommodate many of the needs of these sectors in a flexible and complementary way, such as an office/business park, industrial/advanced manufacturing park, science/R&D park and mixed employment area.

The range of site typologies have been assessed in terms of their potential to meet strategic employment needs within Reigate & Banstead and the Gatwick Diamond. A mixed employment area is likely to have greatest potential to meet currently identified needs, and to a lesser extent an office/business park and industrial/advanced manufacturing park. There could be scope to incorporate elements of more specialised typologies such as science/R&D, strategic logistics and aviation-related development within a mixed employment area, although current evidence is less supportive of entire sites of these types being brought forward.

4. Location factors and site parameters: review of competing sites

A number of strategic employment proposals are emerging across the Gatwick Diamond, largely focused upon meeting local/sub-regional needs.

Each of these proposals have been considered against a number of factors including location, scale, current policy status, intended use, timing and market positioning/profile. A mixed-use development proposed at Gatwick Green represents the most obvious competing scheme to a location within Reigate & Banstead's preferred area of search, but is currently subject to significant safeguarding restrictions and associated uncertainty.

Site/ Proposal	Size (ha)	LPA	Current Policy Status?	Identified/ Supported by LEP?	Intended Use	Timing/ Phasing	Market Positioning			Commentary
							Local	Sub - Regional	Regional	
Gatwick Green	64	Crawley	None (but subject to Gatwick Airport safeguarding)	No	B1a, B1b, B8	Unknown				Mixed-use business park also incorporating education/training space and supporting facilities/services. Potential for up to 180,000sqm of floorspace in two phases. Land is currently subject to Gatwick Airport safeguarding.
Burgess Hill Science and Technology Park	30	Mid Sussex	None, but the Council state they are willing to consider such proposals	Yes	B1a, B1b	Short-Medium				High tech research and development park promoted by the University of Brighton for sectors including biosciences and ICT. Potential for 100,000sq.m of floorspace and 2,500 new jobs
Burgess Hill Business Park (inc The Hub)	30	Mid Sussex	Proposed allocation in Submission District Plan	Yes	Mixed B	Short				Potential for 100,000sq.m of floorspace and 2,500 new jobs. Planning application for 'The Hub' has been submitted
North of Horsham	12	Horsham	Proposed allocation in Submission Local Plan	Yes	Mixed B	Medium				A new high quality business park providing up to 46,450sq.m of employment floorspace. Part of a mixed-use strategic development which includes provision of a new parkway station (through Growth Deal funding)
Toad's Hole Valley	6	Brighton & Hove	Proposed allocation in Submission City Plan Part 1	No	B1	Medium				Provision of 25,000sq.m of B1 employment floorspace as part of a mixed use development

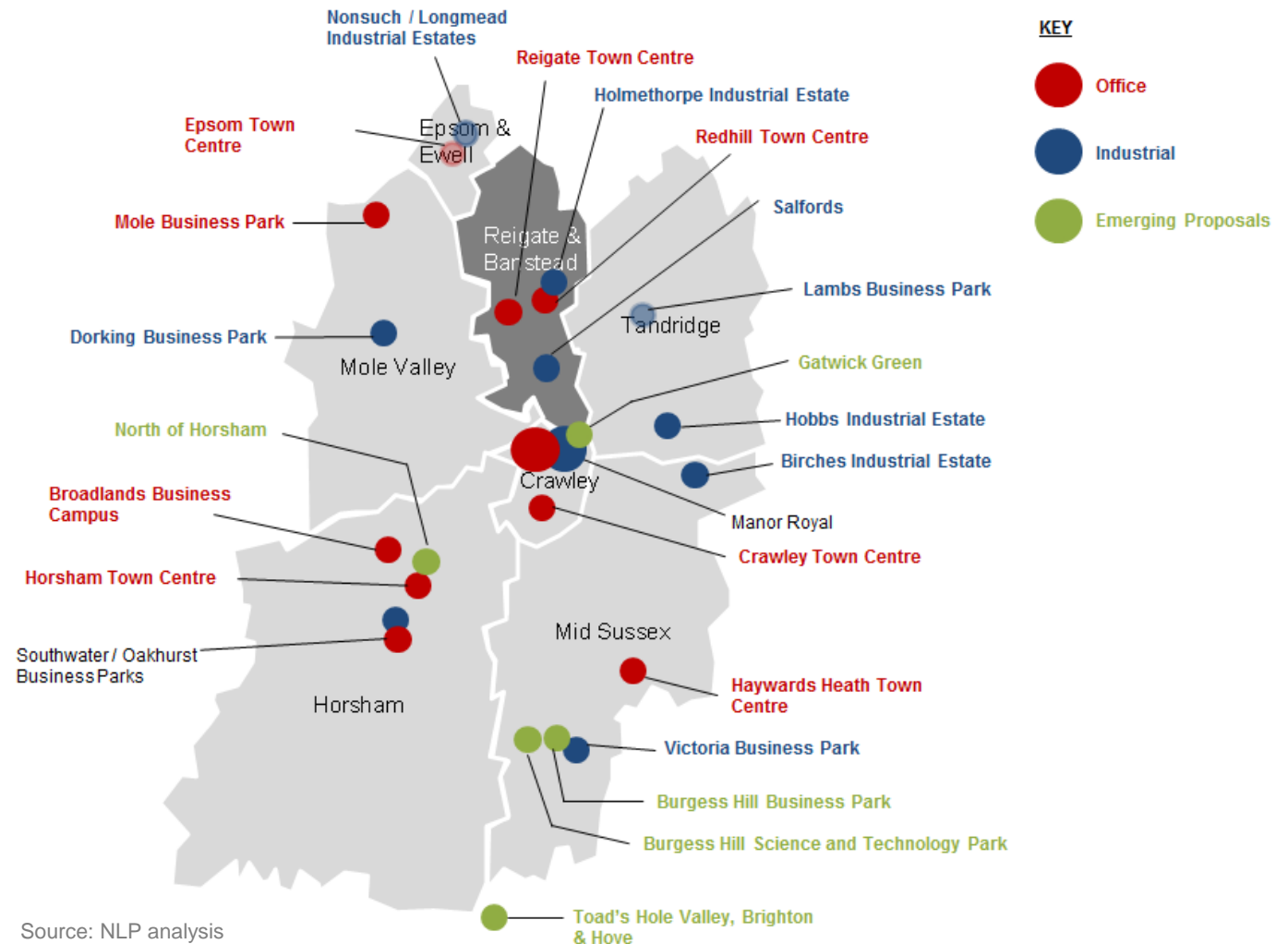
4. Location factors and site parameters: review of competing sites

Other emerging employment proposals are generally located to the south of the Gatwick Diamond area rather than centrally, benefitting less from the connectivity and market influence associated with the Airport.

Aside from Gatwick Green, these emerging allocations and schemes tend to be located across the south of the sub-region, on the edge of larger settlements including Burgess Hill, Horsham and Brighton. They therefore perform less well in terms of strategic access (such as proximity to the M23/Gatwick Airport) than the south of Reigate & Banstead.

In general, these sites are primarily intended to accommodate locally derived business needs and to a lesser extent sub-regional needs. Some are also relatively small in scale. As such they are inherently less well placed to support strategic employment growth in the Gatwick Diamond.

Whilst the possibility that these proposals (once implemented) impact upon demand for a strategic employment site in Reigate & Banstead cannot be ruled out, in reality they are anticipated to offer a different product to a different occupier base, with Gatwick Green representing the only emerging scheme that could provide genuine competition.



* Work is currently underway to explore the scope for a new science and technology park on the former Novartis site in Horsham. The Gatwick Diamond Initiative has expressed support for this proposal but it has not been considered in detail as part of this study due to the early stage nature of the proposal.

4. Location factors and site parameters: critical success factors

It is useful to draw upon a series of critical success factors and characteristics associated with attractive and successful strategic employment locations as part of any consideration of such a site in Reigate & Banstead.

A review of successful strategic employment sites elsewhere in the greater South East region points to a number of common factors which should be taken into account as part of any subsequent proposals in the South of Reigate & Banstead Borough.

Critical success factor	Why is it important?	What does it look like in practical terms?
Accessible location	To support efficient and cost effective journey times for business and staff; to provide the widest possible customer base and labour force catchment	Proximity to strategic road network and motorway junctions, airports and good public transport access (e.g. mainline train station)
Scale/size	Site needs to be capable of accommodating 'extra-local' (i.e. sub-regional and beyond) development and investment which could not reasonably be accommodated elsewhere	Typically between 20ha and 80ha in size, depending upon the typology and range of uses
Strong relationship with an existing key centre	To build upon existing business profile and critical mass of occupiers. Site can benefit from infrastructure and transport facilities already in place	Location on the edge or close to an existing town or city. Strong transport links between the site and the centre
On-site amenities	Proximity to a range of services and facilities for staff and business users. Important factor in staff attraction/retention	Could include retail, cafe/restaurants, health club/sports and leisure facilities and central locations/hubs for socialising and networking
Alignment with strategic policy	Strategic employment sites provide an important opportunity to meet strategic economic objectives in a way that existing sites and locations may be unable to (e.g. due to size/scale or profile)	Provision of premises/space for key growth or leading edge sectors that have been identified as having potential to add value and drive growth in future
Clear brand/identity	To enable the site to differentiate itself from competing schemes or locations; to provide a clear message to specific segments of the market	High quality premises and floorspace, environment and amenities that are sufficient to accommodate large scale or higher value added uses
High quality landscape/ Masterplanning	To enable the site to be attractive to leading employers and regional, national and international investors. The site should be capable of raising the profile and economic performance of the Gatwick Diamond sub-region	High quality and attractive landscape and layout, separation of uses; design code to maintain quality standards, use of eco credentials such as solar roof panels and rain water harvesting to meet corporate social responsibility objectives

4. Location factors and site parameters: area of search

Land within the south of the Borough provides an opportunity to accommodate a strategic employment site proposition, with an optimal location at south of Horley.

As noted in section 1.0, the Council has identified the 'south of the Borough' as a potential location for a strategic employment site and the Core Strategy recognises that there may be an opportunity to identify strategic employment development opportunities. No specific locations have been identified for a potential strategic employment site at the current time. However, large areas to the north and west of Horley (including the area adjoining the existing Salfords industrial estate) are designated as Green Belt with some limited extensions to Horley identified for new housing. In addition, access to these locations requires traversing the road network through the Horley urban area which would be less suited for a strategic scale of development. Areas immediately to the east of Horley are less well connected to the strategic road network and are more residential in character.

On this basis, it appears likely that the main development capacity (and hence focused area of search) relates to land between the southern edge of Horley and north of the M23 Junction 9 spur indicatively shown on the map below. This area is currently identified as countryside beyond the Green Belt and in total is estimated to provide up to 70 ha spread over a number of individual parcels of land each no larger than 25-30 ha. Taking account of the critical success factors noted previously, NLP has undertaken a high-level SWOT analysis of this location in terms of its potential suitability for a strategic employment site.

Strengths	Weaknesses
<ul style="list-style-type: none">• Immediate proximity to Gatwick Airport• Potential for access to M23 Junction 9, and close to two mainline rail stations at Horley and Gatwick Airport• High profile location with frontage onto key access routes and potential to provide a new 'gateway' to Horley.	<ul style="list-style-type: none">• Not currently allocated for development.• Proximity to residential areas to north of site, but anticipated this could be addressed through design and landscaping.• Fragmented into a number of sites (rather than a single 'large' site) which could constrain scale and size of uses.
Opportunities	Threats
<ul style="list-style-type: none">• Scope for access directly onto existing roundabout on M23 Junction 9 spur which would allow access to some land.• Relationship to existing employment areas in Horley and Salfords (Reigate & Banstead) and City Place and Manor Royal (Crawley Borough).• Future investment in strategic Brighton Mainline rail corridor	<ul style="list-style-type: none">• Some areas of land included within Flood Risk Zone 3.• Congestion at peak times on the M23 (although 'smart motorway' measures proposed to improve traffic flow.¹)• Detailed technical information is not currently available for this site.• Cost of upfront infrastructure works requires investigation













































¹ London Orbital and M23 to Gatwick route-based strategy evidence report, Highways Agency, April 2014

4. Location factors and site parameters: location appraisal

An appraisal of emerging employment proposals elsewhere against these critical success factors suggests that the south of Reigate & Banstead is comparatively well placed to capture strategic economic growth.

When compared with the intrinsic characteristics of successful sites elsewhere, the majority of emerging proposals are not considered to be genuinely capable of delivering economic growth of a strategic scale and in a location that provides the necessary strategic access and connections. A potential site in the South of Reigate & Banstead Borough represents the strongest performer across the full range of factors, after taking into account the significant deliverability barriers associated with Gatwick Green.

Site/Proposal	Critical Success Factor							Deliverability / Availability
	Accessible location/ strategic connectivity	Scale/size	Strong relationship with an existing key centre	Access to amenities	Alignment with strategic policy	Clear brand/ identity	High quality landscape/ Masterplanning	
Gatwick Green							Unknown	
Burgess Hill Science and Technology Park							Unknown	
Burgess Hill Business Park (inc The Hub)							Unknown	
North of Horsham							Unknown	
Toad's Hole Valley							Unknown	
South of Reigate & Banstead Borough/Horley							Unknown	

Source: NLP analysis

Advice on scope for a strategic employment site within Reigate & Banstead

4. Location factors and site parameters: site attributes

The south of Reigate & Banstead Borough represents an optimum location for accommodating strategic employment growth within the Gatwick Diamond.

What attributes might a site require to be successful?

A number of strategic employment proposals are emerging across the Gatwick Diamond and these have been appraised against a number of economic and market factors including location, scale, current policy status, intended use, timing and market positioning/profile.

In policy terms, these proposals are primarily intended to accommodate locally derived business needs and as such are inherently less well placed to support strategic employment growth in the Gatwick Diamond. Aside from Gatwick Green (which is currently subject to significant safeguarding restrictions and associated uncertainty), they tend to be located across the south of the sub-region and perform less well in terms of strategic access (such as proximity to the M23/Gatwick Airport) than the south of Reigate & Banstead Borough.

A review of successful strategic employment sites elsewhere in the greater South East region points to a number of common success factors which should be taken into account as part of any subsequent proposals in the South of Reigate & Banstead Borough. These include an accessible location with proximity to strategic routes, a strong relationship with an existing key centre, clear brand/identity and alignment with strategic policy.

When compared with the intrinsic characteristics of successful sites elsewhere, the majority of emerging proposals across the Gatwick Diamond are not considered to be genuinely capable of delivering economic growth of a strategic scale and in a location that provides the necessary strategic access and connections.

Within this context, land within the south of the Borough provides a genuine opportunity to accommodate a strategic employment site proposition, with an optimal location at south of Horley which appears to score well against the majority of critical success factors considered. In spatial terms, the main development capacity (and hence focused area of search) appears to relate to land between the southern edge of Horley and north of the M23 Junction 9 spur, representing an area of around 70ha (spread over a number of individual parcels of land each no larger than 30ha) currently identified as countryside beyond the Green Belt.

A high-level SWOT analysis of this location in terms of its potential suitability for a strategic employment site identifies key challenges as being its current unallocated status, proximity to residential areas to north of site, location within a flood risk zone and the fragmented nature of potential sites which could constrain scale and size of uses. Nevertheless, it provides a high profile location, proximity to Gatwick Airport and potential to provide a new 'gateway' to Horley as part of a wider regeneration strategy for the town. Given that the other emerging proposals in the Gatwick Diamond are still at a relatively embryonic stage, there appears to be a short to medium term opportunity for a strategic employment site in the south of Reigate & Banstead Borough to capture the latent demand that exists across the sub-region.

Structure

1 Background and methodology

2 Baseline review

3 Review of demand drivers

4 Location factors and site parameters

5 Conclusions and implications

Appendix 1

5. Conclusions and implications

A clear rationale has been identified for a strategic employment site in the Gatwick Diamond, with land to the south of the Borough representing a central and relatively unconstrained opportunity to accommodate growth in a planned way.

This study has been commissioned by Reigate & Banstead Borough Council to investigate the potential to accommodate a strategic employment site in the south of the Borough. This follows the adoption of the Core Strategy in 2014, and sits within the context of wider policies developed by the Coast-to-Capital LEP and Gatwick Diamond Initiative that specifically identify the location around Gatwick Area as a key asset to drive economic and business growth.

It should be noted that this study provides an initial assessment of a complex set of economic and property market issues, and further investigation of some matters will be required in due course. Whilst no specific site has been identified at the present time, the assessment has sought to verify the potential optimal location within the ambit of the Council's brief for the study.

In this context, the key conclusions are as follows:

- 1 The policy aspiration for strategic economic growth in the Gatwick Diamond has been long-standing and the economic credentials of the sub-region are strong. Reigate & Banstead in particular supports significant concentrations of key growth sectors including professional and financial services, real estate, health and computing services, leaving the Borough well placed to capture strategic economic growth in future.
- 2 Analysis of property market signals underlines the strengths of the Gatwick Diamond as a business location but also identifies a key challenge for the sub-region to be able to accommodate business expansion and relocation going forward. Market feedback points to the need to maintain a high quality business environment and improve the choice for existing and potential new occupiers. Availability levels have gradually been reducing and there is now a paucity of high quality modern accommodation suggesting that demand would exist for a new high profile strategic employment site in the Gatwick Diamond.
- 3 Demand is likely to be driven by occupiers seeking a highly accessible location and from those sectors in which the sub-region has existing strengths including industrial, distribution and knowledge-based industries. Some new sectors could also be attracted given the increasingly mobile nature of commercial investment around London. A range of different site typologies have been assessed in terms of their potential to accommodate strategic employment growth in the Gatwick Diamond, with a mixed employment area considered to have greatest potential to meet currently identified needs.
- 4 A number of strategic employment proposals are emerging across the Gatwick Diamond and each of these have been appraised against a number of critical success factors associated with well performing strategic employment sites elsewhere. The majority of emerging proposals in the Gatwick Diamond are not considered to be genuinely capable of, or focussed on delivering, economic growth of a strategic nature or scale and in a location that offers the necessary strategic access and connections.
- 5 Relatively few locations within the Gatwick Diamond have the scope and potential to accommodate large scale, strategic development, due in large part to a shortage of available land, Green Belt restrictions and local planning policy that is more focused on meeting local needs rather than a strategic proposition. Within this context, land within the south of Reigate and Banstead provides a relatively unconstrained opportunity to accommodate a strategic employment site, with an optimal location at south of Horley. In spatial terms, the main development capacity is estimated to represent around 70ha (comprising a number of individual parcels of land each no larger than 25-30ha) which although currently lacks an allocated status, provides a high profile location, proximity to Gatwick Airport and potential to provide a new 'gateway' to Horley as part of a wider regeneration strategy for the town.

Structure

- 1 Background and methodology
- 2 Baseline review
- 3 Review of demand drivers
- 4 Location factors and site parameters
- 5 Conclusions and implications

Appendix 1

Appendix 1 – Registered demand/enquiries for Gatwick Diamond business space

In February 2014, regional agents Stiles Harold Williams reported to have registered demand from 439 applicants seeking over 400,000 sq.m of business space across the Gatwick Diamond. A sample of these enquiries is included below.

- Horsham based Research company seeking 4,645 sq.m (50,000 sq.ft) warehouse/laboratory space, will consider moving North and out of the District, were under offer in Crawley (Manor Royal)
- Clients of CJ seeking 6,503 – 9,290 sq.m (70-100,000 sq.ft) offices between SW M25 down to Brighton
- Clients of CBRE seeking 3,716 – 5,574 sq.m (40-60,000 sq.ft) offices for Haywards Heath based occupier who is prepared to move from Haywards Heath because of lack of quality stock within the town
- Clients of SHW seeking 743-929 sq.m (8-10,000 sq.ft) production/office space for high value Horsham based company, will look at Crawley
- Clients of CBRE seeking 600-800 sq.m (8,000 sq.ft) for unknown client, focused on the Horsham, Crawley, Dorking Redhill area
- Brighton based occupier in the Medical industry seeking 8-1,000 sq.m (8-10,000 sq.ft) offices close to Gatwick
- Sussex Based R&D company with facilities in Horsham and elsewhere seeking 5-6,000sq m for new facility in Sussex

Source: Stiles Harold Williams, Market Appraisal on the Current and Potential Future Demand for Business Space in Horsham District, February 2014



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